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RULE PROPOSALS

LAW AND PUBLIC SAFETY

DIVISION OF CONSUMER AFFAIRS

NEW JERSEY STATE BOARD OF ACCOUNTANCY

40 N.J.R. 593(a)

Proposed Amendments: *N.J.A.C. 13:29-6.2, 6.3, 6.5, 6.6, 6.7 and 6.9 through 6.13*

Proposed New Rule: *N.J.A.C. 13:29-6.6A*

Proposed Repeal: *N.J.A.C. 13:29-6.8*

[Click here to view Interested Persons Statement](#)

Credit-Hour Requirements; Qualifying Technical Subjects; Continuing Professional Education Programs and Other Sources of Continuing Professional Education Credit; Criteria for Continuing Professional Education Sponsors; Sponsor Number Exemptions; Credit-Hour Calculations; Reporting of Continuing Education Credit Hours; Retention of Continuing Professional Education Records; Continuing Professional Education Requirements; Reciprocity; Responsibilities of Program Developers; Responsibilities of Program Sponsors; Sponsor's Failure to Comply with Continuing Education Responsibilities

Authorized By: New Jersey State Board of Accountancy, William Mandeville, Executive Director.

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

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2008-21.

Submit comments by March 22, 2008 to:
William Mandeville, Executive Director
New Jersey State Board of Accountancy
124 Halsey Street
P.O. Box 45000
Newark, New Jersey 07101

The agency proposal follows:

Summary

The New Jersey State Board of Accountancy is proposing various amendments to its rules concerning a licensee's continuing professional education obligations. *N.J.A.C. 13:29-6.2* currently requires, consistent with the statutory requirement set forth in the Accountancy Act at *N.J.S.A. 45:2B-68*, that licensees complete 120 hours of continuing professional education per triennial renewal period. The Board is proposing to amend *N.J.A.C. 13:29-6.2(a)* to require that a minimum of 60 hours of the required 120 hour total be obtained through didactic or in-person instruction. The didactic instruction may include interactive telephonic or electronic instruction, but cannot include videotape or audiotape instruction. The Board believes that requiring licensees to obtain at least one-half of the 120 credit hours of continuing professional education in didactic courses or programs will enhance the overall quality of the continuing education that licensees receive by ensuring valuable personal interaction with instructors. This proposed amendment would go into effect for the triennial licensing period beginning on January 1, 2009, and would apply to all subsequent renewal periods.

The Board is also proposing to amend *N.J.A.C. 13:29-6.2(c)* to provide that licensees must complete their 120 hours of continuing professional education by the last day of the triennial renewal period. A licensee who fails to obtain the 120 hours by the last day of the renewal period will be deemed to have failed to comply with the Board's continuing professional education requirements. The Board is also proposing to clarify the current requirements in *N.J.A.C. 13:29-6.2(c)* concerning continuing professional education waiver requests. The proposed amendment provides that a licensee's request to waive continuing professional education requirements must be submitted in writing at least 60 days prior to the last day of the renewal period.

The Board is also proposing to amend *N.J.A.C. 13:29-6.2(d)* to clarify the exemption from continuing professional education currently provided in the rule for newly licensed accountants. The proposed amendment clarifies that a licensee shall not be required to satisfy the 120 hour continuing professional education requirement for the initial renewal of his or her license, but will be required to satisfy this requirement for all subsequent renewals of the license. The Board believes the proposed amendment accurately reflects the continuing professional education exemption provided to such licensees in the Accountancy Act at *N.J.S.A. 45:2B-68c*. In addition, the Board is proposing to further amend *N.J.A.C. 13:29-6.2(d)* to require new licensees to take an orientation course within six months of becoming licensed by the Board. The Board is proposing this amendment in response to the recent passage of P.L. 2007, c. 70, which became effective on April 30, 2007. The new law amends the Accountancy Act at *N.J.S.A. 45:2B-68* to require new licensees to complete an orientation course, in topics identified by the Board, within the first six months following licensure. Under the proposed amendment to *N.J.A.C. 13:29-6.2(d)*, new licensees will be required to take an orientation course consisting of 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*. A licensee must send a copy of the orientation course completion certificate to the Board within 30 days of taking the course.

