

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

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Barry Greller
Special Assistant
Attorney Genera;

11-7-77

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- Accy. 150 and 160

ADMIN 1000

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO : Michael B. Miller
Special Assistant
Attorney General

DATE: Sept. 16, 1977

FROM : Barry R. Greller BRG
Special Assistant
Attorney General

PHONE: 296-9412

SUBJECT: Adoption of Rules of the State Board of Accountancy

Enclosed herewith for review by the Attorney General in accordance with Minn. Stat. §15.0412 (1976) and Minn. Rules Atty Gen 301-325 please find Rules of the State Board of Accountancy governing the Continuing Professional Education for Certified Public Accountants and the amendment to the Rules of the State Board of Accountancy governing the Professional Conduct of Certified Public Accountants.

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Dept. of Administration

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Dept. of Administration

ADMIN 1000

STATE OF MINNESOTA

DEPARTMENT Board of Accountancy

Office Memorandum

TO : Michael B. Miller
Special Assistant Attorney General

DATE: October 31, 1977

FROM : Marian Flanagan
Executive Secretary

PHONE: 296-7937

SUBJECT: Minnesota Board of Accountancy
Rules as Adopted

We are enclosing a copy of the Rules of the Minnesota State Board of Accountancy as adopted.

RULES OF THE MINNESOTA STATE BOARD OF ACCOUNTANCY

CHAPTER ONE through CHAPTER FOURTEEN: remain unchanged

CHAPTER FIFTEEN: CODE OF PROFESSIONAL CONDUCT.

Accy. 150. remain unchanged

DEFINITIONS through Rule 303. remain unchanged

Rule 304 - A licensee shall furnish to his client upon request:

A. remain unchanged

B. remain unchanged

C. any accounting or other records belonging to or obtained for the client which he or his firm may have had occasion to remove from the client's premises or to receive for the client's account, but this shall not preclude him from making copies of such documents when they form the basis for work done by him (or his firm), but in no event shall the accountant have a lien on these accounting or other records:

D. through Accy. 159. remain unchanged

CHAPTER SIXTEEN: CONTINUING EDUCATION:

Accy. 160. Continuing Education Rules.

Pursuant to the provision of Minn. Stat. §214.12 (1976), the board prescribes the following rules establishing requirements of continuing education to be met from time to time by licensees in order to maintain their professional knowledge and competence, as a condition to continuing to practice as certified public accountants.

These rules shall become effective on Janury 1, 197[illegible], or at such later date as the board may prescribe at the time of final adoption of these rules.

A. Basic Requirement

1. During the three year period immediately preceding relicensing, applicants for license renewal must complete 120 hours of acceptable continuing education except as otherwise provided under Sections A-3 and E. The following standards will be used to measure the hours of credit to be given for acceptable continuing education programs completed by individual applicants.

a. A one day program will be considered to equal eight hours.

b. Only class hours or the equivalent (and not student hours devoted to preparation) will be counted.

c. Service as lecturer or discussion leader of continuing education programs will be counted to the extent that it contributes to the applicant's professional competence.

2. The effective date of this requirement shall be three years after the effective date of these rules, or three years after a licensee's initial registration, whichever is later.

3. The board shall have authority to make exceptions for reasons of individual hardship including health, military service, foreign residency, retirement, or other good cause.

B. Programs Which Qualify

1. The overriding consideration in determining whether a

specific program qualifies as acceptable continuing education is that it be a formal program of learning which contributes directly to the professional competence of an individual licensed to practice as a certified public accountant.

2. Continuing education programs requiring attendance will qualify only if:

a. An outline of the program is prepared in advance and preserved.

b. The program is at least one hour (fifty minute period) in length.

c. The program is conducted by a qualified instructor.

d. A record of registration or attendence is maintained.

3. The following programs are deemed to qualify provided the above criteria are met:

a. Professional development programs of recognized national and state accounting organizations.

b. Technical sessions at meetings of recognized national and state accounting organizations and their chapters.

c. University or college courses

(1) Credit courses -- each semester hour credit shall equal 15 hours toward the requirement. A quarter hour credit shall equal 10 hours.

(2) Non-credit short courses.

d. Formal organized in-firm educational programs.

e. Programs in other recognized organizations (accounting,

industrial, professional, etc.)

4. Formal correspondence or other individual study programs which require registration and provide evidence of satisfactory completion will qualify with the amount of credit to be determined by the board.

5. The board may look to recognized state or national accounting organizations for assistance in interpreting the acceptability of and credit to be allowed for individual courses.

C. Controls and Reporting

Applicants for license renewal must provide a signed statement of the continuing education programs which they claim to be acceptable showing:

1. Sponsoring organization.

2. Location of program.

3. Title of program or description of content.

4. Dates attended.

5. Hours claimed.

D. Continuing Education Policies

The board has adopted the following policies to assist licensees in complying with the accountancy statute and rules as they pertain to continuing education:

1. Who must comply - exceptions

a. General

All licensees are required to comply with the continuing education requirements except those individuals not engaged in

public practice, such as licensees in private industry, governmental organizations, educational institutions, or similar activities, unless those individuals in addition to their basic employment, engage in public practice, regardless of degree, or perform for compensation any services normally performed by public accountants whether or not a license is required to perform such services, The board anticipates that licensees will maintain the high standards of the profession in selecting quality education programs to fulfill the continuing education requirement.

b. Non-resident licensees

Licensees who are out-of-state residents and not engaged in public accounting in this State are excepted from the continuing education requirements until such time as they enter or reenter this State to practice public accounting. This exception also applies to non-resident licensees who are partners of public accounting partnerships or stockholders of professional accountancy corporations that are licensed by the board to do business in this State, provided such non-resident licensees do not practice public accounting in this State.

c. Attorney - CPAs

Persons occupying the dual status of Attorney at Law and Certified Public Accountant are excepted from continuing education requirements only if they do not engage in public accounting under their accounting license.

d. Retired Licensees

Licensees who are retired and who do not in fact perform public accounting services to any degree whatever, although participating in the profits of a public accounting entity, are excepted from continuing education requirements.

2. Qualifying Programs - credit hours granted

a. Acceptable subject matter and programs

The following general subject matters are acceptable so long as they contribute to the professional competence of the individual practitioner.

(1) Accounting and Auditing

(2) Taxation

(3) Management Services

(4) Computer Science

(5) Communication Arts

(6) Mathematics, Statistics, Probability and Quantitative Applications in Business

(7) Economics

(8) Business Law

(9) Functional Fields of Business

(a) Finance

(b) Production

(c) Marketing

(d) Personnel Relations

(e) Business Management and Organization

(10) Social Environment of Business

(11) Specialized Areas of Industry; e. g., Film Industry,

eal Estate, Farming, etc.

(12) Administrative Practice; e.g., Engagement Letters, Fee Structures, Personnel, etc.

