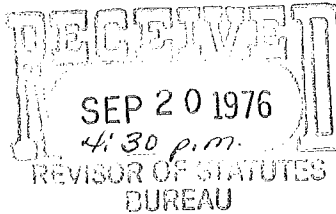


Accy 3 to 5, 7



B.L.P.

CERTIFICATE

STATE OF WISCONSIN )  
DEPARTMENT OF REGULATION AND LICENSING ) SS  
ACCOUNTING EXAMINING BOARD )

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, James B. Bower, Secretary of the Accounting Examining Board, Department of Regulation and Licensing, and custodian of the official records of said board, do hereby certify that the annexed rules and regulations and amendments to rules and regulations relating to accounting, were duly approved and adopted by this board on September 18, 1976.

I further certify that said copy has been compared by me with the original on file in this board and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the board at 1400 East Washington Avenue in the city of Madison, this 18th day of September A.D. 1976.

*James B. Bower*  
James B. Bower, Secretary

ORDER OF THE ACCOUNTING EXAMINING BOARD  
ADOPTING, AMENDING AND REPEALING RULES

Pursuant to authority vested in the Accounting Examining Board, Department of Regulation and Licensing, by section 15.08(5), Wis. Stats., the Accounting Examining Board hereby repeals, amends, and adopts rules as follows:

Sections Chapter Accy 3.01, 3.02, and 3.03 of the WISCONSIN ADMINISTRATIVE CODE are repealed.

Sections Chapter Accy 3.01, 3.02 and 3.03 of the WISCONSIN ADMINISTRATIVE CODE are adopted to read:

Accy 3.01 Examination. (1) The subjects covering the discipline of accounting in the certified public accountant examination shall be as provided in the 4 sections (5 parts) of the board of examiners of the American institute of certified public accountants uniform certified public accountant examination as follows:

Accounting Practice  
    Part I  
    Part II  
Accounting Theory  
Auditing  
Business Law

Although administered separately, the two parts of accounting practice constitute a single section of the examination. The passing grade on each section shall be 75 or higher, subject to the provisions set forth in Accy 3.03.

(2) All sections of the certified public accountant examination as described in (1) above will be given twice each year, in May and in November.

(3) Examinations will be graded by the board of examiners of the American institute of certified public accountants advisory grading service.

Accy 3.02 Education and experience. (1) Candidates to write the certified public accountant examination shall qualify under education as explained by Chapter Accy 7, Education.

(2) Candidates for the certified public accountant certificate shall qualify under experience as explained by Chapter Accy 5, Experience Evaluations.

Accy 3.03 Examination and re-examination. (1) Candidates to write the certified public accountant examination shall apply on an application form provided by the board. Applications must be complete, signed by the candidate, and be supported by the following:

(a) The appropriate fee.

(b) Two personal references attesting to the candidate's good moral character. References from relatives are not acceptable.

(c) Identification photograph properly notarized.

(d) Official transcripts for all academic work completed. The award of a bachelor's or higher degree must be reflected on one of the transcripts.

(2) Candidates will be notified by the board when their application is complete and has been accepted by the board, thus authorizing the candidate to write. Candidates will also be notified of the examination site at which the candidate is authorized to write.

(3) A candidate for the examination for the first time who passes at least 2 subjects, and whose grade on each of the remaining subjects is 50 or more, shall be conditionally credited with the subjects in which a passing grade was received, and may upon application be re-examined in the subject or subjects failed, at any 2 of the 4 semi-annual examinations next following the examination in which qualified, provided, however, that a candidate who passes 3 subjects shall be conditionally credited with the subjects passed, the grade received in the remaining subject notwithstanding.

(4) If on the first examination a candidate passes all subjects or on re-examination, the candidate passes the subjects which were failed or for which credit was not received, the candidate shall be eligible for the certified public accountant certificate, provided the other requirements of the law and these regulations are met.

(5) A candidate who fails in the remaining 2 trials to receive credit for passing grades in the remaining subjects, shall revert to the status of a new applicant, and will be required to write all subjects in the event the candidate is again a candidate.