In addition to the foregoing amendments, the Board is proposing various technical amendments to *N.J.A.C. 13:29-6.2* for clarification purposes, and is also proposing to delete the provision in *N.J.A.C. 13:29-6.2(a)* that pertains exclusively to the completion of a law and ethics course during the 2003 through 2005 renewal period, as the referenced renewal period has passed and the provision is no longer relevant.

The Board is proposing to amend *N.J.A.C. 13:29-6.3*, concerning the qualifying technical subjects in which a licensee must take a certain portion of his or her continuing professional education. The Board is proposing to amend subsection (c) of the rule to provide that courses covering pronouncements or regulations issued by the Public Company Accounting Orientation Board (known as the PCAOB) will be recognized as a qualifying technical subject.

The Board is also proposing amendments to *N.J.A.C. 13:29-6.5*, which delineate permissible sources of continuing professional education. The Board is proposing to amend *N.J.A.C. 13:29-6.5(a)*, (b) and (c) to eliminate all references in those subsections to *N.J.A.C. 13:29-6.3A*. Subsections (a), (b) and (c) establish the sources of continuing education from

which licensees may obtain credit, for example, college level courses, correspondence courses, or service as a lecturer. As written, the subsections provide that a licensee may obtain continuing professional education credit for any approved activity if the activity relates to the technical subjects delineated in *N.J.A.C. 13:29-6.3*, to the New Jersey law and ethics course delineated in *N.J.A.C. 13:29-6.3A*, or the non-technical, qualifying subjects delineated in *N.J.A.C. 13:29-6.4*. The Board believes that the inclusion of *N.J.A.C. 13:29-6.3A* in these subsections is inappropriate because the Board has determined that licensees may only satisfy the law and ethics component of their continuing education requirement by taking a Board approved course as set forth in *N.J.A.C. 13:29-6.3A*. The inclusion of *N.J.A.C. 13:29-6.3A* in the referenced subsections may lead licensees mistakenly to believe that they may obtain credits to satisfy the law and ethics requirement by engaging in permissible continuing education activities if such activities relate to law and ethics.

The Board is proposing to further amend subsections (a) and (b) of *N.J.A.C. 13:29-6.5* to include a reference to proposed new rule *N.J.A.C. 13:29-6.6A*, which is discussed below. Currently, subsections (a) and (b) permit licensees to obtain continuing professional education credit for approved activities, provided the activities meet the continuing professional education program criteria requirements set forth in *N.J.A.C. 13:29-6.6*. The proposed amendments to *N.J.A.C. 13:29-6.5(a)* and (b) would permit licensees to obtain continuing professional education credit for approved activities if the activities meet the continuing professional education program criteria set forth in either existing rule *N.J.A.C. 13:29-6.6* or in proposed new rule *N.J.A.C. 13:29-6.6A*.

The Board is proposing to amend *N.J.A.C. 13:29-6.5(a)2* to provide that a licensee will receive 15 credits of continuing professional education, instead of the current five credits, for each semester credit hour earned for university or college courses. In addition, the proposed amendments provide that a licensee will receive 15 credits of continuing professional education for each trimester credit earned, and 10 credits for each credit hour earned in a quarter. The Board believes that the proposed amendments are reasonable in light of the amount of time a licensee will expend in the completion of these college or university level courses. In light of these changes, the Board is proposing to further amend *N.J.A.C. 13:29-6.5(a)2* to provide that only accredited university or college level courses in the qualifying technical subjects set forth in *N.J.A.C. 13:29-6.3* will qualify for continuing professional education credit. The Board believes that this change is reasonable given the fact that licensees may now earn substantially more continuing professional education credit for the completion of such courses. The Board believes that such credits should only be awarded when licensees take courses in the more rigorous technical subjects identified by the Board.

