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NEW JERSEY ADMINISTRATIVE CODE
TITLE 13
LAW AND PUBLIC SAFETY
CHAPTER 29
NEW JERSEY STATE BOARD OF
ACCOUNTANCY

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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.

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.

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 NJ.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.

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.

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:

- 1) Application fee: \$75.00;
- 2) Initial license fee (for Certified Public Accountants and accounting firms only):
 - i) During the first year of a triennial registration period: \$135.00;
 - ii) During the second year of a triennial registration period: \$90.00;
 - iii) During the third year of a triennial registration period: \$45.00;
- 3) Triennial registration: \$135.00;
- 4) Reinstatement of license: \$ 150.00;
- 5) Late renewal fee: \$50.00;
- 6) Inactive status renewal: \$60.00;
- 7) Replacement wall certificate: \$40.00;
- 8) Replacement license: \$25.00.

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

- 1) Application fee: \$75.00.

c) Fees for Registered Municipal Accountants are as follows:

- 1) Examination fee: \$225.00;
- 2) Reexamination fee: \$175.00;
- 3) Initial license fee:

- i. During the first year of a triennial registration period: \$135.00;
 - ii. During the second year of a triennial registration period: \$90.00;
 - iii. During the third year of a triennial registration period: \$45.00;
- 4) Triennial registration: \$135.00;
 - 5) Reinstatement of license: \$150.00;
 - 6) Late renewal fee: \$50.00;
 - 7) Inactive status renewal: \$60.00;
 - 8) Replacement wall certificate: \$40.00;
 - 9) Replacement license: \$25.00.
- d) Fees for Public School Accountants are as follows:
- 1) Initial license fee: \$75.00;
 - 2) Triennial registration fee: \$75.00;
 - 3) Reinstatement of license: \$150.00;
 - 4) Late renewal fee: \$50.00;
 - 5) Inactive status renewal: \$60.00;
 - 6) Replacement license: \$25.00.
- e) Entities filing an application to become sponsors of continuing professional education shall pay a fee of \$150.00 on a triennial basis for administrative costs and evaluation of programs submitted.

13:29-1.6 NOTIFICATION OF CONVICTIONS

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

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 license. A licensee seeking reactivation of an inactive 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.

13:29-1.9 LICENSE REINSTATEMENT

- 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;
 - 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.

13:29-1.10 (RESERVED)

13:29-1.11 (RESERVED)

13:29-1.12 (RESERVED)

13:29-1.13 (RESERVED)

13:29-1.14 (RESERVED)

SUBCHAPTER 1A. EXAMINATION AND LICENSURE; FIRM REGISTRATION

13:29-1A.1 APPLICATIONS FOR EXAMINATION; APPLICANT QUALIFICATIONS

- a) An applicant for licensure as a certified public accountant shall pass the computer-based Certified Public Accountant Examination, prepared by the Board of Examiners of the American Institute of Certified Public Accountants. Applications to take the Certified Public Accountant Examination shall be made on a form approved by the Board and shall be filed with the Board or its designee.
- b) An application to take the Certified Public Accountant Examination shall not be considered filed until the applicant remits the application fee set forth in N.J.A.C.13:29-1.5 and the examination fee set forth in the application, and the applicant has satisfied the requirements set forth in N.J.A.C.13:29-1A.3.
- 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.
- d) An applicant who fails to appear for the Certified Public Accountant Examination shall forfeit all fees remitted for the application. An applicant who fails to appear shall also forfeit all fees remitted for the examination unless the applicant can demonstrate good cause for the failure to appear. Upon a demonstration of good cause, the examination fees may be applied to a future examination.
- e) The Board or its designee shall forward notification of an applicant's eligibility to take the Certified Public Accountant Examination to the National Association of State Boards of Accountancy (NASBA) National Candidate Database.

- f) Eligible applicants shall be notified at the time and place of the Certified Public Accountant Examination by the Board or its designee.

13:29-1A.2 EXAMINATION

- a) Upon approval of an examination application submitted pursuant to N.J.A.C. 13:29-1A.1, an admission card shall be sent to the applicant which shall be used for admittance to the examination room. The card shall be kept in the possession of the applicant during the Certified Public Accountant Examination and handed to a proctor at the conclusion of the applicant's examination.
- b) Applicants for the Certified Public Accountant Examination shall be given a number for identification purposes and only this number shall be used for testing purposes.
- c) The advisory grading service provided by the American Institute of Certified Public Accountants shall be utilized and, to pass the examination, an applicant shall receive a minimum grade of 75 in each test section.
- d) An applicant shall pass all four test sections of the Certified Public Accountant Examination. Upon receipt of advisory grades from the examination provider, the Board shall review and accept the examination grades and shall report the official results to the applicant.

13:29-1A.3 APPLICATIONS FOR EXAMINATION; EDUCATION AND EXPERIENCE REQUIREMENTS

- a) Applications to take the Certified Public Accountant 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 to take the Certified Public Accountant Examination shall satisfy the following educational requirements:
 - 1) An applicant shall possess a baccalaureate degree, or its equivalent, based upon a curriculum that includes a minimum of 120 semester hours and the applicant has completed at least 24 semester hours in accounting and at least 24 semester hours

in business courses (other than accounting courses). The 24 semester hours in accounting and 24 semester hours in business courses (other than accounting courses) may be completed outside of a degree program. The applicant shall possess a baccalaureate degree, or its equivalent from:

- i) A business school or college of business that has been granted accreditation by AACSB International – The Association to Advance Collegiate Schools of Business (AACSB), the Accreditation Council for 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; or
 - ii) An educational institution that has been granted 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; or
- 2) An applicant shall have completed at least 150 hours of education, including a baccalaureate or higher degree, and at least 24 semester hours in accounting and at least 24 semester hours in business courses (other than accounting courses). The 24 semester hours in accounting and 24 semester hours in business courses (other than accounting courses) may be completed either as part of a degree program or outside of a degree program. The applicant shall satisfy any one of the following conditions:
- i) The applicant has earned a graduate degree with a concentration in accounting from an accounting program or department which has been granted 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;
 - ii) The applicant has earned a graduate degree from a business school or college of business which has been granted 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;
 - iii) The applicant has earned a baccalaureate degree from a business school or college of business which has been granted 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; or

- iv) The applicant has earned a baccalaureate degree or higher from an educational institution that has been granted 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.

