

**Continuing Professional Education Committee
New Jersey State Board of Accountancy
P.O. Box 45000
Newark, NJ 07101
(973) 504-6380**

**INSTRUCTIONS FOR COMPLETING THE
CONTINUING PROFESSIONAL EDUCATION (CPE) SPONSOR'S APPLICATION**

The application for approval as a sponsor of CPE under N.J.A.C. 13:29-6 contains the following:

- (1) Instructions (CPE-1)
- (2) CPE Sponsor Agreement (CPE-2)
- (3) Outline of Sponsor's Administrative Procedures (CPE-3)
- (4) Description of Subject Areas (CPE-4)
- (5) CPE Credit Worksheet (CPE-5)

THE FEE FOR THE CPE SPONSOR APPLICATION & LICENSE IS \$150.

The CPE Committee of the NJ State Board of Accountancy has adopted a policy of entering into agreements only with sponsors who offer programs that fall within the subject areas identified in the regulations. Please read the following material carefully to determine whether your offerings, in one or more subject areas, will qualify and whether you are willing to comply with the terms of the Agreement.

It should be recognized that licensees have already attained a level of professional knowledge and possess certain technical skills. Thus, the objective of a sponsor, in presenting acceptable CPE, should be to broaden, deepen, or increase such knowledge or skills. N.J.A.C. 13:29-6.3 limits qualifying technical subject areas for CPE to the following: Accounting; Auditing, including, but not limited to, review, compilation, and attest standards; Business Law; Computer Science; Economics; Finance; Management Advisory Services; Mathematics, Statistics, etc.; SEC Practice; Taxation; and Professional Ethics. N.J.A.C. 13:29-6.4 allows certain Personal Development and Practice Management courses to qualify for CPE. Please see the enclosed Description of Subject Areas (CPE-4).

In general, studies directly associated with the development of a licensee's practice or the marketing of services shall not be accepted towards meeting New Jersey's CPE requirement.

NOTE: Per N.J.A.C. 13:29-6.6A: Accredited¹ universities and colleges, national and state professional organizations, and Federal and state government agencies that sponsor continuing professional education courses or programs, and continuing professional education sponsors registered with the National Association of State Boards of Accountancy (NASBA) shall be exempt from the requirement of submitting an application to the Board and obtaining a continuing professional education sponsor number. In order for a licensee to obtain continuing professional education credit for a course or program offered by a sponsor exempt pursuant to this regulation, the program or course shall satisfy the requirements of N.J.A.C. 13:29-6.6(a).

¹ Generally speaking, the institution must be accredited by one of the following recognized regional accrediting bodies: The Middle States Association of Colleges and Schools, The New England Association of Schools & Colleges, The North Central Association of Colleges and Schools, The Northwest Association Of Schools And Colleges, The Southern Association of Colleges and Schools, or The Western Association of Schools and Colleges.

Organizations are not required to register with the National Association of State Boards of Accountancy, unless they wish to offer credit for self-study courses per N.J.A.C. 13:29-6.5(a)4ii. Organizations that elect to register with the NJ State Board of Accountancy shall adhere to the obligations promulgated by the Board.

The following may also qualify as CPE sponsors, provided the standards of N.J.A.C. 13:29-6 are maintained:

1. In-Firm education programs of public accounting firms;
2. Correspondence and other individual self-study programs [see N.J.A.C. 13:29-6.5(a)4ii];
3. Technical meetings of professional accounting organizations designed as formal education programs [see N.J.A.C. 13:29-6.5(b)];
4. Independent sponsors of educational programs.

CPE credit should be granted in accordance with N.J.A.C. 13:29-6.7.

Instructors or discussion leaders should be CPAs or public accountants who are licensed by a public subdivision of the United States and who are in good standing, members of the faculty of an accredited college or university, or recognized authorities in the specific subject area being presented (e.g., an attorney making a presentation in business law or taxation).

Organizations that have existing and well-defined educational programs may submit, in conjunction with the CPE Credit Worksheet (CPE-5), a current catalog that identifies a sampling of courses which fit each subject area for which sponsor approval is being requested. Organizations not having such a publication must submit a detailed listing of proposed offerings with a brief description of their scope and objectives.