The Board is also proposing amendments to the requirements for continuing professional education credits earned in correspondence and individual self study courses. Currently, under *N.J.A.C. 13:29-6.5(a)4i*, licensees may claim one-half credit for every credit awarded by the continuing education sponsor for a correspondence and individual self study course. The new provision at *N.J.A.C. 13:29-6.5(a)4ii* provides that for the triennial renewal period beginning January 1, 2009, and for all subsequent renewal periods, a licensee may obtain credit only for correspondence and individual self study courses that are offered by sponsors registered with the National Association of State Boards of Accountancy (NASBA). Since only those courses offered by NASBA-registered sponsors will be eligible for correspondence and individual self study credit, the proposed amendment will allow licensees to claim a full one credit for every 50 minutes of participation in such courses, thereby eliminating the current one-half credit limitation for these courses for the 2009-2011 renewal period and thereafter. Because the Board lacks the expertise at this time to effectively evaluate correspondence and self study program submissions and because NASBA conducts a detailed and thorough review of these courses during its sponsor registration process, the Board believes that the proposed amendment is reasonable and will help to ensure that correspondence and individual self study courses are rigorous enough to warrant the granting of full credit to Board licensees for their course participation.

The Board also proposes to amend *N.J.A.C. 13:29-6.5(a)4* to provide that beginning with the triennial renewal period that starts on January 1, 2009, and for all subsequent renewal periods, a licensee may obtain a maximum of 60 credit hours of continuing professional education in correspondence and other individual self study courses. The Board is proposing this amendment because, as noted above with respect to the proposed amendment to *N.J.A.C. 13:29-6.2(a)*, it believes that licensees will receive the greatest benefit from continuing education courses that allow them to personally interact with a live instructor.

The Board is proposing a new prohibition at *N.J.A.C. 13:29-6.5(c)1iv*, concerning the continuing education credits that may be claimed by a licensee for serving as an instructor or discussion leader. The proposed amendment prohibits a licensee who is employed as an instructor or discussion leader on a full-time basis from obtaining continuing education credits for these activities.

N.J.A.C. 13:29-6.6(c), which establishes criteria for continuing education sponsors for the New Jersey law and ethics course, is proposed to be amended to require the course to be didactic in nature. The proposed amendment will require the course to be taught by a leader who will provide in-person instruction. The instruction may include interactive telephonic or electronic instruction, but may not include videotape or audiotape instruction. In addition, the Board is proposing technical amendments to *N.J.A.C. 13:29-6.6*, including an amendment to subsection (a), which will exempt certain continuing education providers from having to obtain a sponsor number from the Board. The technical amendment at subsection (a) provides a cross-reference to new rule *N.J.A.C. 13:29-6.6A*, which the Board is proposing as part of this rulemaking. Proposed new rule *N.J.A.C. 13:29-6.6A* provides that accredited universities and colleges, national and state professional organizations, and Federal and state government agencies that sponsor continuing professional education courses or programs, as well as continuing professional education sponsors registered with NASBA, will be exempt from the requirement of submitting an application to the Board and obtaining a continuing professional education sponsor number. Subsection (b) of the proposed new rule provides, however, that in order for a licensee to obtain credit for a course or program offered by an exempt sponsor, the program or course must be a course of formal learning that contributes directly to the maintenance of a licensee's professional competency. The course or program also must be at least one credit hour in length, must be conducted by a qualified instructor, and must be offered in a qualifying subject.

The Board is also proposing an amendment to *N.J.A.C. 13:29-6.7*, concerning credit hour calculations, to permit a licensee to earn one-half credit hour of continuing education for 25 minutes of instruction or participation after a full credit hour has been earned in the course or program. The proposed amendment would allow a licensee to claim, for example, one and one-half credits of continuing education for a course or program lasting 75 minutes.