- c) An applicant qualifying to take the Certified Public Accountant Examination pursuant to the provisions of (b)1 above shall not be issued a license until successful completion of at least 150 semester-hours of education, as set forth in (b)2 above. The 150 semester-hours of education requirement shall not apply to an applicant who obtained a baccalaureate degree or its equivalent prior to July 1, 2000 and was qualified for licensure prior to such date.

- d) An applicant for a Certified Public Accountant's license who meets the requirements of (b) or (c) above to the Board's satisfaction shall be granted admission to sit for the Certified Public Accountant Examination.

- e) An applicant who has passed all parts of the 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 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. Experience shall be obtained in full-time regular employment based on a minimum of 1,750 hours per year. 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.

- 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.

**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 retake a failed test section(s) as permitted by the American Institute of Certified Public Accountants (AICPA) in partnership with the National Association of State Boards of Accountancy (NASBA).
- 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 validity 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.

13:29-1A.5 CREDIT TOWARDS LICENSURE FOR EDUCATION, TRAINING, AND EXPERIENCE RECEIVED WHILE SERVING AS A MEMBER OF THE ARMED FORCES

- a) An applicant who has served in the Armed Forces of the United States (Armed Forces) and who does not meet all of the training, education, and experience requirements for licensure under N.J.A.C.13:29-1A.3 may apply to the Board for recognition of the applicant's training, education, or experience received while serving as a member of the Armed Forces, which the Board shall consider, together with any training, education, and experience obtained outside of the Armed Forces, for determining substantial equivalence to the training, education, and experience required for licensure.

b) The Board shall issue a license to the applicant, if the applicant presents evidence to the Board that:

(1) The applicant has been honorably discharged from active military service;

(2) The relevant training, experience, and education the applicant received in the military, together with any training, education, and experience obtained outside of the Armed Forces, is substantially equivalent in scope and character to the training, experience, and education required for licensure under N.J.A.C. 13:29-1A.3;

i. An applicant seeking credit for military training and experience shall submit to the Board the applicant's Verification of Military Experience and Training (VMET) Document, DD Form 2586 or a successor form, as amended and supplemented.

ii. An applicant seeking credit for education courses and/or training completed while in the military shall submit to CPA Examination Services, 150 Fourth Avenue, Nashville, TN 37219, telephone 1-800-CPA EXAM (272-3926), a Joint Services Transcript of his or her education/training received while in the military for certification that this education/training is substantially equivalent in level, scope, and intent to the educational requirements set forth in N.J.A.C. 13:29-1A.3(b). For the purpose of determining substantial equivalence of the applicant's military education and/or training, the CPA Examination Services shall consider only those education courses and/or training relevant to the education coursework required for licensure by the CPA Examination Services that have been evaluated by the American Council on Education for substantial equivalence to civilian postsecondary curricula; and

(3) The applicant complies with all other requirements for licensure, including successful completion of all parts of the Certified Public Accountant Examination, as set forth in N.J.A.C. 13:29-1A.3.

c) It is the applicant's responsibility to provide timely and complete evidence of the education, training, and experience gained in the military for review and consideration.

d) If the applicant's military training, education, and experience, or a portion thereof, is not deemed to be substantially equivalent to that required for licensure, the Board shall credit whatever portion of the military training, education, or experience that is substantially equivalent towards meeting the requirements under N.J.A.C. 13:29-1A.3 for the issuance of the license.

e) Satisfactory evidence of such education, training, or experience shall be assessed on a case-by-case basis.

13:29-1A.6 (RESERVED)**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.

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 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) 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) 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).

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) Applicants who satisfy the requirements of this subchapter shall pay the initial license fee as set forth in N.J.A.C.13:29-1.5.
- b) Every successful applicant shall comply with the Rules of Professional Conduct in N.J.A.C.13:29-3.

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

13:29-2.1 APPLICATIONS; REQUIREMENTS

Every applicant for the Registered Municipal Accountant Examination shall submit to the Board a written application on a form to be provided by the Board and a two-inch by two-inch, passport photograph, front view, without a hat, taken within 30 days prior to application, provided that the applicant holds an active New Jersey Certified Public Accountant or Public Accountant license.

13:29-2.2 EXAMINATION

- a) The Registered Municipal Accountant's examination shall be held in December of each year, at a place designated by the Board. Applications shall be filed with the Executive Director of the Board by November 1 for the December examination.

- b) After the application has been approved, an admission card shall be mailed to the applicant which shall be used for admittance to the examination room. This card shall be kept in the possession of the applicant during the examinations and handed to a proctor at the conclusion of the examination.
- c) The Registered Municipal Accountant's examination shall be in writing, but this shall not bar additional examinations of such other nature as the Board may deem necessary.
- d) Examination papers are the property of the Board and shall be left with the proctors.
- e) Examination papers shall remain in the possession of the Board or its designee for a period of six months after each examination, and during the six months, any applicant may make arrangement to review the examination papers. Examination papers shall be destroyed after this six-month period has expired.
- f) Applicants for the Registered Municipal Accountant's examination shall be given a number for identification purposes and only this number shall be used on all papers.
- g) The Registered Municipal Accountant's examination shall include questions on the following:
 - 1) Theory of municipal accounting and problems in municipal accounting;
 - 2) Municipal law and finance;
 - 3) Auditing;
 - 4) Any additional related subjects as determined by the Board.
- h) Applicants shall attain a grade of 75 in order to pass the Registered Municipal Accountant's examination.
- i) The requirements in N.J.A.C.13:29-1A.7 shall apply to the administration of, and candidates for, the Registered Municipal Accountant Examination.