The Board does not authorize, in sponsor advertising or promotional materials, the use of language or terms that imply that a determination has been made on the merits or quality of a particular course or program. If your application is accepted, an endorsed copy of the CPE Sponsor Agreement (CPE-2) will be returned to you. You may then inform potential participants that such an agreement has been made or that you have been approved as a sponsoring organization.

If you are willing to comply with the terms of the CPE Sponsor Agreement, please complete and submit the following to **CPE Committee, New Jersey State Board of Accountancy, P.O. Box 45000, Newark, NJ 07101**:

- Notarized CPE Sponsor Agreement (CPE-2)
- Outline of Sponsor's Administrative Procedures (CPE-3)
- Sample Certificate of Completion
- CPE Credit Worksheet (CPE-5)
- Supporting Documents (e.g. Catalog or Promotional Material)
- Check or Money Order for \$150, payable to the N.J. State Board of Accountancy

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CONTINUING PROFESSIONAL EDUCATION SPONSOR AGREEMENT

Name of Sponsor _____

Street Address _____

City _____	State _____	Zip Code _____
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Mailing Address _____
(if different)

City _____	State _____	Zip Code _____
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Sponsor's Telephone Number _____ Fax Number _____

Sponsor's Web Address _____

Sponsor's Email Address _____

Name of CPE Administrator _____

Administrator's Phone Number _____ Fax Number _____

Administrator's Email Address _____

We plan to offer continuing professional education courses or programs to New Jersey certified public accountants, public accountants, and registered municipal accountants under N.J.A.C. 13:29-6.

Type of Organization (check one):

- a. NASBA-registered sponsor.
- b. Regionally accredited U.S. college/university or division thereof.
- c. National or state accounting organization, a local chapter thereof, or an educational foundation thereof.
- d. Accounting firm registered with the NJ State Board of Accountancy. Registration Number: 20CB00_____00
- e. Federal, state, or local government entity.
- f. National or state professional organization. Which profession? _____
- g. Law firm.
- h. Other. Describe type of organization: _____

We understand that the Board can only give licensees recognition for continuing professional education courses or programs in one or more of the subject areas listed below. We agree to clearly inform potential participants of the appropriate subject area of each course or program offered under this Agreement. We are seeking approval to offer continuing professional education in the following subject areas (check all that apply):

TECHNICAL SUBJECTS

- All
- Accounting
- Auditing
- Business Law
- Computer Science
- Economics
- Finance
- Management Advisory Services
- Mathematics, Statistics, etc.
- SEC Practice
- Taxation
- Professional Ethics

NONTECHNICAL SUBJECTS

- Personal Development
- Practice Management

We understand that studies directly associated with the development of a licensee's practice or the marketing of services shall not be acceptable as a subject to be offered for continuing professional education credit.

We agree to comply with the requirements of N.J.A.C. 13:29-6.6, 6.10-6.12, to cooperate with the Board or its designee monitoring of this Agreement, and that for each program:

1. Attendance for full sessions will be required for participants to earn credit.
2. CPE credit will be measured in accordance with N.J.A.C. 13:29-6.7.
3. Programs will be conducted by qualified instructors or discussion leaders.
4. A listing of licensees attending each program will be prepared.
5. A written outline of each program will be prepared and furnished to participants.
6. An appropriate means of evaluating each program, by both participants and instructors, will be applied.

We agree to maintain the following records for a period of five years following the date each program is presented:

1. The date and location of the presentation.
2. The name of each instructor or discussion leader and their qualifications.
3. A listing of licensees attending each presentation and the number of credits each earned and were awarded.
4. An outline of the presentation.
5. A copy of all promotional material used for each presentation.

We understand and agree that the above records, which will be located at _____, will be subject to review by the Board, and we agree to make these records available to the Board or its designee during regular business hours at the specified location. We further agree to notify the Board, in advance, of any location change of these records and to respond to any Board inquiry regarding these records prior to the expiration of the five year period.

We understand that, after approval of the Agreement by the Board, we may advise prospective participants of the subject areas in which we are authorized to provide programs, and the number of hours of credit allowable for presentations. We agree that in our advertising or notices to licensees we will not use such terms as "accredited" or "approved" or any other terms that imply that a determination has been made by the Board on the merits or quality of specific programs or courses.

We agree to cooperate with the Board in conducting the study of continuing professional education mandated by N.J.A.C. 13:29-6.