N.J.A.C. 13:29-6.8, detailing the continuing professional education course information that must be submitted by a licensee upon Board request, is proposed to be repealed. The relevant portions of the rule are proposed to be included in the Board's existing rule on continuing professional education record retention at *N.J.A.C. 13:29-6.9*, which the Board is proposing to recodify as *N.J.A.C. 13:29-6.8* at this time. The Board is proposing to amend paragraph (a)2 of recodified rule *N.J.A.C. 13:29-6.8* to provide that a licensee must retain, and submit upon request, a certificate of completion or other comparable documentation issued by the program sponsor for courses by national or state professional organizations, Federal and state government agencies, and NASBA-registered sponsors, as well as for correspondence and individual self study courses. The certificate or other documentation must include relevant information concerning the course, including course dates and location, credit hours earned, course title and a description of content, and the sponsor and instructor names. The Board is proposing to delete the current requirements in recodified rule *N.J.A.C. 13:29-6.8(a)2i* and *ii*, because evidence of correspondence and independent self study course completion is now included in paragraph (a)2. The Board is also proposing to delete the current requirements in recodified rule *N.J.A.C. 13:29-6.8(a)3* and *4* because they are duplicative of the requirements imposed upon licensees as a result of the proposed amendments to paragraph (a)2 of the rule, and on sponsors as a result of the proposed amendments to *N.J.A.C. 13:29-6.12* that are discussed below.

Existing rules *N.J.A.C. 13:29-6.10*, concerning continuing education requirements for reciprocity applicants, and *N.J.A.C. 13:29-6.11*, concerning program developer responsibilities, are proposed to be recodified as *N.J.A.C. 13:29-6.9* and *6.10*, respectively, with no changes in the text of either rule. Existing rule *N.J.A.C. 13:29-6.12*, concerning program sponsor responsibilities, is proposed to be recodified as *N.J.A.C. 13:29-6.11*, with the addition of a paragraph (a)5, which will require program sponsors to issue certificates of completion or other comparable documentation to all program participants. Consistent with the proposed amendments to *N.J.A.C. 13:29-6.8(a)2* discussed above, the sponsor's certificate or other documentation must include course dates and location, credit hours earned, course title and a description of content, and sponsor and instructor names. The Board is proposing that existing rule *N.J.A.C.*

13:29-6.13, concerning a sponsor's failure to comply with its continuing professional education responsibilities, be recodified as *N.J.A.C. 13:29-6.12* with a technical amendment.

The Board has determined that the comment period for this proposal shall be 60 days. Therefore, pursuant to *N.J.A.C. 1:30-3.3(a)5*, this proposal is excepted from the rulemaking calendar requirement.

Social Impact

The Board believes that the proposed amendments to its continuing professional education requirements will have a positive impact upon its licensees. The proposed amendments to *N.J.A.C. 13:29-6.2(c)*, concerning when continuing professional education credits must be obtained, when requests for waivers of the requirements must be submitted to the Board and in what form, and when newly licensed accountants will be required to complete the requirements, will serve to clarify licensees' obligations under the rules, allowing them to more readily comply with the requirements.

The Board believes that the proposed amendments to *N.J.A.C. 13:29-6.2(a)*, which will require licensees to obtain a minimum of 60 credits of continuing professional education through live instruction, will positively impact licensees by ensuring that licensees receive valuable personal interaction with instructors. The Board believes that such interaction will make a licensee's continuing professional education more comprehensive and well-rounded. In addition, the Board believes that the proposed amendment to *N.J.A.C. 13:29-6.5(a)4*, which will preclude licensees from claiming credit for any self study or correspondence course offered by a sponsor that has not been approved by NASBA, will similarly impact licensees by encouraging them to take only those correspondence and self study courses offered by sponsors who have undergone NASBA's rigorous review and registration process. The proposed amendment to *N.J.A.C. 13:29-6.2(c)*, which will require newly licensed accountants to complete an orientation course, may positively impact such licensees by ensuring that they are well versed in New Jersey law and ethics as they begin their professional practice in New Jersey.

The proposed amendments to *N.J.A.C. 13:29-6.5(a)2*, which increase the amount of credit that licensees may obtain for college or university level courses, the proposed amendments to *N.J.A.C. 13:29-6.5(a)4*, which allow licensees to claim a full credit for every 50 minutes of participation in self study or correspondence courses offered by NASBA-registered sponsors, and the proposed amendment to *N.J.A.C. 13:29-6.7(a)*, which will allow licensees to claim one-half credit for 25 minutes of instruction or participation after completing the first credit hour of a course or program, may positively impact licensees by permitting them to take fewer courses to satisfy the 120 credit hour requirement.