13:29-2.3 LICENSEE REQUIREMENTS

- a) Applicants who satisfy the requirements of this subchapter shall pay the initial license fee set forth in N.J.A.C.13:29-1.5.

- b) Applicants granted a license pursuant to this subchapter shall comply with the Rules of Professional Conduct set forth in N.J.A.C.13:29-3.

SUBCHAPTER 3. RULES OF PROFESSIONAL CONDUCT

13:29-3.1 INDEPENDENCE

- a) A licensee or a firm of which he or she is a partner, member or a shareholder shall not express an opinion on financial statements of an entity or organization in such a manner as to imply that he or she is acting as an independent public accountant with respect thereto unless he or she or his or her firm is independent with respect to such entity or organization.
- b) A person engaged in the practice of public accountancy, including a person who is not a member of the American Institute of Certified Public Accountants (AICPA), shall conform, in mind and appearance, to the independence standards established by the AICPA and the Board, and, where applicable, the U.S. Securities and Exchange Commission (SEC), the Government Accountability Office (GAO), the Public Company Accounting Oversight Board (PCAOB), and other national or international regulatory or professional standard setting bodies.

13:29-3.2 INTEGRITY AND OBJECTIVITY

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

13:29-3.3 COMPETENCE

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

13:29-3.4 FORECASTS

A licensee or the licensee's firm shall not in the performance of professional services permit the licensee's name to be used in conjunction with any forecast of future transactions in a

manner which may reasonably lead to the belief that the licensee vouches for the achievability of the forecast.

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.

13:29-3.6 ACCOUNTING PRINCIPLES

- a) A licensee or the licensee's firm shall not express an opinion that financial statements are presented in conformity with generally accepted accounting principles (GAAP) if such financial statements contain any departure from such accounting principles which has a material effect on the financial statements taken as a whole, unless the licensee can demonstrate that by reason of unusual circumstances the financial statements would otherwise have been misleading. In such a case, the licensee's report must describe the departure, the approximate effects thereof, if practicable, and the reasons why compliance with the principle would result in a misleading statement.
- b) For purposes of this rule, generally accepted accounting principles (GAAP) are considered to be defined by pronouncements issued by the Financial Accounting Standards Board (FASB) and its predecessor and successor entities and similar pronouncements issued by other entities having similar general recognized authority.

13:29-3.7 CONFIDENTIAL CLIENT INFORMATION

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

- b) This rule shall not:
- 1) Relieve a licensee of any obligations under N.J.A.C.13:29-3.5 and N.J.A.C.13:29-3.6;
or
 - 2) Affect in any way a licensee's obligation to comply with a validly issued subpoena or summons enforceable by order of a court; or
 - 3) Prohibit disclosures in the course of a quality review of a licensee's professional services; or
 - 4) Preclude a licensee from responding to any inquiry made by the Board or any investigative or disciplinary body established by law or formally recognized by the Board.
- c) Members of the Board and professional practice reviewers shall not disclose any confidential client information which comes to their attention from licensees or their firms in disciplinary proceedings or otherwise in carrying out their responsibilities, except that they may furnish such information to an investigative or disciplinary body of the kind referred to above.

13:29-3.8 CONTINGENT FEES

- a) A contingent fee is a fee established for the performance of any service pursuant to an arrangement in which no fee will be charged unless a specified finding or result is attained, or in which the amount of the fee is otherwise dependent upon the finding or result of such service.
- b) For the purposes of this section, a fee is not contingent if:
- 1) It is fixed by a court or other public authority; or
 - 2) In tax matters, it is determined based on the results of a judicial proceeding or the findings of a governmental agency.
- c) A licensee in public practice shall not receive a contingent fee for performing any professional services from a client for whom the licensee or the licensee's firm performs:
- 1) An audit or review of a financial statement;
 - 2) A compilation of a financial statement accompanied by a report; or

- 3) An examination of prospective financial information.
- d) The prohibition set forth in (c) above applies during the period in which the licensee or the licensee's firm is engaged to perform any of the services listed, and the period covered by any historical financial statements involved in the listed services.
- e) A licensee in public practice shall not receive a contingent fee for preparing an original or amended tax return or claim for a tax refund for any client.
- f) Any licensee who receives a contingent fee pursuant to this section shall comply with all applicable Federal and State securities laws, rules promulgated thereunder, and registration requirements, including, but not limited to, the Investment Advisers Act of 1940 (15 U.S.C. §§ 80b-1 et seq.), the Uniform Securities Law(1997) (N.J.S.A.49:3-47 et seq.), the Securities Act of 1933 (15 U.S.C. §§ 77a et seq.), and the Securities Exchange Act of 1934 (15 U.S.C. §§ 78a et seq.).

13:29-3.9 (RESERVED)

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) Contains other representations or implications that in reasonable probability will cause an ordinarily prudent person to misunderstand or be deceived.