(6) A candidate who on first examination or at any re-examination passes 2 subjects, but whose grade on any of the remaining subjects is less than 50, will not receive conditional credit for the subjects passed, and will be required to write all subjects as a new candidate. To add a subject or subjects not passed to the subjects for which conditional credit has been established, a candidate must write all parts not passed, receive a grade of at least 75 on the part or parts rewritten and to be added, and have a grade of 50 or more on any part remaining to be passed.

(7) A candidate who has failed to receive a passing grade in at least one subject may not present himself or herself for re-examination until at least one examination shall have intervened following the candidate's last examination or re-examination excepting that if any examination papers of a candidate were lost and consequently not graded and the candidate could not attend the make-up examination, the candidate may present himself or herself for re-examination at the next scheduled examination.

(8) A candidate who is absent from writing the examination while serving in the armed forces of the United States government and for six months thereafter will not be regarded as being absent when evidence of the relevant service in the armed forces is established with the board.

(9) Applicants who have completed educational requirements will be permitted to write the examinations beginning with the first examination following their graduation, but no certificate will be issued until all other requirements are met.

(10) Applicants for a certified public accountant certificate who are not residents of the State of Wisconsin, but who are otherwise qualified, shall be eligible to write the certified public accountant examination in Wisconsin. Original or reciprocal certificates shall be issued, however, only on evidence of residence or regular practice in Wisconsin, or of reliable evidence of intent to practice in Wisconsin on a continuing basis.

Section Chapter Accy 3.06(1) of the WISCONSIN ADMINISTRATIVE CODE is amended to read:

Accy 3.06 Fees. (1) Equivalency Evaluations. The fee for each equivalency evaluation of a potential or reciprocal candidate's academic course work for equivalency to that of a bachelor's or higher degree with a resident major in accounting from an institution approved and recognized by the board shall be \$15 per evaluation made. No part of the equivalency fee is refundable.

Section Chapter Accy 3.06(6) of the WISCONSIN ADMINISTRATIVE CODE is adopted to read:

(6) A candidate who has been unsuccessful in the initial examination and has had the privilege of one re-examination without payment of an additional fee in accordance with section 442.09(2), Wis. Stats., shall thereafter pay a fee of \$35 for each part written at each examination, but not in excess of \$75 for a complete writing (all parts of a May or November examination).

Section Chapter Accy 4.07 of the WISCONSIN ADMINISTRATIVE CODE is amended to read:

Accy 4.07 Reporting of non-resident partners. (1) Non-resident partners of firms registered to practice in Wisconsin, or their corporate counterparts, must be registered to practice as individuals in Wisconsin when such partner has direct responsibility and authority in the Wisconsin practice.

(2) Except as noted in (1) above, firms with a bona fide office in this state are not required to register non-resident partners, stockholders or others with an equity interest in the firm, but these must be reported in writing to the board at the time of annual registration and must be holders of certified public accountant certificates in good standing and be licensed to practice from the state or other state jurisdiction of their resident office.

Section Chapter Accy 4.11 of the WISCONSIN ADMINISTRATIVE CODE is adopted to read:

Accy 4.11 Late Registration Fee. (1) A late registration fee of \$20 for an individual and \$40 for a firm, in addition to the regular registration fee as prescribed in Accy 4.08, shall be charged to each individual and firm whose renewal registration is received after January 15 of the calendar year for which the renewal is applicable, or after 30 days from the date the individual or firm starts to practice or hold out services during a calendar year.

(2) Late registration fees shall be charged automatically and on an annual basis. For example, a practicing certified public accountant or public accountant who was required to register but did not register for a period covering three different years would be charged a late registration fee of \$20 for each of the three years, a total of \$60.

(3) Responsibility for timely registration is with the individual or firm practicing or holding out services and is not dependent on notification by

the board. If not practicing or holding out services in any complete calendar year, or to the time of registration in the year, no late registration fee or penalty is applicable, as registration is not required.

(4) Penalties provided by section 442.11, Wis. Stats., may be applicable in addition to the provision of Accy 4.11.

Sections Chapter Accy 5.01 through 5.11 of the WISCONSIN ADMINISTRATIVE CODE are renumbered to read Accy 5.02 through 5.12 respectively.