Proposed new rule *N.J.A.C. 13:29-6.6A* may have a positive impact upon the continuing professional education sponsors who will be exempt from filing an application with the Board to obtain a sponsor number. The proposed new rule may result in licensees taking more courses offered by these providers than they have in the past because many of these providers lacked Board sponsor numbers. The proposed amendments to recodified rules *N.J.A.C. 13:29-6.8(a)2* and *6.11(a)5*, which require sponsors to issue certificates of completion or other similar documentation, may have a impact upon licensees by streamlining their continuing professional education record retention obligations.

The Board believes that the substantive changes being proposed to its continuing professional education requirements may positively impact New Jersey consumers who utilize the services of Board licensees by ensuring that the quality of the continuing professional education that licensees obtain during each triennial renewal period is comprehensive and well-rounded, allowing licensees to better serve the needs of their clients.

Economic Impact

The proposed amendments to *N.J.A.C. 13:29-6.5(a)2* and *4* and *6.7(a)* may have an economic impact upon licensees. The amendments, which will increase the amount of credit that licensees may obtain for completing college or university level courses, will allow them to claim a full credit for every 50 minutes of participation in a self study or

correspondence course offered by a NASBA-registered sponsor, and will allow them to claim one-half credit for 25 minutes of instruction or participation after completing the first credit hour of a course, may allow licensees to take fewer courses and programs to satisfy the 120 credit hour requirement, resulting in a cost savings. The Board does not believe that the proposed amendments to *N.J.A.C. 13:29-6.2(a)* and *6.5(a)4*, establishing a minimum number of live credits and a maximum number of correspondence and self study credits, respectively, will have an economic impact upon licensees because the Board has not increased the total number of required credit hours a licensee must obtain in each renewal period.

Newly licensed accountants may be economically impacted as a result of the proposed amendment to *N.J.A.C. 13:29-6.2(a)*, which will require them to complete the statutorily mandated orientation course within six months of becoming licensed. The costs of these courses will vary depending on the fees charged by the individual course providers.

The proposed amendments to *N.J.A.C. 13:29-6.5(a)4*, which permit licensees to claim credit only for those self study and correspondence courses offered by NASBA-registered sponsors may have an economic impact upon sponsors of these courses that are not registered with NASBA. New Jersey licensees may take fewer of these courses than they have previously, perhaps resulting in revenue losses for these providers. Proposed new rule *N.J.A.C. 13:29-6.6A*, which exempts certain entities and organizations from obtaining a sponsor number from the Board, may positively impact exempt sponsors to the extent that these entities or organizations may experience an increase in the number of New Jersey licensees taking their courses. The proposed amendments to recodified rule *N.J.A.C. 13:29-6.11(a)5*, which will require sponsors to issue certificates of completion or other similar documentation to all course participants, may have an economic impact upon sponsors who have not issued such forms in the past.

Federal Standards Statement

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

Jobs Impact

The Board does not believe that the proposed amendments and new rule will result in the creation or the loss of jobs in the State.

Agriculture Industry Impact

The Board does not believe that the proposed amendments and new rule will have any impact on the agriculture industry of the State.

Regulatory Flexibility Analysis

Currently, the Board licenses approximately 20,000 accountants and has issued sponsor numbers to numerous providers of continuing professional education courses in the State. If Board licensees and sponsors of continuing professional education courses are considered "small businesses" within the meaning of the Regulatory Flexibility Act, *N.J.S.A. 52:14B-16* et seq., then the following analysis applies.

The proposed amendments and new rule will impose various reporting, recordkeeping and/or compliance requirements upon Board licensees and continuing professional education sponsors. These requirements are discussed in the Summary statement above.

No additional professional services will be needed to comply with the proposed amendments and new rule. The costs of compliance with the proposed amendments and new rule are discussed in the Economic Impact statement

above. The Board believes that the proposed amendments and new rule should be uniformly applied to all licensees and all continuing professional education sponsors who seek sponsor numbers from the Board in order to ensure that the continuing professional education licensees obtain will be of sufficient quality to enhance their professional practice. Therefore, no differing compliance requirements for any licensees or continuing professional education sponsors are provided based upon the size of the business.

Smart Growth Impact

The Board does not believe that the proposed amendments and new rule will have any impact upon the achievement of smart growth or upon the implementation of the State Development and Redevelopment Plan.