13:29-3.11 SOLICITATION

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

13:29-3.12 COMMISSIONS, PERFORMANCE FEES AND REFERRAL FEES

- a) A performance fee is compensation to a licensee on the basis of a share of the capital gains upon, or the capital appreciation of, the funds or any portion of the funds of a client.
- b) A licensee in public practice shall not receive a commission or performance fee for recommending or referring to a client any product or service, or receive a commission or performance fee for recommending or referring any product or service to be supplied by a client, or receive a commission or performance fee, when the licensee or the licensee's firm also performs for that client the following:
 - 1) An audit or review of a financial statement;
 - 2) A compilation of a financial statement accompanied by a report; or
 - 3) An examination of prospective financial information.
- c) The prohibition set forth in (b) above applies during the period in which the licensee is engaged to perform any of the listed services, and the period covered by any historical financial statements involving those services.
- d) A licensee in public practice who is not prohibited by this section from performing services for or receiving a commission or performance fee and who is paid or expects to be paid a commission or performance fee shall disclose that fact to any person or entity to whom the licensee recommends or refers a product or service to which the commission or performance fee relates.

- e) Any licensee in public practice who accepts a referral fee for recommending or referring any service of a licensee to any person or entity or who pays a referral fee to obtain a client shall disclose such acceptance or payment to the client.
- f) All disclosures in (d) and (e) above shall:
 - 1) Be made in writing contemporaneously with or prior to the referral or recommendation; and
 - 2) Shall be signed and dated by the person or entity to whom the licensee makes the referral or recommendation and by the person or entity who was referred by the licensee.
- g) A licensee in public practice who is not prohibited by this section from performing services for or receiving a commission or performance fee shall comply with all applicable Federal and State securities laws, rules promulgated thereunder, and registration requirements, including, but not limited to, the Investment Advisers Act of 1940 (15 U.S.C. §§ 80b-1 et seq.), the Uniform Securities Law (1997), the Securities Act of 1933 (15 U.S.C. §§ 77a et seq.), and the Securities Exchange Act of 1934 (15 U.S.C. §§ 78a et seq.).

13:29-3.13 (RESERVED)**13:29-3.14 (RESERVED)****13:29-3.15 FIRM NAMES**

A licensee shall not practice public accountancy under a firm name which is misleading in any way, as to the legal form of the firm, or as to the persons who are partners, officers, or shareholders of the firm, or as to any matter with respect to which public communications are restricted by N.J.A.C.13:29-3.10, except that the names of one or more past partners or shareholders may be included in the firm name or its successor.

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) A copy of a tax return of the client;
 - 2) A copy of any report, or other document, issued by the licensee to or for such client;

- 3) Any accounting or other records belonging to, or obtained from or on behalf of, the client which the licensee removed from the client's premises or received for the client's account, but the licensee or the licensee's firm may make and retain copies of such documents when they form the basis for work done by the licensee; and
 - 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) A licensee or the licensee's firm shall not withhold client records for the non-payment of fees for services performed.

13:29-3.17 (RESERVED)**13:29-3.18 (RESERVED)****13:29-3.19 CODE OF PROFESSIONAL CONDUCT**

All licensees shall comply with the Code of Professional Conduct of the American Institute of Certified Public Accountants (AICPA Code of Professional Conduct), incorporated herein by reference, effective December 15, 2014 (early implementation policy), as amended and supplemented. The AICPA Code of Professional Conduct may be found at the AICPA website, www.aicpa.org. The Board's rules of professional conduct shall prevail whenever any conflict exists between this chapter and the AICPA Code of Professional Conduct.

**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**

- a) An individual whose principal place of business is not in New Jersey shall be entitled to practice as a certified public accountant in the State, consistent with the requirements of this subchapter and N.J.S.A.45:2B-50.1, without having to obtain a license, notify the Board or pay a fee, provided the individual:
 - 1) Holds a valid license as a certified public accountant from any state that the National Association of State Boards of Accountancy's (NASBA) National Qualification Appraisal Service has verified to be in substantial equivalence with the certified

- public accountant licensure requirements of the American Institute of Certified Public Accountants AICPA/NASBA Uniform Accountancy Act; or
- 2) Holds a valid license as a certified public accountant from any state that NASBA's National Qualification Appraisal Service has not verified to be in substantial equivalence with the certified public accountant licensure requirements of the AICPA/NASBA Uniform Accountancy Act, but that individual obtains from NASBA's National Qualification Appraisal Service verification that the individual's personal certified public accountant qualifications are substantially equivalent to the certified public accountant licensure requirements of the AICPA/NASBA Uniform Accountancy Act.
- b) Notwithstanding (a) above, an individual granted the practice privilege under (a) above may perform the following attest services for any entity with its home office in this State, only through a firm, which has registered with the Board under N.J.A.C.13:29-4.2(a):
- 1) A financial statement audit or other engagement to be performed in accordance with the Statements on Auditing Standards (SAS);
 - 2) An examination of prospective financial information to be performed in accordance with the Statements on Standards for Attestation Engagements (SSAE); or
 - 3) An engagement to be performed in accordance with the Public Company Accounting Oversight Board (PCAOB) Auditing Standards.
- c) In the event the license from the state of the individual's principal place of business is no longer valid, the individual practicing under the practice privilege shall cease offering or rendering professional services in this State individually and on behalf of a firm.

13:29-4.2 REGISTRATION OF FIRMS LOCATED IN OTHER STATES

- a) A firm that does not have an office in New Jersey shall register with the Board and pay the fee set forth in N.J.A.C.13:29-1.5, if the firm performs the following attest services for a client having its home office in this State:
- 1) A financial statement audit or other engagement to be performed in accordance with the Statements on; Auditing Standards (SAS);
 - 2) An examination of prospective financial information to be performed in accordance with the Statements on Standards for Attestation Engagements (SSAE); or