Section Chapter Accy 5.01 of the WISCONSIN ADMINISTRATIVE CODE is adopted to read:

Accy 5.01 Definitions. (1) The terms used in Chapter 442 of the Wisconsin statutes and/or in this chapter are defined as follows:

(a) Junior in public practice. A junior in public practice is a person employed as an accounting professional in a firm registered (licensed) to practice certified public accountancy. A junior in public practice receives assignments from a supervising accountant and follows audit programs and other engagement plans as directed. The junior in public practice is acquiring proficiency in performance of assigned accounting tasks and a sound knowledge and understanding of the discipline of accounting, judgment in auditing and its theory and techniques, and general competency in work performed and decisions required. A professional bearing with ethical understanding is being acquired in depth. The junior accountant is preparing for advancement to senior status through acceptance of responsibility, development of competence in accounting, tax and management advisory service matters, and meeting the technical requirements for functioning independently as a technically competent professional who is capable of performing at the level at which decisions must be made.

(b) Senior in public practice. A senior in public practice is a person employed as a professional in a firm registered (licensed) to practice certified public accountancy. A senior in public practice is one skilled in technical knowledge and qualified by experience to take charge of the field work of a medium-sized or large audit engagement, including tax and management advisory service matters and to make recommendations concerning the financial information systems and procedures. The senior is at the level of responsibility for independent decisions and must have attained high levels of knowledge, competence, and judgment in accounting matters.

Section Chapter Accy 7, Education, of the WISCONSIN ADMINISTRATIVE CODE is adopted to read:

Accy 7.01 General. (1) The purpose of this chapter is to clarify the application of section 442.04(4), Wis. Stats., as it relates to the education required to write the certified public accountant examination, to transfer examination credits from other jurisdictions, or to qualify for reciprocal qualification.

Accy 7.02 Definitions. (1) The term "approving and recognizing any such institution" relates to University of Wisconsin system schools and other reputable institutions.

(2) A "bachelor's or higher degree" refers to a degree conferred by a four-year degree-granting institution of higher education, or a graduate degree conferred by such an institution that is based on attainment at a higher subject level than required for a four-year degree. A higher degree must include within the combined bachelor's degree and higher degree the resident major in accounting as defined in (3) below.



(3) A "resident" major in accounting is a program in which at least two semesters of full-time course work, normally about 30 credits, is at the school conferring the bachelor's or higher degree. A "bachelor's" degree is normally 120 semester credits or more. A "higher" degree would be a graduate degree such as a Masters degree or Ph.D. degree. The "major in accounting" is a program of instruction consisting of the following:

(a) At least 48 semester credits presented for the degree or degrees are in areas other than business and economics. Such credits are to provide a broad foundation in liberal arts subjects, and include at least:

1. Two college-level courses in mathematics, one of which must be calculus.
2. Nine semester credits in communications (courses in subjects such as but not limited to composition, literature and speech), unless qualification in introductory college composition was established and waived by examination, in which instance only six semester credits must be included.

(b) At least 48 semester credits presented for the degree or degrees are in the areas of business and economics, and include at least:

1. A 3 semester credit course in each of the five following areas: statistics, marketing, management or organization behavior, business finance, and computer science or computers in business.

2. Six semester credits of principles of economics.

3. Six semester credits of business law.

4. Twenty-six semester credits in the following accounting discipline areas, and at least one course in each of the subjects specified:

- a. Financial accounting

(Introductory or principles of accounting, intermediate accounting or accounting theory, advanced accounting, and cost accounting)

b. Auditing, income taxation, and systems

9

(A course such as accounting systems, data processing, management information systems, or auditing II would meet the systems requirement.)

Total

26

(c) An academic standard to assure individuals accepted for the program have demonstrated potential for competent performance and practice as a professional certified public accountant. Such a standard is a performance criteria such as a minimum grade point average of 2.5 (4.0 basis) or higher in business and economic subjects measured at the start of the senior year or thereafter.

(d) Adequate course depth and extent of subject coverage, with teaching and administrative faculty with adequate qualifications and experience for the successful conduct of a professional accounting program. Under this requirement, a resident major in an accounting program leading to a bachelor's or higher degree from a degree-granting campus of a University of Wisconsin system school, is qualified by legislative intent of section 442.04(4), Wis. Stats.