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

13:29-6.2 Credit-hour requirements

(a) Each applicant for a triennial license renewal is required to complete, during the preceding triennial period, 120 hours of continuing professional education, except as provided in (c) through (f) below. The types of continuing professional education programs and other sources of continuing professional education for which credit hours may be obtained are set forth in *N.J.A.C. 13:29-6.5*. The 120 hours of continuing professional education shall include at least 24 credit hours in the areas of auditing, review and compilation for [persons] **licensees** who are engaged in the practice of public [accounting or are involved with the attest function in issuing audit, review or compilation reports] **accountancy**. All applicants shall complete at least 72 credit hours of the required 120 credit hours in the technical subjects set forth in *N.J.A.C. 13:29-6.3*. All applicants shall complete four credit hours of the required 120 credit hours in the New Jersey law and ethics course set forth in *N.J.A.C. 13:29-6.3A*. The remaining 44 credit hours of the required 120 credit hours 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*. [For the triennial period commencing January 1, 2003 only, a licensee who has completed an approved law and ethics course, in addition to the required 120 hours of continuing professional education in the preceding triennial period, may apply the four credit hours in the New Jersey law and ethics course toward satisfaction of the requirements of this subsection.] **For the triennial period commencing January 1, 2009 and thereafter, a licensee shall obtain a minimum of 60 credit hours of continuing professional education through didactic instruction.**

1. For purposes of this subsection "didactic instruction" means in-person instruction and may include interactive telephonic or electronic instruction, but shall not include videotaped or audiotaped instruction.

(b) (No change.)

(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) [which] **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 [be exempt from] **not be required to satisfy** the requirements of (a) above [for the triennial period

during which he or she was initially licensed.] **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. Notwithstanding such exemption from the continuing professional education requirements for the initial renewal of his or her license, 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.**

(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. 13:29-1A.10* and *2.3*.

(f) (No change.)

13:29-6.3 Qualifying technical subjects.

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

(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) (No change.)

13:29-6.5 Continuing professional education programs and other sources of continuing professional education credit

(a) The following qualify as continuing professional education programs provided they contain the subjects enumerated in *N.J.A.C. 13:29-6.3*[, *6.3A*] and *6.4* and meet the continuing professional education program criteria requirements as set forth in *N.J.A.C. 13:29-6.6* **or 6.6A**.

1. (No change.)

2. [University] **Accredited university** or college courses **in qualifying technical subjects set forth in *N.J.A.C. 13:29-6.3* only**; Continuing professional education credit shall be granted for university or college courses in accordance with the following:

i. Applicants shall receive: [five] **15** credit hours **of** continuing professional education credit for each semester **or trimester** credit hour earned; **10 credit hours of continuing professional education credit for each credit hour earned in a quarter**; and

ii. (No change.)

3. (No change.)

4. Correspondence programs and other individual study programs: Continuing professional education credit shall be granted for correspondence programs and other individual study programs in accordance with the following:

i. The amount of credit to be allowed for approved correspondence and individual study programs, [including] **including** taped study programs, shall be recommended by the program sponsor based upon one-half the average completion time calculated by the sponsor after it has conducted appropriate "field tests." Although the program sponsor shall make recommendations concerning the number of credit hours to be granted, the number of credit hours granted shall be as determined by the Board; [and]

ii. For the triennial period commencing January 1, 2009 and thereafter, applicants shall only be granted continuing professional education credit for correspondence or individual study programs offered by sponsors who have been registered with the National Association of State Boards of Accountancy (NASBA). Credit shall be granted at the rate of one credit for every 50 minutes of correspondence and individual self study program participation; and

[ii.] **iii.** Credit for correspondence and other individual study programs shall only be given in the renewal period in which the course is completed with a successful final examination. **For the triennial renewal period commencing January 1, 2009 and thereafter, a maximum of 60 credit hours of continuing professional education may be obtained in correspondence and other individual study programs in each triennial renewal period.**

(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*[, 6.3A] 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.-3. (No change.)

(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*[, 6.3A] and 6.4.