- 3) An engagement to be performed in accordance with the Public Company Accounting Oversight Board (PCAOB) Auditing Standards.
- b) A firm that does not have an office in New Jersey may perform compilation services or review financial statements in accordance with the Statements on Standards for Accounting and Review Services (SSARS), and may practice public accountancy, consistent with the requirements of this section, for a client having its home office in New Jersey and may use the title "Certified Public Accountant," "CPA," "Certified Public Account firm" or "CPA firm," without registering with the Board if:
- 1) The firm meets the peer review requirements of N.J.S.A.45:2B-67 and N.J.A.C. 13:29-5 and requirements applicable to firm ownership by non-licensed individuals in N.J.S.A.45:2B-54.1a; and
 - 2) The firm performs those services through an individual with practice privileges granted pursuant to N.J.A.C.13:29-4.1.
- c) A firm that does not have an office in New Jersey and that is not subject to the requirements of (a) or (b) above may perform other professional services included in the practice of public accountancy while using the title "Certified Public Accountant," "CPA," "Certified Public Account firm" or "CPA firm" in this State without registering with the Board if:
- 1) The firm performs those services through an individual with practice privileges pursuant to N.J.A.C.13:29-4.1; and
 - 2) The firm can lawfully do so in the state where those individuals with practice privileges have their principal place of business.
- d) A firm that does not have an office in New Jersey and that is required to register with the Board pursuant to (a) above shall meet the following requirements:
- 1) Services for which registration is required are performed through an individual who qualifies for the practice privilege under N.J.A.C.13:29-4.1;
 - 2) Each owner of the firm, other than a nonlicensee, shall be a certified public accountant of any state or possession of the United States or the District of Columbia in good standing, and licensed to practice public accountancy where licensed;
 - 3) There shall be a certified public accountant in the firm who has ultimate responsibility for each attest engagement. On all firm applications and renewal forms, an individual who qualifies for the practice privilege under N.J.A.C.13:29-4.1 shall be designated

as responsible and in charge of all professional matters relating to the practice of accountancy by the registered firm.

13:29-4.3 DEFINITIONS

For purposes of this subchapter, the following term shall have the following meaning, unless the context clearly indicates otherwise.

"Home office" means the location specified by the client as the address to which the services described above are directed.

SUBCHAPTER 5. PEER REVIEW PROGRAM

13:29-5.1 PURPOSE AND SCOPE

- a) Pursuant to N.J.S.A.45:2B-67, the Board establishes a Peer Review Program (Program) to monitor licensee compliance with applicable accounting and auditing standards adopted by generally recognized standard-setting bodies. The purpose of the Program is to improve the quality of financial reporting and to promote the fairness of presentation and the dependability of information on which the public relies for guidance in financial transactions, accounting and business performance. The Program shall emphasize education and rehabilitation rather than disciplinary action. Appropriate educational programs or remedial procedures shall be recommended or required where reporting does not comply with appropriate professional standards. However, when a licensee is unwilling or unable to comply with those standards, or a licensee's professional work is so inadequate as to warrant disciplinary action, the Board shall take appropriate action to protect the public interest.

- b) The rules in this subchapter shall not require any licensee or firm to become a member of any sponsoring organization.

13:29-5.2 DEFINITIONS

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

"Firm" means a sole proprietorship, a professional corporation, a partnership, a limited liability company, a limited liability partnership or any other lawful form of business organization.

"Professional Standards" mean the accounting and auditing engagements covered by the Statements on Auditing Standards (SASs); Statements on Standards for Accounting and Review Services (SSARS); Statements on Standards for Attestation Engagements (SSAES); Government Auditing Standards (the Yellow Book) issued by the U.S. Government Accountability Office; audits of non-SEC issuers performed pursuant to the standards of the Public Company Accounting Oversight Board (PCAOB) and any additional engagements defined in the Standards for Performing and Reporting on Peer Reviews promulgated by the AICPA. Professional standards also include those applicable to the audits of issuers performed pursuant to the standards of the PCAOB.

"Review or review program" means the review conducted under the Peer Review Program.

"Review year" means the one-year (12-month) period covered by the review. Engagements selected for review normally would have periods ending during the year under review.

"Special reports" means reports issued under professional standards in connection with the following: specified elements, accounts, or items of a financial statement; compliance with aspects of contractual agreements or regulatory requirements related to audited financial statements; financial presentations to comply with contractual agreements or regulatory provisions; financial information presented in prescribed forms or schedules that require a prescribed form of auditor's reports; or internal audits by a firm for a client or a governmental entity.

"Sponsoring organization" means an entity approved by the Board, pursuant to N.J.A.C. 13:29-5.3 or 5.8, to administer the review.

13:29-5.3 STANDARDS FOR PEER REVIEWS AND SPONSORING ORGANIZATIONS

- a) The Board adopts the 2009 "Standards for Performing and Reporting on Peer Reviews," promulgated by the American Institute of Certified Public Accountants (AICPA), as its minimum standards for review of firms' non-SEC issuer practices. The Standards are incorporated in this subchapter by reference, as amended and supplemented, and may be found at the AICPA website, www.aicpa.org. For public company audit firms, the Board adopts the firm inspection standards of the Public Company Accounting Oversight Board's (PCAOB) inspection process for reviewing SEC issuer practices, which are not included in the scope of peer review programs. The inspection standards are incorporated in this subchapter by reference, as amended and supplemented, and may be found at the PCAOB website, www.pcaob.org. A firm subject to the PCAOB's

inspection process is also subject to a peer review of its non-SEC issuer practice, should the firm have such a practice.

- 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) Participation in the Peer Review Program is required of each firm licensed with the Board that performs any attest service or any accounting and/or auditing engagements, including audits, reviews, compilations, forecasts, projections or special reports performed under professional standards. A firm that issues only compilations where no report is required under the Statements on Standards for Accounting and Review Services is not required to participate in the program.
- 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) Each firm required to participate under (a) above shall enroll in the Peer Review Program of an approved sponsoring organization within one year from its initial licensing date or the performance of services that require a review, whichever is earlier. The firm shall adopt the review due date assigned by the sponsoring organization, and shall notify the Board of the date within 30 days of its assignment. The firm shall schedule and begin an additional review within three years of the previous review's due date, or earlier as may be required, by the sponsoring organization. It is the responsibility of the firm to anticipate its needs for review services in sufficient time to enable the reviewer to complete the review by the assigned review due date.
- d) In the event that a firm is merged, otherwise combined, dissolved, or separated, the sponsoring organization shall determine which firm is considered the succeeding firm. The succeeding firm shall retain its peer review status and the review due date.
- e) The Board shall accept extensions granted by the sponsoring organization to complete a review, provided the Board is notified by the firm within 20 days of the date that an extension is granted.