Areas other than those listed above may be acceptable if the licensee can demonstrate that they contribute to his professional competence. The responsibility for substantiating that a particular program is acceptable and meets the requirements rests solely with the licensee.

b. Credit hours granted -- general

Continuing education credit will be given for whole hours only, with a minimum of 50 minutes constituting one hour. As an example, 100 minutes of continuous instruction would count for two hours, however, more than 50 minutes but less than 100 minutes of continuous instruction would count only for one hour. A one day program qualifying for 8 hours of credit is any program the duration [[timing]] of which is equivalent [[requires participants]] to [[be absent from their work for]] a normal working day. Travel time cannot be claimed.

c. Credit for individual study programs

In determining the amount of credit to be allowed for specific correspondence and individual study programs (including taped study programs), the board will determine the equivalency of the program to a comparable seminar or a comparable course for credit in an accredited educational institution. Licensees claiming credit for such courses will be required to obtain evidence of satisfactory completion of the course from the program sponsor. Credit will be allowed in the renewal period in which course is completed.

d. Credit for service as lecturer, discussion leader, or speaker

Credit for one hour of continuing education will be awarded for each hour completed as an instructor or discussion leader to the extent that the particular activity contributes to the professional competence of the licensee as determined by the board. Credit as an instructor, discussion leader, or speaker will be allowed for any meeting or engagement provided that the session is one which would meet the continuing education requirements of those attending. The credit allowed an instructor, discussion leader, or a speaker will be on the basis of a maximum of two hours for actual subject preparation time for each hour of teaching. The maximum credit for such preparation and teaching will not exceed 50% of the renewal period requirement. Credit for licensees attending not as instructors, discussion leaders, or speakers is limited to the actual meeting time.

e. Credit for published articles, books, etc.

Credit may be allowed for published articles and books provided they contribute to the professional competence of the licensee. The amount of credit so awarded will be determined by the board. Credit for preparation of such publications may be given on a self-declaration basis up to 25% of the renewal period requirement. In exceptional circumstances a licensee may request additional credit by submitting the article(s) or book(s) to the board with an explanation of the circumstances which he feels justify a greater credit.

f. Credit for committee meetings

Participation in committee meetings of recognized professional

societies, which are structured as educational programs, may qualify if they meet the appropriate requirements.

g. Credit for dinner and luncheon meetings, etc.

Dinner, luncheon and breakfast meetings of recognized accounting organizations may qualify if they meet the appropriate requirements.

h. Credit for firm meetings, etc.

Firm meetings for staff or management groups may qualify if they meet the appropriate requirements. Portions of such meetings devoted to administrative and firm matters cannot be included.

3. What is a qualified instructor?

A qualified instructor or discussion leader is anyone whose background training, education or experience makes it appropriate for him to lead a discussion on the subject matter of the particular program.

4. Evidence of completion - retention

Primary responsibility for documenting the requirements rests with the licensee and evidence to support fulfillment of those requirements must be retained for a period of four years after the completion of educational courses.

Satisfaction of the requirements under B-2, including the retention of attendance records and written outlines, may be accomplished as follows:

a. In the case of courses taken for scholastic credit in accredited universities and colleges (state, community, or private) or high school districts, evidence of satisfactory completion of the course will be sufficient.

b. In all other instances, the licensee must maintain an outline and evidence of attendance. In the case of non-credit courses taken in educational institutions, a signed statement of the hours of attendance must be obtained from the instructor.

5. Verification

The board will verify on a test basis, information submitted by licensees. If an application for license renewal is not approved the applicant will be so notified and he may be granted a period of time by the board in which to correct the deficiencies noted.

6. Reciprocity

An individual who holds a valid and unrevoked certified public accountant certificate issued by any state or other political subdivision of the United States, or comparable certificate or degree issued by any foreign country, and who receives a license to practice in this State under the appropriate provisions of the accountancy law, will be required to comply with the continuing education requirement on a pro rata basis when his license is next renewed and each succeeding three year period thereafter.

7. Reentry to public practice

A licensee reentering public practice from areas such as private industry, government or education or who otherwise has been excepted from the provisions of the continuing education requirement, shall notify the board upon reentry and will be required to comply with the continuing education requirement on a pro rata basis when his license is next renewed and each succeeding three year period thereafter.

8. License renewal

To renew an unexpired license, a certificate holder or registrant shall, before the time at which the license would otherwise expire, apply for renewal on a form prescribed by the board, pay the renewal fee prescribed and give evidence to the board that he has complied with the continuing education provisions.

E. All licensees may use acceptable continuing education programs from May 31, 1977, to meet the required number of hours for the first reporting period.

CHAPTER SEVENTEEN through CHAPTER TWENTY ONE: remain unchanged

NOV 0 4 1977

/s/ Michael B. Miller

SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
NOV 4 1977
Joan Anderson Growe
Secretary of State

12:30 p.m.

BOARD OF ACCOUNTANCY
RULES AS ADOPTED

KEY:

AS PROPOSED-

deletions [ ]

additions _____

AS ADOPTED-

deletions [[ ]]

additions =====

RULES AS ADOPTED

CONTINUING PROFESSIONAL EDUCATION FOR AND PROFESSIONAL CONDUCT OF CERTIFIED PUBLIC ACCOUNTANTS

The rules published at State Register Vol. 2, No. 1, p. 1848, July 5, 1977 (1 S.R. 1848) are adopted and are identical in every respect to their proposed form, with the following amendments:

CHAPTER SIXTEEN: CONTINUING EDUCATION:

Accy. 160. Continuing Education Rules.

B.2. Continuing education programs requiring attendance will qualify only if:

D.2.b. Credit hours granted -- general

Continuing education credit will be given for whole hours only, with a minimum of 50 minutes constituting one hour. As an example, 100 minutes of continuous instruction would count for two hours, however, more than 50 minutes but less than 100 minutes of continuous instruction would count only for one hour. A one day program qualifying for 8 hours of credit is any program the duration [[timing]] of which is equivalent [[requires participants]] to [[be absent from their work for]] a normal working day. Travel time cannot be claimed.

PROPOSED RULES

Board of Accountancy

Continuing Professional Education for and Professional Conduct of Certified Public Accountants

Notice of Hearing

Notice is hereby given that a public hearing in the above-entitled matter will be held in the Department of Commerce Hearing Room, 500 Metro Square Building, 7th and Robert Streets, St. Paul, Minnesota 55101 on August 9, 1977, commencing at 9:30 a.m. and continuing until all persons have had an opportunity to be heard.

All interested or affected persons will have an opportunity to participate. Statements may be made orally and written materials may be submitted by mail to Steve Mihalchick, Office of Hearing Examiners, 1745 University Avenue, St. Paul, Minnesota 55104, (612) 296-8118, either before the hearing or within five working days after the close of the hearing or for a longer period not to exceed 20 days if so ordered by the Hearing Examiner.

The proposed rules, if adopted, would establish a continuing education requirement of 120 hours of education every three years to be met by licensed certified public accountants as a condition to the retention of their licenses. In addition, the proposed rules would establish standards to be applied in determining those programs which qualify for continuing education credit, provide for reporting of credit claimed by licensees, and set forth policies to be followed by the Board in the administration and enforcement of the proposed continuing education rules. The proposed rules would also amend Minn. Rule Accy 150, Code of Professional Conduct, Rule 304C to correct clerical omissions in the text of the rule to read as follows:

Rule 304 A licensee shall furnish to his client upon request:

C. any accounting or other records belonging to or obcontained for the **client which he or his firm may have had occasion to remove from the** client's premises or to receive for the client's account, but this shall not preclude him from making copies of such documents when they form the basis for work done by him (or his firm), but in no event shall the accountant have a lien on these accounting or other records. . . .

(Additions to the text of the existing rules are indicated by boldfacing.)

Copies of the proposed rules are now available and one free copy may be obtained by writing to the State Board of Accountancy, 500 Metro Square Building, St. Paul, Minnesota 55101. Additional copies will be available at the door on the date of the hearing. The Board's authority to promulgate the proposed rules is contained in Minn. Stat. §§ 214.12 and 326.18 (1976). A "statement of need" explaining why the board feels the proposed rules are necessary and a "statement of evidence" outlining the testimony they will be introducing will be filed with the Hearing Examiners Office at least 25 days prior to the hearing and will be available there for public inspection.