Accy 7.03 Education standards applicable. (1) Prior to July 1, 1968, candidates to write the certified public accountant examination for the first time were required to have completed at least a four-year high school course of study or have received an equivalent education, the value of equivalents to be determined by the board.

(2) Effective July 1, 1968, through May 6, 1976, candidates to write the certified public accountant examination for the first time were required to submit a bachelor's or higher degree from a reputable institution approved and recognized by the board as having standards and training substantially equivalent to those of the school of commerce of the University of Wisconsin-Madison for a resident major in accounting.

Reputable institutions approved and recognized by the examining board, date of recognition, and the applicable major in accounting recognized were as follows:

<u>Institution</u>	<u>Date of Recognition</u>	<u>Recognized Major</u>
Marquette University	11-01-65	Accounting Major
University of Wisconsin-Eau Claire	06-01-68	Comprehensive Accounting Major
University of Wisconsin-Madison	11-01-65	Accounting Major
University of Wisconsin-Milwaukee	11-01-65*	Accounting Major
University of Wisconsin-Oshkosh	06-01-68	Accounting Major
University of Wisconsin-Whitewater	06-01-66	Accounting Major

\*Recognized initially under University of Wisconsin-Madison qualification. Recognition established in its own right on reorganization of the University of Wisconsin-Milwaukee as a separate institution.

(3) On and after May 7, 1976, candidates sitting for the first time for the examination leading to the certificate to practice as a certified public accountant must present a bachelor's or higher degree with a resident major in accounting, from a degree-granting campus of the University of Wisconsin system or from another reputable institution approved and recognized by the examining board.

Accy 7.04 Graduates from University of Wisconsin system schools. (1) Individuals awarded a bachelor's or higher degree with a resident major in accounting, as defined in Accy 7.02, from a degree-granting campus of a University of Wisconsin system school shall, after May 6, 1976, be qualified educationally to write the certified public accountant examination.

(a) At their option, University of Wisconsin system schools may register their resident accounting major program with the board, documenting compliance with Accy 7.02, the effective date such compliance had been implemented, reporting the manner in which the completion of the resident major in accounting is to be shown on the transcript, and the intent to inform the board of future program changes as they occur. Resident major in accounting graduates as defined in

Accy 7.02(3) from registered University of Wisconsin system school accounting major programs shall be judged to comply automatically with the education requirements to write the certified public accountant examination. Schools with more than one accounting program are to designate this fact, and the qualification or lack of qualification for each of the programs.

(2) Graduates from University of Wisconsin system schools after May 6, 1976, whose programs had not been recognized by the board prior to May 7, 1976, and if not registered as provided in (a) above, shall have their transcripts evaluated by the board for educational qualification to write, including the completion of a satisfactory resident major in accounting as defined under Accy 7.02.

(3) An individual who was previously eligible to write the certified public accountant examination prior to May 7, 1976, continues to be eligible to write.

Accy 7.05 Other institutions approved and recognized. (1) Notarized requests for approval and recognition of an institution shall be referred to the board's agent, its committee on credentials, for study and recommendation of an appropriate board action.

(2) The board shall normally appoint a committee on credentials for one calendar year at the first regular board meeting of the year. Each committee shall serve until the next committee is appointed. The committee on credentials shall not exceed seven members in total, of which not more than four are educators, each from a different educational institution. The chairperson shall be designated by the board.

(a) The committee on credentials shall study and evaluate the program of schools making notarized application to the board for approval and recognition, and shall recommend appropriate action to the board on such applications.

(b) The committee on credentials shall provide advice and recommendations to the board on other matters relating to educational evaluations and policy as it considers appropriate or as referred to it by the board.

(3) Standards applicable for approval and recognition shall be as set forth in Accy 7.02.

(4) Schools requesting approval and recognition shall be assessed a cost-related fee for the investigation and evaluation made by the committee on credentials.