- f) A firm that has been terminated by a sponsoring organization for whatever reason shall enroll in a program of another sponsoring organization within 30 days of being terminated. The firm shall notify the Board of the firm's enrollment in the new program within 30 days of the date of enrollment.
- g) A firm choosing to change to another sponsoring organization may do so provided that the firm authorizes the previous sponsoring organization to communicate to the succeeding sponsoring organization any outstanding corrective actions related to the firm's most recent review. Any outstanding actions shall be cleared and outstanding fees paid prior to transfer between sponsoring organizations. The firm shall notify the Board of the firm's enrollment in the new program within 30 days of the date of enrollment.
- h) An out-of-State firm practicing in this State pursuant to N.J.S.A. 45:2B-54 and 50.1 shall comply with the peer review program of the state in which the firm is licensed. If the out-of-State firm is licensed in a state that does not require peer review, the out-of-State firm shall comply with the peer review program requirements set forth in this subchapter. All out-of-State firms registered to practice in this State pursuant to N.J.S.A. 45:2B-50.1 and 54 shall submit peer review documentation as provided in N.J.A.C. 13:29-5.6 upon request of the Board.

13:29-5.5 EFFECT OF SUCCESSIVE REVIEW RATINGS OF PASS WITH DEFICIENCIES OR FAIL

- a) A firm, including a succeeding firm, that receives two consecutive review ratings of pass with deficiencies or fail in a system or engagement review or any combination thereof shall have an accelerated review within 18 months of the firm's last review.
- b) If an accelerated review results in a review rating of pass with deficiencies or fail, the Board shall conduct a review to determine whether the firm:
 - 1) May complete attest engagements for which field work has already begun. The firm may complete attest engagements for which field work has already begun only if:
 - i) Prior to issuance of any report, the engagement is reviewed and approved before it is issued by a third-party reviewer acceptable to the Board; and
 - ii) The engagement is completed within 30 days of the acceptance of the peer review report and the letter of response by the firm; or
 - 2) Shall not perform any other attest service, including any accounting and/or auditing engagements, audits, reviews, compilations (as well as compilations where no report

is required), forecasts, projections or other special reports for a period of three years or until given permission by the Board, whichever is sooner.

13:29-5.6 REPORTING TO THE BOARD

- a) A firm shall submit to the Board the following peer review documents:
 - 1) A copy of the accepted report if the firm received a peer review rating of pass;
 - 2) A copy of the accepted report and letter of response if the firm received a peer review rating of pass with deficiencies or fail; and
 - 3) A copy of any final report resulting from any inspection by the PCAOB firm inspection program together with documentation of any significant issues and findings and the firm's response.
- b) Any report or document required to be submitted pursuant to (a) above shall be filed with the Board within 30 days of receipt of the final report or document.
- c) The reviewed firm shall complete the Board's Peer Review Compliance Reporting Form. The firm shall file the form with the Board within 30 days of receipt of final acceptance of the review by the sponsoring organization.

13:29-5.7 PEER REVIEW OVERSIGHT COMMITTEE

- a) The Board shall annually appoint a standing committee to be known as the Peer Review Oversight Committee (the Committee) to assist the Board in the administration of the Peer Review Program. The Committee shall be responsible for the following:
 - 1) Monitoring sponsoring organizations to provide reasonable assurance that peer reviews are being conducted and reported on in accordance with peer review minimum standards;
 - 2) Reviewing the policies and procedures of sponsoring organization applicants as to their conformity with the peer review minimum standards; and
 - 3) Reporting to the Board on the conclusions and recommendations reached as a result of performing the functions set forth in (a)1 and 2 above.
- b) Information concerning a specific firm or reviewer obtained by the Committee during oversight activities shall be confidential, except as provided under the Open Public Records Act, N.J.S.A. 47:1A-1 et seq.

- c) The Committee shall consist of no fewer than five members, all of whom shall be holders of active licenses issued under N.J.S.A. 45:2B-42 et seq. All Committee members shall be licensed certified public accountants, licensed public accountants or registered municipal accountants. At least two Committee members shall also be current members of the Board.
- d) The Committee shall make an annual recommendation to the Board as to the continuing qualifications of a sponsoring organization as an approved sponsoring organization.

13:29-5.8 PROCEDURES FOR A SPONSORING ORGANIZATION

- a) To qualify as a sponsoring organization, an entity shall submit a peer review administration plan to the Board for review and approval. The plan of administration shall:
 - 1) Establish a program to communicate to firms participating in the peer review program the latest developments in peer review standards and the most common finding in the peer reviews conducted by the sponsoring organization;
 - 2) Establish procedures for resolving any disagreement that may arise out of the performance of a peer review;
 - 3) Establish procedures, including conducting hearings, to resolve matters that may lead to the dismissal of a firm from the peer review program;
 - 4) Establish procedures, including the conducting of hearings, to evaluate and document the performance of each reviewer for compliance with AICPA standards that may lead to the disqualification of a reviewer who does not meet the standards;
 - 5) Require the maintenance of records of peer reviews conducted under the program in accordance with the records retention rules of the AICPA; and
 - 6) Provide for periodic reports to the Board on the results of the peer review program.
- b) To qualify as a sponsoring organization, an entity shall use standards which are the same or substantially similar to those set forth in N.J.A.C. 13:29-5.3(a).