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

i. One credit hour shall be given for each 50-minute period of service provided the discussion is one which meets the continuing professional education subject requirements of *N.J.A.C. 13:29-6.3*[, 6.3A] or 6.4. For the lecturer's, instructor's, discussion leader's, or speaker's preparation time, there shall be awarded two additional hours of continuing professional education credit for each credit hour of instruction. Requests for credit shall be accompanied by an outline of the instruction, discussion, or presentation;

ii. 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 hour 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; [and]

iii. The maximum credit given for service as an instructor, lecturer, discussion leader, or speaker shall not exceed 60 credit hours for the triennial period[.]; **and**

iv. 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.

2. (No change.)

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 which meet the following requirements:

1.-4. (No change.)

(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.-2. (No change.)

3. Comply with the requirements of *N.J.A.C. 13:29-[6.12]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. (No change.)

2. Information documenting that the course shall be:

i.-ii. (No change.)

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 audiotaped instruction;** and

3. A certification verifying that the sponsor shall:

i.-iii. (No change.)

iv. Comply with the requirements of *N.J.A.C. 13:29-[6.12]6.11* relative to the responsibilities of program sponsors.

(d) (No change.)

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 Credit-hour calculations

(a) The minimum measurement for continuing professional education credit shall be a whole credit hour. Except for those sources of continuing professional education for which another system of credit hour calculation is set forth in this subchapter, a continuing professional education credit hour shall be equivalent to 50 minutes. **One-half credit hour of continuing professional education may be earned for 25 minutes of instruction or participation after the first credit hour has been earned. For example, a course or program lasting 75 minutes shall be equal to one and one-half continuing professional education credits.**

(b) (No change.)

[13:29-6.8 Reporting of continuing education credit hours

(a) Licensees shall provide, at a time prescribed and on forms approved by the Board, a signed statement certifying that continuing professional education requirements have been satisfied and which shall include, where applicable, the following:

1. Dates attended;
2. Credit hours claimed;
3. Title of course and description of content;
4. School, firm, or organization sponsoring course;
5. Instructor;
6. Location of course;
7. Public speaking;
8. Lecturing; and
9. Discussion leader activity.

(b) Falsification of any information provided pursuant to (a) above may result in the suspension or revocation of the licenses held by the falsifier.]

13:29-[6.9]6.8 Retention of continuing professional education records

(a) A licensee shall be primarily responsible for documenting satisfaction of continuing professional education requirements. Evidence to support fulfillment of continuing professional education requirements shall be maintained for a period of five years after the completion of educational courses. Such evidence shall be subject to periodic audit by the Board. Satisfactory documentation of the necessary information, including the retention of attendance records and

written outlines, shall be accomplished as follows:

1. (No change.)

2. For courses offered by national or state professional organizations, Federal and state government agencies, and sponsors registered with the National Association of State Boards of Accountancy (NASBA), and for correspondence and [independent] 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. Credit hours 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.

[i. Acceptable evidence of the completion of a correspondence course shall be a certificate of satisfactory completion acquired by the licensee from the program sponsor.

ii. Acceptable evidence of the completion of an independent study course shall be a summary of the program material drafted by the licensee.

3. If the program sponsor retains a copy of the course materials and a record of attendance, the licensee shall maintain a record of the information listed in *N.J.A.C. 13:29-6.8(a)*. The licensee shall be responsible for determining whether or not the program sponsor retains such records. If there is a dispute concerning whether claimed activity should be granted credit and if the dispute could be resolved by the production of documented information to support the claim of the licensee, the dispute shall be resolved against the licensee if he or she fails to produce evidence sufficient to document his or her claim.

4. If the licensee determines that the program sponsor does not retain the information discussed in (a)3 above, the licensee shall maintain a record of that information and a copy of the course outline prepared by the program sponsor.]

Recodify existing *N.J.A.C. 13:29-6.10* and *6.11* as **6.9 and 6.10** (No change in text.)

13:29-[6.12]**6.11** Responsibilities of program sponsors

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

1.-4. (No change.)

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

shall be printed with the following information:

i. Dates attended;

ii. Credit hours 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-[6.13]**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-[6.12]**6.11***, may result in the suspension of the preapproved status for programs offered by the sponsor.