Please be advised that Minn. Stat. ch. 10A, requires each lobbyist to register with the Ethical Practices Board within five days after he commences lobbying. Lobbying includes attempting to influence rule making by communicating or urging others to communicate with public officials. A lobbyist is generally any individual who spends more than $250 per year for lobbying or any individual who is engaged for pay or authorized to spend money by another individual or association and who spends more than $250 per year or five hours per month at lobbying. The statute provides certain exceptions. Questions should be directed to the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, phone (612) 296-5615.

Leonard A. Rapoport,
Chairman
State Board of Accountancy

Rules as Proposed

Chapter One through Chapter Fourteen: remain unchanged.

Chapter Fifteen: Code of Professional Conduct.

Accy 150. Remains unchanged.

Definitions through Rule 303. Remain unchanged.

Rule 304. A licensee shall furnish to his client upon request:

A. Remains unchanged.

B. Remains unchanged.

C. any accounting or other records belonging to or obtained for the **client which he or his firm may have had occasion to remove from the** client's premises or to receive for the client's account, but this shall not preclude him from making copies of such documents when they form the basis for work done by him (or his firm), but in no event shall the accountant have a lien on these accounting or other records:

D. through Accy 159. Remain unchanged.

Chapter Sixteen: Continuing Education.

Accy 160. Continuing education rules. Pursuant to the provision of Minn. Stat. § 214.12 (1976), the board prescribes the following rules establishing requirements of continuing education to be met from time to time by licensees in order to maintain their professional knowledge and competence, as a condition to continuing to practice as certified public accountants.

These rules shall become effective on January 1, 1978, or at such later date as the board may prescribe at the time of final adoption of these rules.

A. Basic requirement.

1. During the three year period immediately preceding relicensing, applicants for license renewal must complete 120 hours of acceptable continuing education except as otherwise provided under Sections Accy 160 A.3. and E. The following standards will be used to measure the hours of credit to be given for acceptable continuing education programs completed by individual applicants.

a. A one day program will be considered to equal eight hours.

b. Only class hours or the equivalent (and not student hours devoted to preparation) will be counted.

c. Service as lecturer or discussion leader of continuing education programs will be counted to the extent that it contributes to the applicant's professional competence.

2. The effective date of this requirement shall be three years after the effective date of these rules, or three years after a licensee's initial registration, whichever is later.

3. The board shall have authority to make exceptions for reasons of individual hardship including health, military service, foreign residency, retirement, or other good cause.

B. Programs which qualify.

1. The overriding consideration in determining whether a specific program qualifies as acceptable continuing education is that it be a formal program of learning which contributes directly to the professional competence of an individual licensed to practice as a certified public accountant.

2. Continuing education programs will qualify only if:

a. An outline of the program is prepared in advance and preserved.

b. The program is at least one hour (fifty minute period) in length.

c. The program is conducted by a qualified instructor.

d. A record of registration or attendance is maintained.

3. The following programs are deemed to qualify provided the above criteria are met:

a. Professional development programs of recognized national and state accounting organizations.

b. Technical sessions at meetings of recognized national and state accounting organizations and their chapters.

c. University or college courses

(1) Credit courses — each semester hour credit shall equal 15 hours toward the requirement. A quarter hour credit shall equal 10 hours.

(2) Non-credit short courses.

d. Formal organized in-firm educational programs.

e. Programs in other recognized organizations (accounting, industrial, professional, etc.)

4. Formal correspondence or other individual study programs which require registration and provide evidence of satisfactory completion will qualify with the amount of credit to be determined by the board.

5. The board may look to recognized state or national accounting organizations for assistance in interpreting the acceptability of and credit to be allowed for individual courses.

C. Controls and reporting. Applicants for license re-

KEY: New rules and material proposed to be added to an existing rule are printed in **boldface**. Material proposed to be deleted from an existing rule is printed in [single brackets]. Underlining indicates additions to proposed rules, while [[double brackets]] indicate matter stricken from proposed rules. Existing material is printed in standard type face.

newal must provide a signed statement of the continuing education programs which they claim to be acceptable showing:

1. Sponsoring organization.

2. Location of program.

3. Title of program or description of content.

4. Dates attended.

5. Hours claimed.

D. Continuing education policies. The board has adopted the following policies to assist licensees in complying with the accountancy statute and rules as they pertain to continuing education:

1. Who must comply — exceptions.

a. General. All licensees are required to comply with the continuing education requirements except those individuals not engaged in public practice, such as licensees in private industry, governmental organizations, educational institutions, or similar activities, unless those individuals in addition to their basic employment, engage in public practice, regardless of degree, or perform for compensation any services normally performed by public accountants whether or not a license is required to perform such services. The board anticipates that licensees will maintain the high standards of the profession in selecting quality education programs to fulfill the continuing education requirement.

b. Non-resident licensees. Licensees who are out-of-state residents and not engaged in public accounting in this State are excepted from the continuing education requirements until such time as they enter or reenter this State to practice public accounting. This exception also applies to non-resident licensees who are partners of public accounting partnerships or stockholders of professional accountancy corporations that are licensed by the board to do business in this State, provided such non-resident licensees do not practice public accounting in this State.

c. Attorney — CPAs. Persons occupying the dual status of Attorney at Law and Certified Public Accountant are excepted from continuing education requirements only if they do not engage in public accounting under their accounting license.

d. Retired licensees. Licensees who are retired and who do not in fact perform public accounting services to any degree whatever, although participating in the profits of a public accounting entity, are excepted from continuing education requirements.

2. Qualifying programs — credit hours granted.

a. Acceptable subject matter and programs. The following general subject matters are acceptable so long as they contribute to the professional competence of the individual practitioner.

(1) Accounting and Auditing.

(2) Taxation.

(3) Management Services.

(4) Computer Science.

(5) Communication Arts.

(6) Mathematics, Statistics, Probability and Quantitative Applications in Business.

(7) Economics.

(8) Business Law.

(9) Functional Fields of Business.

(a) Finance.

(b) Production.

(c) Marketing.

(d) Personnel Relations.

(e) Business Management and Organization.

(10) Social Environment of Business.

(11) Specialized Areas of Industry; e.g., Film Industry, Real Estate, Farming, etc.

(12) Administrative Practice; e.g., Engagement Letters, Fee Structures, Personnel, etc.