13:29-5.9 CONFIDENTIALITY

- a) Any documents submitted in accordance with the rules in this subchapter shall have deleted the name of the client, the client's address and other identifying factors, provided

that the deletion does not render the type or nature of the entity or organization undeterminable.

For example, the client name, address, or Federal identification number shall be deleted, but reference to the type of entity or organization, such as financial institution, school district or hospital shall be indicated.

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

SUBCHAPTER 6. CONTINUING PROFESSIONAL EDUCATION

13:29-6.1 SCOPE

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

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) Failure to meet triennial continuing professional education requirements may subject a licensee to disciplinary action by the Board.
- c) A licensee shall obtain the required amount of continuing professional education set forth in (a) above by the last day of the triennial renewal period. A licensee who fails to obtain the required amount of continuing professional education by the last day of the triennial renewal period shall be deemed to have failed to comply with the requirements of this subchapter. The Board may, however, in its discretion, waive requirements for continuing professional education on an individual basis for reasons of hardship, such as health, military service, or other due cause, upon written request by the licensee at least 60 days prior to the last day of the triennial renewal period then in effect. A waiver of continuing professional education requirements granted pursuant to this subsection shall be effective only for the triennial period in which such waiver is granted. If the condition(s) that necessitated the waiver persists into the next triennial period, a licensee shall apply to the Board for the renewal of such waiver for the new triennial period.
- 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) Accounting;
 - 2) Auditing, including, but not limited to, review, compilation and attest standards;
 - 3) Business law;
 - 4) Information Technology;
 - 5) Economics;

- 6) Finance;
 - 7) Management advisory services;
 - 8) Mathematics, statistics, etc.;
 - 9) SEC practice;
 - 10) Taxation; and
 - 11) Professional ethics.
- b) Any of the subjects in (a) above may be in specialized areas, such as governmental, not-for-profit organizations, film industry, real estate, and farming.
- c) Auditing, review and compilation includes the body of knowledge that deals with the basic service of the public accounting profession, that is, examination and reporting on financial statements. Also included in this area is the examination or review of internal and administrative controls, operations and government programs. Relevant program offerings could include audit theory and philosophy; generally accepted auditing standards; study and evaluation of internal control; substantive audit procedures; audit sampling; reporting on financial statements; review services; and computer and government auditing. Qualifying subject matter will include courses covering pronouncements or, regulations issued by recognized authorities, such as the PCAOB, FASB, AICPA, SEC or other government agencies (state and Federal) dealing with auditing, financial reporting, or application of generally accepted accounting principles.
- d) Subjects other than those listed in (a) above may be acceptable for continuing professional education credit if the licensee can demonstrate to the satisfaction of the Board that such subject or specific program contributes to the maintenance of the licensee's professional competence.

13:29-6.3A NEW JERSEY LAW AND ETHICS COURSE

Each applicant for triennial license renewal shall complete, during the preceding triennial period, a four credit course on New Jersey law and ethics approved by the Board pursuant to N.J.A.C.13:29-6.6(c).

13:29-6.4 OTHER QUALIFYING SUBJECTS

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

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) Continuing professional education programs of national or state professional organizations: Continuing professional education credit shall be granted at the rate of one credit for every 50 minutes of in-class participation.
 - 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.
 - 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, <https://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, <https://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 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; and
 - (4) An instructor or discussion leader who is employed as an instructor or discussion leader on a full-time basis shall not be eligible to obtain continuing professional education credit for such activities.
 - 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) Credit may be claimed for published articles and books by the authors of those works. These publications must contribute to the professional competence of accountants;
- ii) Credit shall be given for each 50-minute period of preparation time on a self-declaration basis, not to exceed 30 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 or peer review program committee 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 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) Be a formal course of learning which contributes directly to the maintenance of professional competence of a licensee;
 - 2) Be conducted by a qualified instructor or discussion leader; and
 - 3) Offer subjects enumerated in N.J.A.C.13:29-6.3 or 6.4.
- b) A continuing professional education sponsor may receive prior approval for a course of acceptable subject matter set forth in N.J.A.C.13:29-6.3 and 6.4 and be assigned a designated number of continuing professional education credits by the Board if the program sponsor provides, in writing and on a form provided by the Board, information

required by the Board to document the elements of (a) above, and, in addition thereto, certifies that the sponsor shall:

- 1) Maintain and retain accurate records of attendance for a five-year period;
 - 2) Retain a written outline of course materials for a five-year period; and
 - 3) Comply with the requirements of N.J.A.C. 13:29-6.11 relative to the responsibilities of program sponsors.
- 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) A complete course outline and course materials which shall document, at a minimum, instruction in the following areas:
 - i) The Accountancy Act of 1997, N.J.S.A.45:2B-42 et seq.;
 - ii) The rules of the New Jersey State Board of Accountancy, N.J.A.C.13:29, specifically including, but not limited to, the rules of professional conduct set forth in N.J.A.C.13:29-3;
 - iii) The Uniform Enforcement Act, N.J.S.A.45:1-7.1, 7.2, 7.3 and 18 et seq.; and
 - iv) The uniform regulations of the Division of Consumer Affairs, N.J.A.C.13:45C;
 - 2) Information documenting that the course shall be:
 - i) A formal course of learning that includes both a pre-test and a post-test, which contributes directly to the maintenance of professional competence of a licensee;
 - ii) A total of four credits; and
 - iii) Conducted by a qualified instructor or discussion leader who will provide in-person instruction, which may include telephonic or electronic instruction that is interactive, but shall not include videotaped or audio-taped instruction; and

- 3) A certification verifying that the sponsor shall:
 - i) Provide copies of the materials set forth in (c)1 above to each course attendee;
 - ii) Maintain and retain accurate records of attendance at the course for a five-year period;
 - iii) Retain a written outline of course materials for a five-year period; and
 - iv) Comply with the requirements of N.J.A.C.13:29-6.11 relative to the responsibilities of program sponsors.
- d) A continuing professional education sponsor who has qualified as a sponsor pursuant to (a) above, or has obtained prior Board approval for a course pursuant to (b) above, shall not offer courses for continuing professional education credit to any Board licensee in subject matters other than those enumerated in N.J.A.C.13:29-6.3 or 6.4. A continuing professional education sponsor who has obtained Board approval pursuant to (c) above shall not offer any New Jersey law and ethics course for continuing professional education credit to any Board licensee other than the law and ethics course approved by the Board to fulfill the four credit requirement set forth in N.J.A.C.13:29-6.2.