(5) Any resident major in accounting program approved and recognized by the board shall be reviewed at least every five years for its approval and recognition to be continued. However, the board may at any time reinvestigate the program of any institution previously approved and recognized when it comes to the attention of the board that academic program changes, and/or teaching and administrative staff changes may have resulted in the program not meeting educational standards for qualification.

Accy 7.06 Equivalency Evaluations. (1) An individual who has a bachelor's or higher degree, but who was not a resident major in accounting, shall be accorded the same privileges as candidates from schools approved and recognized, provided they meet the requirements of Accy 7.02 for a resident major in accounting. Such individuals must establish an educational equivalency qualification under the recognition granted to institutions approved and recognized. Educational equivalency for qualification to write the certified public accountant examination can be established with the board either prior to application to write, or in conjunction with an application to write, by the following procedure:

(a) An official transcript or transcripts of all academic work completed evidencing the award of the bachelor's or higher degree, a \$15 fee, and a written request for an equivalency evaluation, must be submitted to the board.

The board is also to be informed in the written request of the four-year degree-granting school at which the prospective candidate intends to earn educational qualification if further educational course work is necessary. Course work will be accepted only if completed at or if it could be transferred for credit to a school approved and recognized by the board.

(b) Prospective candidates will be informed in writing by the board of educational equivalency or of program deficiencies. Candidates with educational deficiencies must submit evidence of completion of deficient course work at any American assembly of collegiate schools of business institution or other four-year institution maintaining a four-year resident major in accounting program.

(c) All removal of equivalency deficiency course work in business and economics subject matter must be done in courses on campuses in competition with regular degree-seeking students who are majoring in accounting. Credit must be acceptable on a transfer basis for a resident major in accounting at a recognized school.

(d) Individuals requesting educational equivalency, who have earned a bachelor's or other degree from a non-regionally accredited school (North Central Association of Colleges and Secondary Schools or its regional equivalency) are to be required to take the minimum course and credit load as to meet the residency requirements necessary, as if the individual were transferring to graduate from school with a bachelor's degree or higher with a major in accounting from a school approved and recognized by the board.

(e) The deficiencies found by an equivalency review must be completed within a specified period as established by the board or be subject to reevaluation, unless an extension has been granted.

(f) Equivalency evaluations are to be based on the present educational standard (Accy 7.02) not on the program in effect when the individual received his or her degree.

Accy 7.07 Transfer of credit applicant. (1) Applicants who have passed all or part of the uniform certified public accountant examination in another jurisdiction but who have not yet received their certified public accountant certificate shall be able to transfer grades in subjects passed to Wisconsin provided that:

(a) Grades transferred must be certified to the board by the other jurisdiction and must be passed in accordance with rules applicable to Wisconsin candidates.

(b) Transfer of grades must be accepted by board action and the applicant notified in a manner similar to the action on grades for Wisconsin applicants.

(2) Applicants who do not meet the educational requirements to write in Wisconsin must do so prior to writing any additional parts of the examination or advancing further toward the receipt of a Wisconsin certified public accountant certificate.

Accy 7.08 Reciprocal certificate evaluation. (1) Applicants for a reciprocal certified public accountant certificate in Wisconsin shall meet Wisconsin requirements, as they are at the time of the Wisconsin application.

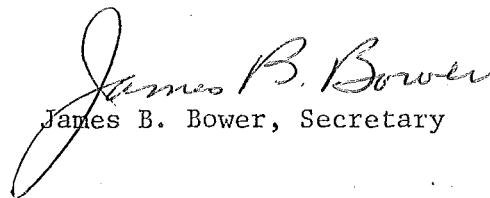
(2) Educational evaluations shall be made by the board, and shall consider all evidence of substantially equivalent education as submitted by the applicant in accordance with section 442.05, Wis. Stats.

Accy 7.09 Public information. (1) The board will release statistical studies of grades earned on each certified public accountant examination by each subject area and Wisconsin school at which educational qualification of candidates to write exists. Individual grades will not be released. Reports will be designed to provide schools and the public with information on candidate success.

The rules, amendments, and repeals contained herein shall take effect on November 1, 1976, pursuant to authority granted by section 227.026(1)(b).

Dated:

ACCOUNTING EXAMINING BOARD

  
James B. Bower, Secretary