Areas other than those listed above may be acceptable if the licensee can demonstrate that they contribute to his professional competence. The responsibility for substantiating that a particular program is acceptable and meets the requirements rests solely with the licensee.

b. Credit hours granted — general. Continuing education credit will be given for whole hours only, with

a minimum of 50 minutes constituting one hour. As an example, 100 minutes of continuous instruction would count for two hours, however, more than 50 minutes but less than 100 minutes of continuous instruction would count only for one hour. A one day program qualifying for 8 hours of credit is any program the timing of which requires participants to be absent from their work for a normal working day. Travel time cannot be claimed.

c. Credit for individual study programs. In determining the amount of credit to be allowed for specific correspondence and individual study programs (including taped study programs), the board will determine the equivalency of the program to a comparable seminar or a comparable course for credit in an accredited educational institution. Licensees claiming credit for such courses will be required to obtain evidence of satisfactory completion of the course from the program sponsor. Credit will be allowed in the renewal period in which course is completed.

d. Credit for service as lecturer, discussion leader, or speaker. Credit for one hour of continuing education will be awarded for each hour completed as an instructor or discussion leader to the extent that the particular activity contributes to the professional competence of the licensee as determined by the board. Credit as an instructor, discussion leader, or speaker will be allowed for any meeting or engagement provided that the session is one which would meet the continuing education requirements of those attending. The credit allowed an instructor, discussion leader, or a speaker will be on the basis of a maximum of two hours for actual subject preparation time for each hour of teaching. The maximum credit for such preparation and teaching will not exceed 50% of the renewal period requirement. Credit for licensees attending not as instructors, discussion leaders, or speakers is limited to the actual meeting time.

e. Credit for published articles, books, etc. Credit may be allowed for published articles and books provided they contribute to the professional competence of the licensee. The amount of credit so awarded will be determined by the board. Credit for preparation of such publications may be given on a self-declaration basis up to 25% of the renewal period requirement. In exceptional circumstances a licensee may request additional credit by submitting the article(s) or book(s) to the board with an explanation of the circumstances which he feels justify a greater credit.

f. Credit for committee meetings. Participation in committee meetings of recognized professional societies, which are structured as educational programs, may qualify if they meet the appropriate requirements.

g. Credit for dinner and luncheon meetings, etc. Dinner, luncheon and breakfast meetings of recognized accounting organizations may qualify if they meet the appropriate requirements.

h. Credit for firm meetings, etc. Firm meetings for staff or management groups may qualify if they meet the appropriate requirements. Portions of such meetings devoted to administrative and firm matters cannot be included.

3. What is a qualified instructor? A qualified instructor or discussion leader is anyone whose background training, education or experience makes it appropriate for him to lead a discussion on the subject matter of the particular program.

4. Evidence of completion — retention. Primary responsibility for documenting the requirements rests with the licensee and evidence to support fulfillment of those requirements must be retained for a period of four years after the completion of educational courses.

Satisfaction of the requirements under B-2, including the retention of attendance records and written outlines, may be accomplished as follows:

a. In the case of courses taken for scholastic credit in accredited universities and colleges (state, community, or private) or high school districts, evidence of satisfactory completion of the course will be sufficient.

b. In all other instances, the licensee must maintain an outline and evidence of attendance. In the case of non-credit courses taken in educational institutions, a signed statement of the hours of attendance must be obtained from the instructor.

5. Verification. The board will verify on a test basis, information submitted by licensees. If an application for license renewal is not approved the applicant will be so notified and he may be granted a period of time by the board in which to correct the deficiencies noted.

6. Reciprocity. An individual who holds a valid and unrevoked certified public accountant certificate issued by any state or other political subdivision of the United

KEY: New rules and material proposed to be added to an existing rule are printed in **boldface.** Material proposed to be deleted from an existing rule is printed in [single brackets]. Underlining indicates additions to proposed rules, while [[double brackets]] indicate matter stricken from proposed rules. Existing material is printed in standard type face.

States, or comparable certificate or degree issued by any foreign country, and who receives a license to practice in this State under the appropriate provisions of the accountancy law, will be required to comply with the continuing education requirement on a pro rata basis when his license is next renewed and each succeeding three year period thereafter.

7. Reentry to public practice. A licensee reentering public practice from areas such as private industry, government or education or who otherwise has been excepted from the provisions of the continuing education requirement, shall notify the board upon reentry and will be required to comply with the continuing education requirement on a pro rata basis when his license is next renewed and each succeeding three year period thereafter.

8. License renewal. To renew an unexpired license, a certificate holder or registrant shall, before the time at which the license would otherwise expire, apply for renewal on a form prescribed by the board, pay the renewal fee prescribed and give evidence to the board that he has complied with the continuing education provisions.

E. All licensees may use acceptable continuing education programs from May 31, 1977, to meet the required number of hours for the first reporting period.

Chapter Seventeen through Chapter Twenty-One: Remain unchanged.

Energy Agency

Contents of Applications for Certificate of Need and Criteria for Assessment of Need for Large Electric Generating Facilities and Large High Voltage Transmission Lines

Notice of Hearing

Notice is hereby given that a public hearing in the above-entitled matter will be held in Room D of the Veterans Service Building, 20 West 12th Street and Columbus Avenue between Wabasha and Iglehart, Saint Paul, on August 4, 1977, commencing at 9:30 a.m. and continuing until all persons have had an opportunity to be heard.

All interested or affected persons will have an opportunity to participate. Statements may be made orally or in writing at the hearing and written materials may be submitted by mail to William Seltzer, Hearing Examiner, Room 300, 1745 University Avenue, Saint Paul, Minnesota, 55104, telephone (612) 296-8105, either before the hearing or within five working days after the public hearing ends, or for a longer period not to exceed 20 days if ordered by the hearing examiner.

The proposed rule amendments, if adopted, would improve, make more precise, and expand upon the current rules governing contents of applications for certificates of need for large electric generating facilities and large high voltage transmission lines. Also, the criteria for assessment of need would be changed to allow greater consideration of (1) alternatives to a proposed facility, (2) relative costs of the proposed facility and alternatives, and (3) relative environmental effects of the proposed facility and alternatives. Certain rule amendments would clarify the purpose of the rules, the applicability of the rules, and the procedures for filing an application. The section of the rules considering alternatives would be expanded to require information on a greater number of alternatives, especially those that have been suggested by intervenors in past certificate of need hearings. A section on conservation programs would be added to give more explicit consideration to this important topic, pursuant to Minn. Stat. § 116H.13, subd. 3(2) (1976). A section on environmental data would be added to provide the Agency with background information to prepare an environmental report pursuant to newly promulgated Minn. Rule MEQC 25(g) and to evaluate the relative environmental consequences of the proposed facility and various alternatives. Finally, forecasting requirements would be modified slightly to more clearly require the information needed by the director to assess the accuracy of an applicant's forecast, pursuant to Minn. Stat. § 116H.13, subd. 3(1) (1976).

Copies of the proposed amended rules are now available and one free copy may be obtained by writing to the Minnesota Energy Agency, 740 American Center Building, 150 East Kellogg Boulevard, Saint Paul, Minnesota, 55101. Copies will also be available at the door on the date of the hearing. The Agency's authority to promulgate the proposed amended rules is contained in Minn. Stat. §§ 116H.08(a) and 116H.13 (1976). A Statement of Need presenting facts showing the need for and reasonableness of the proposed amendments and a Statement of Evidence summarizing the evidence to be presented at the hearing in support of the proposed amendments will be filed at the Office of Hearing Examiners at least 25 days prior to the hearing and will be available there for public inspection.

Please be advised that Minnesota Statutes, Chapter 10A, requires each lobbyist to register with the Ethical Practices Board within five days after he commences lobbying. Lob-

BOARD OF ACCOUNTANCY
RULES AS PROPOSED

KEY:

AS PROPOSED-

deletions [ ]

additions _____

AS ADOPTED-

deletions [[ ]]

additions =====

PROPOSED

RULES OF THE MINNESOTA STATE BOARD OF ACCOUNTANCY

CHAPTER ONE through CHAPTER FOURTEEN: remain unchanged

CHAPTER FIFTEEN: CODE OF PROFESSIONAL CONDUCT.

Accy. 150. remain unchanged

DEFINITIONS through Rule 303. remain unchanged

Rule 304 - A licensee shall furnish to his client upon request:

A. remain unchanged

B. remain unchanged

C. any accounting or other records belonging to or obtained for the client which he or his firm may have had occasion to remove from the client's premises or to receive for the client's account, but this shall not preclude him from making copies of such documents when they form the basis for work done by him (or his firm), but in no event shall the accountant have a lien on these accounting or other records:

D. through Accy. 159. remain unchanged

CHAPTER SIXTEEN: CONTINUING EDUCATION:

Accy. 160. Continuing Education Rules.