We understand and agree that, if we fail to comply with this Agreement or if we fail to substantiate the capability to offer programs, our Sponsor Agreement may be terminated by the Board and notice of such termination may be given by the Board to licensees.

Date (Signature of CPE Administrator)

(Print Sponsor Name) (Print Name & Title)

Sworn and subscribed to before me this _____
day of _____, _____.
Month Year

Affix Seal Here

Name of Notary Public (please print)

Signature of Notary Public

BOARD USE ONLY

Applicant Number _____ License Number _____

Approved By _____ Date _____

Subject Area(s) Approved: _____

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OUTLINE OF CPE SPONSOR'S ADMINISTRATIVE PROCEDURES

N.J.A.C. 13:29-6.11 requires that each applying organization present evidence of adequate resources and administrative procedures governing the conduct of continuing professional education programs. The Board may also consider those standards included in the National Association of State Board of Accountancy's Statement on Standards for Formal Continuing Education Programs in determining the acceptability of the sponsor's conduct under the Sponsor Agreement. Each of the following items (with the exception of question #2A) should be addressed fully, but concisely, on a separate sheet of paper. Deficiencies in any item, as determined by the Board, may be cause for rejection of your application or termination of your Sponsor Agreement.

1. Describe the type(s) of facilities generally used for presentation.
2. A. Which of the following delivery methods will you employ (check all that apply):

Didactic

- Live with qualified instructor (e.g., seminars, in-firm meetings, conferences, conventions)
- Group Study with qualified discussion leader
- Teleconference
- Live Webcast (See 2B.)
- Other (Explain): _____

Non-Didactic

- Videotapes
- Audiotapes
- Self-study (STOP. You must register with NASBA per N.J.A.C. 13:29-6.5(a)4ii.)

Per N.J.A.C. 13:29-6.2(a)1: "Didactic instruction" means in-person instruction and may include interactive telephonic or electronic instruction, but shall not include videotaped or audiotaped instruction.

- B. In addition to meeting all other applicable standards and requirements for a live course, a webcast must employ some type of monitoring device to verify ALL participants are participating during the duration and require a live instructor while the program is being presented. The Board requests information related to your procedures for monitoring attendance/participation during the webcast. Specifically, you should address:
 1. How do you verify who is attending/logging-in to the webcast?
 2. Pre-testing and post-testing participants
 3. Whether and how you monitor continued attendance/participation throughout the webcast: Oftentimes in an internet-based program, the instructor lacks visual advantage. Therefore, an alternative monitoring device to track "active" participation during the presentation is required. Alternative monitoring devices could include, but is not limited to, the following:
 - a. Participants could be provided a password to be entered at irregular intervals;
 - b. Simple questions could be asked and answered using the Web interface;
 - c. Feedback-oriented questions could be asked at distinct intervals.

If approved, a representative of the Board may audit one of your webcasts.

3. Indicate the factors taken into consideration in selecting the method of delivery for a continuing educational program. How are evaluation techniques altered to accommodate each distinct method of delivery?
4. Describe the procedures and criteria used for the selection of instructional staff. How is their performance evaluated? Submit a current biography or resumé for each individual who will be instructing your course(s).
5. Describe the methods used to evaluate the effectiveness and overall quality of programs. What part do participants and instructors play in the evaluation process? On what basis are programs updated or altered? What measures are taken by the sponsor to update program content to ensure that it continues to remain technically accurate?
6. Describe the procedures used for the following: (a) Registering Participants, (b) Fee Structure, and (c) Refunds, Cancellations, and Grievances. (If any of these items exist in a published format, the document(s) may be submitted in lieu of a response to this question.)
7. Provide a brief summary and outline of at least one course in each of the subject areas for which you are requesting approval. Indicate who developed the courses and how they were developed.
8. Include a sample of the certificate that is provided to participants upon completion of your program. In addition to what is enumerated in N.J.A.C. 13:29-6.11(a)5, you should include a line for your sponsor registration number.

DESCRIPTION OF SUBJECT AREAS

In accordance with N.J.A.C. 13:29-6.3 & 6.4 of the Board's regulations, credit will be granted by this office to licensees only for formal programs of learning which contribute to the technical competence, personal development, or skills and knowledge of practice management, with the exception of marketing. The major emphasis and direction of these programs must fall within the following subject areas.