13:29-6.6A SPONSOR NUMBER EXEMPTIONS

- a) Accredited 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.
- b) In order for a licensee to obtain continuing professional education credit for a course or program offered by a sponsor exempt pursuant to (a) above, the program or course shall satisfy the requirements of N.J.A.C.13:29-6.6(a).

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) Unless otherwise provided, only in-class participation, not student time devoted to preparation, shall be counted toward satisfaction of the continuing professional education requirements of this subchapter.

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) For courses taken for scholastic credit in accredited universities or colleges, a certified transcript or notarized statement of appropriate school authority shall constitute evidence of satisfactory completion of the course. For non-credit courses taken, a statement of the hours of attendance signed by the instructor, shall be obtained by the licensee.
 - 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) Dates attended;
 - ii) Credits earned;
 - iii) Course title and description of content, including method of course delivery and subject area;
 - iv) Course sponsor name;
 - v) Instructor name; and
 - vi) Course location.

**13:29-6.9 CONTINUING PROFESSIONAL EDUCATION REQUIREMENTS;
RECIPROCITY**

An individual who holds a valid and unrevoked license issued by any state or other political subdivision of the United States and who receives a license to practice in New Jersey under the appropriate provisions of N.J.S.A.45:2B-42 et seq. and pursuant to N.J.A.C.13:29-1A.8 shall be required to comply with the continuing professional education requirements applicable to all other licensees.

13:29-6.10 RESPONSIBILITIES OF PROGRAM DEVELOPERS

- a) Program developers shall specify the level of knowledge to be imparted under the continuing professional education program in order to provide sufficient information to potential participants and sponsors. As an illustration, a program may be described as having the objective of imparting technical knowledge at such levels as basic, intermediate, advanced, or overview, which may be defined as follows:
 - 1) A basic level program teaches fundamental principles or skills to participants having no prior exposure to the subject area;
 - 2) An intermediate level program builds on a basic level program in order to relate fundamental principles or skills to practical situations and extend them to a broader range of applications;
 - 3) An advanced level program teaches participants to deal with complex situations; and
 - 4) An overview program enables participants to develop perspective as to how a subject area relates to the broader aspects of accounting or brings participants up-to-date on new developments in the subject area.
- b) Program developers shall clearly identify what prerequisites are suggested for enrollment. If no prerequisite is necessary, a statement to this effect shall be made. Prerequisites shall be specified in precise language so potential participants may readily ascertain whether the program would be beneficial to them or whether the program is above or below their level of knowledge or skill.
- c) Programs shall be developed by individuals qualified in the subject matter and in instructional design. An individual program developer need not be both technically competent and competent in instructional design, provided that both types of competency are represented in the program's development. Mastery of the technical knowledge or skill in instructional design may be demonstrated by appropriate experience or educational credentials.

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

13:29-6.11 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) Disclosure to prospective participants: The program sponsor shall disclose in advance to prospective participants the objective, prerequisites, experience level, content, required advanced preparation, teaching method, and number of continuing professional education credits involved in the program. Sponsors shall also advise participants, in advance, of courses which qualify as "auditing" pursuant to N.J.A.C. 13:29-6.3(a).
 - 2) Selection and review of instructors: The program sponsor shall select and assign qualified instructors for the continuing professional education program. Sponsors shall evaluate the performance of the program instructors at the conclusion of each program to determine the instructors' suitability to continue to serve as instructors in the future.
 - 3) Number of participants and adequacy of physical facilities: The program sponsor shall be responsible for assuring that the number of participants and the physical facilities are consistent with the teaching methods to be utilized.
 - 4) Program evaluation: Program evaluation shall be in accordance with the following:
 - i) The sponsor shall provide some means of program evaluation. Evaluations shall be solicited from both the participants and instructors. Programs shall be evaluated to determine whether:
 - (1) Objectives have been met;
 - (2) Prerequisites were necessary or desirable;

- (3) Facilities were satisfactory;
 - (4) The instructor was effective;
 - (5) Advanced preparation materials were satisfactory; and
 - (6) The program content was timely and effective.
- ii) Evaluations shall take the form of one or a combination of pretests for advanced preparation, post-tests for effectiveness of the program, questionnaires completed at the end of the program or later, or oral feedback to the instructor or sponsor. Instructors shall be informed of their performance, and sponsors shall systematically review the evaluation process to insure its effectiveness.
- 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) Dates attended;
 - ii) Credits earned;
 - iii) Course title and description of content, including method of course delivery and subject area;
 - iv) Course sponsor name;
 - v) Instructor name; and
 - vi) Course location.

13:29-6.12 SPONSOR'S FAILURE TO COMPLY WITH CONTINUING EDUCATION RESPONSIBILITIES

Failure of a sponsor to comply with the requirements for continuing professional education programs, as set forth in N.J.A.C.13:29-6.6, and responsibilities of program sponsors, as set forth in N.J.A.C.13:29-6.11, may result in the suspension of the preapproved status for programs offered by the sponsor.

13:29-6.13 (RESERVED)