Pursuant to the provision of Minn. Stat. §214.12 (1976), the board prescribes the following rules establishing requirements of continuing education to be met from time to time by licensees in order to maintain their professional knowledge and competence, as a condition to continuing to practice as certified public accountants.

These rules shall become effective on Janury 1, 1978, or at such later date as the board may prescribe at the time of final adoption of these rules.

A. Basic Requirement

1. During the three year period immediately preceding relicensing, applicants for license renewal must complete 120 hours of acceptable continuing education except as otherwise provided under Sections A-3 and E. The following standards will be used to measure the hours of credit to be given for acceptable continuing education programs completed by individual applicants.

a. A one day program will be considered to equal eight hours.

b. Only class hours or the equivalent (and not student hours devoted to preparation) will be counted.

c. Service as lecturer or discussion leader of continuing education programs will be counted to the extent that it contributes to the applicant's professional competence.

2. The effective date of this requirement shall be three years after the effective date of these rules, or three years after a licensee's initial registration, whichever is later.

3. The board shall have authority to make exceptions for reasons of individual hardship including health, military service, foreign residency, retirement, or other good cause.

B. Programs Which Qualify

1. The overriding consideration in determining whether a

specific program qualifies as acceptable continuing education is that it be a formal program of learning which contributes directly to the professional competence of an individual licensed to practice as a certified public accountant.

2. Continuing education programs will qualify only if:

a. An outline of the program is prepared in advance and preserved.

b. The program is at least one hour (fifty minute period) in length.

c. The program is conducted by a qualified instructor.

d. A record of registration or attendence is maintained.

3. The following programs are deemed to qualify provided the above criteria are met:

a. Professional development programs of recognized national and state accounting organizations.

b. Technical sessions at meetings of recognized national and state accounting organizations and their chapters.

c. University or college courses

(1) Credit courses -- each semester hour credit shall equal 15 hours toward the requirement. A quarter hour credit shall equal 10 hours.

(2) Non-credit short courses.

d. Formal organized in-firm educational programs.

e. Programs in other recognized organizations (accounting,

industrial, professional, etc.)

4. Formal correspondence or other individual study programs which require registration and provide evidence of satisfactory completion will qualify with the amount of credit to be determined by the board.

5. The board may look to recognized state or national accounting organizations for assistance in interpreting the acceptability of and credit to be allowed for individual courses.

C. Controls and Reporting

Applicants for license renewal must provide a signed statement of the continuing education programs which they claim to be acceptable showing:

1. Sponsoring organization.

2. Location of program.

3. Title of program or description of content.

4. Dates attended.

5. Hours claimed.

D. Continuing Education Policies

The board has adopted the following policies to assist licensees in complying with the accountancy statute and rules as they pertain to continuing education:

1. Who must comply - exceptions

a. General

All licensees are required to comply with the continuing education requirements except those individuals not engaged in

public practice, such as licensees in private industry, governmental organizations, educational institutions, or similar activities, unless those individuals in addition to their basic employment, engage in public practice, regardless of degree, or perform for compensation any services normally performed by public accountants whether or not a license is required to perform such services. The board anticipates that licensees will maintain the high standards of the profession in selecting quality education programs to fulfill the continuing education requirement.

b. Non-resident licensees

Licensees who are out-of-state residents and not engaged in public accounting in this State are excepted from the continuing education requirements until such time as they enter or reenter this State to practice public accounting. This exception also applies to non-resident licensees who are partners of public accounting partnerships or stockholders of professional accountancy corporations that are licensed by the board to do business in this State, provided such non-resident licensees do not practice public accounting in this State.

c. Attorney - CPAs

Persons occupying the dual status of Attorney at Law and Certified Public Accountant are excepted from continuing education requirements only if they do not engage in public accounting under their accounting license.

d. Retired Licensees

Licensees who are retired and who do not in fact perform public accounting services to any degree whatever, although participating in the profits of a public accounting entity, are excepted from continuing education requirements.

2. Qualifying Programs - credit hours granted

a. Acceptable subject matter and programs

The following general subject matters are acceptable so long as they contribute to the professional competence of the individual practitioner.

(1) Accounting and Auditing

(2) Taxation

(3) Management Services

(4) Computer Science

(5) Communication Arts

(6) Mathematics, Statistics, Probability and Quantitative Applications in Business

(7) Economics

(8) Business Law

(9) Functional Fields of Business

(a) Finance

(b) Production

(c) Marketing

(d) Personnel Relations

(e) Business Management and Organization

(10) Social Environment of Business

(11) Specialized Areas of Industry; e. g., Film Industry,

Real Estate, Farming, etc.

(12) Administrative Practice; e.g., Engagement Letters, Fee Structures, Personnel, etc.

Areas other than those listed above may be acceptable if the licensee can demonstrate that they contribute to his professional competence. The responsibility for substantiating that a particular program is acceptable and meets the requirements rests solely with the licensee.

b. Credit hours granted -- general

Continuing education credit will be given for whole hours only, with a minimum of 50 minutes constituting one hour. As an example, 100 minutes of continuous instruction would count for two hours, however, more than 50 minutes but less than 100 minutes of continuous instruction would count only for one hour. A one day program qualifying for 8 hours of credit is any program the timing of which requires participants to be absent from their work for a normal working day. Travel time cannot be claimed.

c. Credit for individual study programs

In determining the amount of credit to be allowed for specific correspondence and individual study programs (including taped study programs), the board will determine the equivalency of the program to a comparable seminar or a comparable course for credit in an accredited educational institution. Licensees claiming credit for such courses will be required to obtain evidence of satisfactory completion of the course from the program sponsor. Credit will be allowed in the renewal period in which course is completed.

d. Credit for service as lecturer, discussion leader, or speaker

Credit for one hour of continuing education will be awarded for each hour completed as an instructor or discussion leader to the extent that the particular activity contributes to the professional competence of the licensee as determined by the board. Credit as an instructor, discussion leader, or speaker will be allowed for any meeting or engagement provided that the session is one which would meet the continuing education requirements of those attending. The credit allowed an instructor, discussion leader, or a speaker will be on the basis of a maximum of two hours for actual subject preparation time for each hour of teaching. The maximum credit for such preparation and teaching will not exceed 50% of the renewal period requirement. Credit for licensees attending not as instructors, discussion leaders, or speakers is limited to the actual meeting time.

e. Credit for published articles, books, etc.

Credit may be allowed for published articles and books provided they contribute to the professional competence of the licensee. The amount of credit so awarded will be determined by the board. Credit for preparation of such publications may be given on a self-declaration basis up to 25% of the renewal period requirement. In exceptional circumstances a licensee may request additional credit by submitting the article(s) or book(s) to the board with an explanation of the circumstances which he feels justify a greater credit.

f. Credit for committee meetings

Participation in committee meetings of recognized professional

societies, which are structured as educational programs, may qualify if they meet the appropriate requirements.

g. Credit for dinner and luncheon meetings, etc.

Dinner, luncheon and breakfast meetings of recognized accounting organizations may qualify if they meet the appropriate requirements.

h. Credit for firm meetings, etc.

Firm meetings for staff or management groups may qualify if they meet the appropriate requirements. Portions of such meetings devoted to administrative and firm matters cannot be included.