Some courses may qualify for more than one of the subject categories below (e.g. auditing and specialized areas of industry). However, as a guide, the determination of a course's appropriate categorization should be derived from the primary emphasis and the predominate subject content of the course. Rulings on the classification of specific courses may be obtained from the Board, provided requests are made in writing and accompanied by detailed descriptions of the courses' contents.

TECHNICAL SUBJECTS

ACCOUNTING:

This field of study includes professional knowledge concerning generally accepted accounting principles, other comprehensive bases of accounting, the accounting process and related financial reporting. Relevant subject matter would include authoritative pronouncements on accounting principles issued by the standard-setting bodies and related subjects generally classified with the accounting discipline.

Programs offered in this subject area could include basic accounting concepts; preparation and compilation of financial statements; measurements, recognition, and presentation of specific financial statements items; and internal controls for profit and nonprofit entities.

AUDITING:

This category includes the body of knowledge that deals with the basic services of the public accountancy profession – examination and reporting on financial statements. Also included are the examination or review of internal and administrative controls, operations, and government programs.

Courses relating to audit theory and philosophy, substantive audit procedures and sampling, as well as reporting on financial statements are acceptable. Courses covering pronouncements or regulations issued by reciprocal authorities such as **AICPA**, **FASB**, **SEC** and other governmental agencies dealing with financial reporting, auditing or generally accepted accounting principles will also qualify for CPE credit.

BUSINESS LAW:

This category includes the study of fundamental aspects of the laws that pervade everyday business transactions such as the Uniform Commercial Code, contracts, and government regulation of business.

Courses and programs under this subject area could cover new credit laws and regulations, Foreign Corrupt Practices Act, bankruptcy laws and trends in business law.

COMPUTER SCIENCE:

This category includes introductory and advanced knowledge of the use of computers and computer systems in information processing. Subject matter in this area may support other services offered by practitioners.

Relevant courses could deal with hardware and software aspects of computer systems; internal control and computers; EDP audits; and computer information systems technology.

ECONOMICS:

The science that deals with the production, development and management of material wealth and the distribution and consumption of commodities.

FINANCE:

The management of money and other assets.

MANAGEMENT ADVISORY SERVICES:

This field of study deals with advisory services provided by accountants. These services involve analyzing, evaluating, designing, and controlling of any phase of activity in a business or nonprofit enterprise. Also included are other advisory areas such as personal financial planning and small business consulting.

Relevant program offerings could cover planning and control systems for segments or types of business organizations dealing with manufacturing, marketing, human resources, research and development, management information and business or personal finance.

MATHEMATICS AND STATISTICS:

Included in this category is the study of the usual topics of basic statistics such as frequency distribution, averages, probability, measures of dispersion, correlation theory and related matters. More advanced study of quantitative tools that apply to business situations would also be included.

Relevant courses could include measuring risk, audit sampling and materiality, statistical inference, and advanced techniques in sampling.

SEC PRACTICE:

Included in this category are accounting, auditing, and reporting courses that relate to Securities and Exchange Commission requirements.

Relevant study could cover SEC technical pronouncements, interpretations and regulations, investigative and enforcement activities of the SEC, and completion of regulatory forms and reports.

TAXATION:

This field of study includes local, state, Federal and international tax compliance, and tax planning for individual, businesses estates and trusts. Compliance covers tax return preparation and review, as well as Internal Revenue Service examinations, ruling requests and protests. Tax planning focuses on applying tax law to prospective transactions and understanding the tax implications of unusual or complex transactions. Recognizing alternative tax treatments and advising clients on tax-saving opportunities are also a part of tax planning.

PROFESSIONAL ETHICS:

This includes the moral quality of a course of action and the established Rules of Conduct, Fitness, and Propriety.

SPECIALIZED AREAS OF INDUSTRY:

This field of study comprises subjects relating to specialized industries, such as health care, oil and gas, banking and nonprofit organizations. An industry is defined as specialized if it has unusual forms of organization, economic structure, sources of financing, legislative or regulatory requirements, marketing or distribution systems, terminology or technology, and if it employs unique accounting principles and practices, encounters unique tax problems, requires unique advisory services, or faces unique audit issues. Programs offered that could come within this category are often identified by the title of an AICPA Industry Audit Guide and would relate to particular industries such as agriculture, apparel and textile, banking, construction, entertainment, extractive industries, health care, insurance, colleges and universities, and state and local governments.

ADDITIONAL QUALIFYING SUBJECTS**PERSONAL DEVELOPMENT:**

This includes studies which relate to the practitioner's personal skills such as speaking, writing, leadership and managing people or organizations.

CERTAIN PRACTICE MANAGEMENT:

This includes subjects such as organization structures, human resources, management, and other administrative matters, but specifically excluding the marketing of the practice organization or its services.

EXCLUDED AREAS

In general, studies directly associated with the development of the licensee's practice or the marketing of services shall not be accepted towards meeting New Jersey's continuing education requirements.

NEW JERSEY STATE BOARD OF ACCOUNTANCY
CONTINUING PROFESSIONAL EDUCATION (CPE) SPONSOR
FREQUENTLY ASKED QUESTIONS

- Q. Do I have to renew my sponsorship to continue to be an approved sponsor in New Jersey?
- A. Yes. After the license expiration date, the Board will not automatically recognize CPE offered by sponsors who do not renew their license and who are not exempt from registration pursuant to N.J.A.C. 13:29-6.6A. If the sponsor license is not renewed, you must cease and desist from using your NJ sponsor number on your CPE certificates.
- Q. Does the Board approve individual CPE courses?
- A. No. The Board approves CPE sponsors. Once a sponsor is approved, all courses will be recognized by the Board provided that the program or course satisfies the requirements of N.J.A.C. 13:29-6.6(a) and that the sponsor has received approval to offer courses in the course subject.
- Q. What is considered qualified subject matter?
- A. Refer to N.J.A.C. 13:29-6.3 and 6.4.
- Q. Which CPE courses will not be accepted as qualified subject matter?
- A. Refer to N.J.A.C. 13:29-6.4.
- Q. How does the Board gain assurance that sponsors are complying with the requirements?
- A. The Board may conduct a compliance audit of sponsors. This could consist of an onsite or offsite audit of the course records and procedures, or course content. Additionally, there is a CPE complaint hotline at the Board for licensees to report problems encountered with CPE sponsors.
- Q. Will I know if someone from the Board is performing a sponsor audit of one of my courses?
- A. Not necessarily. Board members may attend as participants as well as observers and would not identify themselves prior to or during the course offering.
- Q. How are credit hours calculated for live courses?
- A. See N.J.A.C. 13:29-6.7.
- Q. May CPE courses include a solicitation for other services that I offer?
- A. The Board feels solicitations for services are inappropriate and should not be a part of CPE sessions. Such solicitations may result in the loss of approved sponsor status.

- Q. When should participants complete sign-in at a full day course?
- A. Sign-in sheets should be circulated at the start of the morning session and at the end of the afternoon session. They should be kept on file for 5 years from the date of the session.
- Q. When should CPE certificates be issued?
- A. CPE certificates should be issued at the end of the session. Certificates for licensees who arrive late or leave early must reflect actual CPE hours earned. CPE certificates should not be left unattended for attendees to pick up during or after the session. Blank certificates should not be issued to the attendees.
- Q. What information should be displayed on the CPE certificate?
- A. In addition to what is enumerated in N.J.A.C. 13:29-6.11(a)5, the sponsor should include their registration number on the certificate.
- Q. Why is it helpful to show the New Jersey sponsor number on the CPE certificate?
- A. Licensees are required to show course sponsor numbers on certain Board inquiries.
- Q. What records must I maintain?
- A. The sponsor should maintain the following records for a period of five years following the date each program is presented:
1. The date and location of the presentation
 2. The name of each instructor or discussion leader and their qualifications
 3. A listing of licensees attending each presentation and the number of credits earned by each licensee
 4. An outline of the presentation
 5. Copies of reference and technical material used for each presentation
 6. Promotional materials, program catalogues, invitations, or other descriptive items distributed to prospective participants in advance of the program
- Q. Who determines the number of CPE credits for a self-study program?
- A. See N.J.A.C. 13:29-6.5(a)4ii.
- Q. Do I need to register with the Board as a CPE sponsor in order for NJ-licensed accountants to claim credit for my courses?
- A. Depends. Refer to N.J.A.C. 13:29-6.6(a) & 6.6A.
- Q. Where can I find the Board's CPE regulations?
- A. N.J.A.C. 13:29-6 is available at <http://www.njconsumeraffairs.gov/laws/accountancyregs.pdf>.