3. What is a qualified instructor?

A qualified instructor or discussion leader is anyone whose background training, education or experience makes it appropriate for him to lead a discussion on the subject matter of the particular program.

4. Evidence of completion - retention

Primary responsibility for documenting the requirements rests with the licensee and evidence to support fulfillment of those requirements must be retained for a period of four years after the completion of educational courses.

Satisfaction of the requirements under B-2, including the retention of attendance records and written outlines, may be accomplished as follows:

a. In the case of courses taken for scholastic credit in accredited universities and colleges (state, community, or private) or high school districts, evidence of satisfactory completion of the course will be sufficient.

b. In all other instances, the licensee must maintain an outline and evidence of attendance. In the case of non-credit courses taken in educational institutions, a signed statement of the hours of attendance must be obtained from the instructor.

5. Verification

The board will verify on a test basis, information submitted by licensees. If an application for license renewal is not approved the applicant will be so notified and he may be granted a period of time by the board in which to correct the deficiencies noted.

6. Reciprocity

An individual who holds a valid and unrevoked certified public accountant certificate issued by any state or other political subdivision of the United States, or comparable certificate or degree issued by any foreign country, and who receives a license to practice in this State under the appropriate provisions of the accountancy law, will be required to comply with the continuing education requirement on a pro rata basis when his license is next renewed and each succeeding three year period thereafter.

7. Reentry to public practice

A licensee reentering public practice from areas such as private industry, government or education or who otherwise has been excepted from the provisions of the continuing education requirement, shall notify the board upon reentry and will be required to comply with the continuing education requirement on a pro rata basis when his license is next renewed and each succeeding three year period thereafter.

8. License renewal

To renew an unexpired license, a certificate holder or registrant shall, before the time at which the license would otherwise expire, apply for renewal on a form prescribed by the board, pay the renewal fee prescribed and give evidence to the board that he has complied with the continuing education provisions.

E. All licensees may use acceptable continuing education programs from May 31, 1977, to meet the required number of hours for the first reporting period.

CHAPTER SEVENTEEN through CHAPTER TWENTY ONE: remain unchanged

STATE OF MINNESOTA

BOARD OF ACCOUNTANCY

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING CONTINUING PROFESSIONAL EDUCATION FOR CERTIFIED PUBLIC ACCOUNTANTS AND THE PROPOSED AMENDMENT OF THE RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING THE PROFESSIONAL CONDUCT OF CERTIFIED PUBLIC ACCOUNTANTS	STATEMENT OF EVIDENCE H.Ex. No. ACCY-77-002-SM

In addition to the "Statement of Need" which is available for inspection or purchase at the State Office of Hearing Examiners, and in support thereof, the State Board of Accountancy will introduce the following evidence at the hearing in this matter:

I. Testimony

A. Leonard A. Rapoport, Chairman of the State Board of Accountancy, will testify with respect to the following facts:

1. That adoption of the proposed rule with respect to mandatory continuing professional education for certified public accountants is reasonable and necessary to promote the professional knowledge and competence of licensed certified public accountants engaged in public practice in this State;

2. That a mandatory continuing professional education requirement will assist in improving the professional skills of licensed certified public accountants and in keeping licensees informed of changes and developments in accounting generally and in the specific areas of accounting in which they practice;

3. That adoption of the proposed continuing professional education requirement, which is similar to the model requirement under consideration by the National Association of State Boards of Accountancy, will serve to establish a uniform requirement which may be used to satisfy the requirements of other jurisdictions adopting the rule;

4. That adoption of the proposed amendment to Minn. Rule Accy 150, Rule 304 (C), is reasonable and necessary to correct clerical omissions in the text of the existing rule so as to clarify its meaning.

B. It is anticipated that one or more of the following members of the State Board of Accountancy may testify on behalf of the Board in connection with the facts enumerated in paragraph I, A above: Rosemary J. Biel, Richard H. Massopust, Thomas D. Spaeth, Robert A. Unzen and William A. Winterer.

II. Documentary Evidence

The Board intends to introduce the following documentary evidence in this matter:

A. Proposed Model Continuing Education Rules of the National Association of State Boards of Accountancy.

B. Record of Continuing Education and Development - a form promulgated by the State Board of Accountancy and distributed annually to licensees.

III. Statutes and Laws

The Board will be citing the following statutes and laws at the hearing in this matter:

A. Statutes

Minn. Stat. §§214.001 - 214.12; 326,17 - 326.23 and 326.53 (1976).

B. Session Laws

Minn. Laws 1976 ch. 222.

Leonard A. Rapoport

LEONARD A. RAPOPORT
CHAIRMAN
STATE BOARD OF ACCOUNTANCY

Dated: July 19, 1977

HE ACCY-77-002-PE

STATE OF MINNESOTA

BOARD OF ACCOUNTANCY

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING CONTINUING PROFESSIONAL EDUCATION FOR CERTIFIED PUBLIC ACCOUNTANTS AND THE PROPOSED AMENDMENT OF THE RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING THE PROFESSIONAL CONDUCT OF CERTIFIED PUBLIC ACCOUNTANTS

FINDINGS OF FACT

The above-entitled matter came on for hearing before Hearing Examiner Peter C. Erickson of the State Office of Hearing Examiners at 9:30 a.m. on Tuesday, August 9, 1977, in the Department of Commerce Hearing Room, 500 Metro Square Building, St. Paul, Minnesota.

Barry R. Greller, Special Assistant Attorney General, 500 Metro Square Building, St. Paul, Minnesota appeared as counsel for the State Board of Accountancy. Leonard A. Rapoport, Chairman of the Board, testified in support of the proposed rules. The hearing continued until all interested groups or persons had an opportunity to be heard concerning the adoption of the proposed rules.

Hearing Examiner Peter C. Erickson prepared his Report of Hearing Examiner, dated August 23, 1977, stating his Findings of Fact, Conclusions and Recommendations in accordance with Minn. Stat. §15.052 (3) (1976) and Minn. Reg. HE 106.

Having afforded interested persons an opportunity to present written and oral data, statements and arguments, and having considered all testimony and other evidence adduced herein, based upon all the records, files, transcripts, exhibits and proceedings in this matter, the Board of Accountancy hereby adopts as its Findings of Fact the Findings of Fact propounded by the Hearing Examiner in his Report of August 23, 1977. The Board of Accountancy further adopts as its own Conclusions, the Conclusions of the Hearing Examiner in his Report of August 23, 1977, which Conclusions are hereby further adopted as a part of the Board's Findings of Fact herein.

Dated: September 9, 1977

BOARD OF ACCOUNTANCY

Leonard A. Rapoport

LEONARD A. RAPOPORT, Chairman

HE ACCY-77-002-PE

STATE OF MINNESOTA

BOARD OF ACCOUNTANCY

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING CONTINUING PROFESSIONAL EDUCATION FOR CERTIFIED PUBLIC ACCOUNTANTS AND THE PROPOSED AMENDMENT OF THE RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING THE PROFESSIONAL CONDUCT OF CERTIFIED PUBLIC ACCOUNTANTS

CERTIFICATE OF BOARD'S RESOLUTION ADOPTING RULES

I, Rosemary J. Biel, do hereby certify that I am secretary of the Board of Accountancy, a board duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at the meeting of the Board of Accountancy duly and properly called and held on the 9th day of September, 1977; that a quorum was present at said meeting; that a majority of those present voted for the resolution; that said resolution is set forth in the minutes of said meeting and has not been rescinded or modified.

"RESOLVED, that the rules relating to continuing professional education for certified public accountants and to the professional conduct of certified public accountants be and they are hereby approved and adopted, pursuant to the authority vested in the State Board of Accountancy by Minn. Stat. §§15.0412, 214.12 and 326.18 (1976), and that Leonard A. Rapoport, Chairman of the State Board of Accountancy, be and hereby is authorized to sign an order adopting those rules."

IN WITNESS WHEREOF, I have hereunto subscribed by name this 9th day of September, 1977.

Rosemary J. Biel
ROSEMARY J. BIEL, Secretary
State Board of Accountancy

ATTESTED:

Leonard A. Rapoport
LEONARD A. RAPOPORT, Chairman
State Board of Accountancy

STATE OF MINNESOTA

BOARD OF ACCOUNTANCY

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING CONTINUING PROFESSIONAL EDUCATION FOR CERTIFIED PUBLIC ACCOUNTANTS	CERTIFICATE OF BOARD'S AUTHORIZING RESOLUTION

I, Rosemary J. Biel, do hereby certify that I am secretary of the Board of Accountancy, a board duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at a meeting of the Board of Accountancy duly and properly called and held on the 13th day of May, 1977; that a quorum was present at said meeting; that a majority of those present voted for the resolution; that said resolution is set forth in the minutes of said meeting and has not been rescinded or modified.

"RESOLVED, that Leonard A. Rapoport, Chairman of the Board of Accountancy, be and he hereby is granted the authority and directed to call a hearing for the purpose of promulgating rules of the Board of Accountancy with respect to Continuing Professional Education for certified public accountants, as well as to perform any and all acts incidental thereto, including but without being limited thereto, signing an order for hearing and notice of hearing as well as acting as presiding officer at all hearings."

IN WITNESS WHEREOF, I have hereunto subscribed my name this day of May 13, 1977.

Rosemary J. Biel

Rosemary J. Biel, Secretary
State Board of Accountancy

ATTESTED:

Leonard A. Rapoport

Leonard A. Rapoport, Chairman
State Board of Accountancy

HE ACCY-77-002-PE

STATE OF MINNESOTA

BOARD OF ACCOUNTANCY

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING CONTINUING PROFESSIONAL EDUCATION FOR CERTIFIED PUBLIC ACCOUNTANTS AND THE PROPOSED AMENDMENT OF THE RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING THE PROFESSIONAL CONDUCT OF CERTIFIED PUBLIC ACCOUNTANTS	ORDER ADOPTING RULES

The above-entitled matter came on for hearing before the Board of Accountancy of the State of Minnesota on the 9th day of August, 1977, at 500 Metro Square Building, St. Paul, Minnesota 55101, after proper notice required by Minn. Stat. §15.0412(1976) was served upon all persons, associations and other interested groups registered with the Secretary of State for that purpose and after proper publication of such notice in the State Register.

After affording interested persons an opportunity to present written and oral data, statements and arguments, having heard all of the testimony, having considered all of the evidence adduced, and having confirmed the need for the above-captioned rules and the reasonableness thereof,

NOW, THEREFORE, IT IS ORDERED that these rules, identified as Minn. Rules ACCY 150, Rule 304(C) and ACCY 160, are adopted this 9th day of September, 1977, pursuant to the authority vested in the Board of Accountancy by Minn. Stat. §15.0412, 214.12 and 326.18 (1976).

Dated:
September 9, 1977

STATE OF MINNESOTA
BOARD OF ACCOUNTANCY

Leonard A. Rapoport

LEONARD A. RAPOPORT, Chairman

STATE OF MINNESOTA

BOARD OF ACCOUNTANCY

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING CONTINUING PROFESSIONAL EDUCATION FOR CERTIFIED PUBLIC ACCOUNTANTS AND THE PROPOSED AMENDMENT OF THE RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING THE PROFESSIONAL CONDUCT OF CERTIFIED PUBLIC ACCOUNTANTS.

STATEMENT OF COMPLIANCE WITH MANUAL OF RULE MAKING PROCEDURES

I, Special Assistant Attorney General Barry R. Greller, do hereby declare that I have examined the proposed rules and all related documents and that, based on them and my personal familiarity with the applicable procedures, the Manual of Rule Making Procedures has been followed without any exceptions.

Barry R. Greller

Barry R. Greller
Special Assistant Attorney General

Dated: September 16, 1977.

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS
ROOM 300 – 1745 UNIVERSITY AVENUE
ST. PAUL, MINNESOTA 55104
(612) 296-6910

September 12, 1977

STATE OF MINNESOTA
SEP 15 1977
DEPARTMENT OF COMMERCE

Mr. Barry R. Greller
Special Assistant Attorney General
Minnesota Department of Commerce
500 Metro Square Building
St. Paul, Minnesota 55101

Re: In the Matter of the Proposed Adoption of Rules of the State Board of Accountancy Governing Continuing Professional Education for Certified Public Accountants and the Proposed Amendment of the Rules of the State Board of Accountancy Governing the Professional Conduct of Certified Public Accountants.
ACCY-77-002-PE

Dear Mr. Greller:

Enclosed please find the entire record in the above-referenced matter which you submitted to us for review on the issue of substantial change, together with the Report of the Chief Hearing Examiner, pursuant to Minn. Stat. §15.052, Subd. 3.

Very truly yours,

DUANE R. HARVES
Chief Hearing Examiner

DRH:sh
Encs.

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE BOARD OF ACCOUNTANCY

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING CONTINUING PROFESSIONAL EDUCATION FOR CERTIFIED PUBLIC ACCOUNTANTS AND THE PROPOSED AMENDMENT OF THE RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING THE PROFESSIONAL CONDUCT OF CERTIFIED PUBLIC ACCOUNTANTS.

REPORT OF THE
CHIEF HEARING EXAMINER

WHEREAS, a hearing was held on August 9, 1977, before Peter C. Erickson, a Hearing Examiner of the State Office of Hearing Examiners, on the above-entitled matter in compliance with Minn. Stat. § 15.0412, Subd. 4; and

WHEREAS, the Report of Hearing Examiner made pursuant to Minn. Stat. § 15.052, Subd. 3, was issued to the Board of Accountancy on August 23, 1977; and

WHEREAS, the Board of Accountancy has now determined to adopt rules pursuant to Minn. Stat. § 15.0412, Subd. 4; and

WHEREAS, the Board of Accountancy has submitted said rules to the Chief Hearing Examiner for review pursuant to Minn. Stat. § 15.052, Subd. 4, and Rule HE 107; and

WHEREAS, the Chief Hearing Examiner finds that the final proposed rules are not substantially different from those proposed at the public hearing and that the Board of Accountancy has met all requirements of Minn. Stat. § 15.0412, Subd. 4.

NOW, THEREFORE, upon receipt of this Report, the Board of Accountancy has the responsibility of submitting the complete hearing record and the rules as adopted by the Board to the Attorney General and to publish in the State Register, all pursuant to Minn. Stat. § 15.0412, Subd. 4.

Dated this 13th day
of September, 1977.

Duane R. Harves

DUANE R. HARVES
Chief Hearing Examiner

STATE OF MINNESOTA

BOARD OF ACCOUNTANCY

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING CONTINUING PROFESSIONAL EDUCATION FOR CERTIFIED PUBLIC ACCOUNTANTS AND THE PROPOSED AMENDMENT OF THE RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING THE PROFESSIONAL CONDUCT OF CERTIFIED PUBLIC ACCOUNTANTS	ORDER FOR HEARING

IT IS HEREBY ORDERED that a public hearing on the above-captioned rules be held in the Department of Commerce Hearing Room, 500 Metro Square Building, 7th and Robert Streets, St. Paul, Minnesota 55101 on August 9, 1977, commencing at 9:30 a.m. and continuing until all persons have had an opportunity to be heard.

IT IS FURTHER ORDERED that a Notice of Hearing be mailed to all persons or representatives of associations or other interested groups who have registered their names with the Secretary of State for that purpose.

IT IS FURTHER ORDERED that the Notice of Hearing be published in the State Register.

Leonard A. Rapoport
Chairman
State Board of Accountancy

Date: June 24 1977

STATE OF MINNESOTA

BOARD OF ACCOUNTANCY

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING CONTINUING PROFESSIONAL EDUCATION FOR CERTIFIED PUBLIC ACCOUNTANTS AND THE PROPOSED AMENDMENT OF THE RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING THE PROFESSIONAL CONDUCT OF CERTIFIED PUBLIC ACCOUNTANTS	NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that a public hearing in the above-entitled matter will be held in the Department of Commerce Hearing Room, 500 Metro Square Building, 7th and Robert Streets, St. Paul, Minnesota 55101 on August 9, 1977, commencing at 9:30 a.m. and continuing until all persons have had an opportunity to be heard.

All interested or affected persons will have an opportunity to participate. Statements may be made orally and written materials may be submitted by mail to Steve Mihalchick, Office of Hearing Examiners, 1745 University Avenue, St. Paul, Minnesota 55104, (612) 296-8118, either before the hearing or within five working days after the close of the hearing or for a longer period not to exceed 20 days if so ordered by the Hearing Examiner.

The proposed rules, if adopted, would establish a continuing education requirement of 120 hours of education every three years to be met by licensed certified public accountants as a condition to the retention of their licenses. In addition, the proposed rules would establish standards to be applied in determining those programs which qualify for continuing education credit, provide for reporting of credit claimed by licensees, and set forth policies to be followed by the Board in the administration and enforcement of the proposed continuing education rules. The proposed rules would also amend Minn. Reg. Accy 150, Code of Professional Conduct, Rule 304C to correct clerical ommissions in the text of the rule to read as follows:

> Rule 304 A licensee shall furnish to his client upon request:
> ....
> C. any accounting or other records belonging to or obtained for the client which he or his firm may have had occasion to remove from the client's premises or to receive for the client's account, but this shall not preclude him from making copies of such documents when they form the basis for work done by him (or his firm), but in no event shall the accountant have a lien on these accounting or other records ....

(Additions to the text of the existing rules are indicated by underlining.)

Copies of the proposed rules are now available and one free copy may be obtained by writing to the State Board of Accountancy, 500 Metro Square Building, St. Paul, Minnesota 55101. Additional copies will be available at the door on the date of the hearing. The Board's authority to promulgate the proposed rules is contained in Minn Stat. §§214.12 and 326.18 (1976). A "statement

of need" explaining why the board feels the proposed rules are necessary and a "statement of evidence" outlining the testimony they will be introducing will be filed with the Hearing Examiners Office at least 25 days prior to the hearing and will be available there for public inspection.

Please be advised that Minnesota Statutes, Chapter 10A, requires each lobbyist to register with the Ethical Practices Board within five days after he commences lobbying. Lobbying includes attempting to influence rule making by communicating or urging others to communicate with public officials. A lobbyist is generally any individual who spends more than $250 per year for lobbying or any individual who is engaged for pay or authorized to spend money by another individual or association and who spends more than $250 per year or five hours per month at lobbying. The statute provides certain exceptions. Questions should be directed to the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, phone (612) 296-5615.

Leonard A. Rapoport

Leonard A. Rapoport, Chairman
State Board of Accountancy

Date: June 16, 1977

STATE OF MINNESOTA

BOARD OF ACCOUNTANCY

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING CONTINUING PROFESSIONAL EDUCATION FOR CERTIFIED PUBLIC ACCOUNTANTS AND THE PROPOSED AMENDMENT OF THE RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING THE PROFESSIONAL CONDUCT OF CERTIFIED PUBLIC ACCOUNTANTS	CERTIFICATE OF DELIVERY SECRETARY OF STATE LIST

I hereby certify that the attached 508 labels & 2 sheets constitute the complete list of persons, associations, and other interested groups who as of 8:00 o'clock AM., this 1st day of July, 1977, have requested pursuant to M.S. 1977, Sec. 15.0412, that their names be placed on file with the Secretary of State for the purpose of receiving notice of public hearing on proposed rules on the subject captioned above.

SECRETARY OF STATE

Joan Anderson Growe

By Cecil Dixon

STATE OF MINNESOTA

BOARD OF ACCOUNTANCY

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING CONTINUING PROFESSIONAL EDUCATION FOR CERTIFIED PUBLIC ACCOUNTANTS AND THE PROPOSED AMENDMENT OF THE RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING THE PROFESSIONAL CONDUCT OF CERTIFIED PUBLIC ACCOUNTANTS	AFFIDAVIT OF RECEIPT OF THE SECRETARY OF STATE'S LIST

Marian A. Flanagan, being duly sworn on oath deposes and says:

1) That she is an employee of the Board of Accountancy of the State of Minnesota.

2) That on the 1st day of July, 1977, she went to the Secretary of State's office for the State of Minnesota and requested a current list of all representatives of associations or other interested groups or persons who had registered their names with the Secretary of State for the purpose of obtaining notices of public hearings relating to the promulgation of rules pursuant to M.S. 15,0412.

3) That on the 1st day of July, 1977, in response to the above request, the Secretary of State provided her with such a list, a copy of which is attached hereto and incorporated by reference.

Further affiant sayeth not.

Marian A. Flanagan
Executive Secretary

NORENE M. CARR
Notary Public, Ramsey Co. Mn.
MY COMMISSION EXPIRES
Febuary 25, 1981

Subscribed and sworn to before me
this 1st day of July, 1977.
Notary Public,
Ramsey County, Minnesota.
My Commission expires 2-25-81.

STATE OF MINNESOTA

BOARD OF ACCOUNTANCY

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING CONTINUING PROFESSIONAL EDUCATION FOR CERTIFIED PUBLIC ACCOUNTANTS AND THE PROPOSED AMENDMENT OF THE RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING THE PROFESSIONAL CONDUCT OF CERTIFIED PUBLIC ACCOUNTANTS	AFFIDAVIT OF MAILING

Marian A. Flanagan, Executive Secretary, being first duly sworn, deposes and says:

That on the 1st day of July, , 1977, at the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Notice of Hearing by depositing in the United States mail at said City of St. Paul, a true and correct copy thereof, properly enveloped, with postage prepaid, to all persons and associations at the addresses listed on the attached Certificate of the Secretary of State as well as to all persons listed on the attached sheet as presently being members of the Minnesota Legislature.

NORENE M. CARR
Notary Public, Ramsey Co. Mn.
MY COMMISSION EXPIRES
Febuary 25, 1981

Marian A. Flanagan
Exeuctive Secretary

Subscribed and sworn to before me this
1st day of July 1977.

Notary Public
Ramsey County, Minnesota
My Commission expires 2-25-81.

Department of Revenue

Notice of Intent to Solicit Outside Opinion on Rules Governing Sales and Use Tax

The Department of Revenue is drafting amendments to the rules relating to sales and use tax. The rules are authorized by Minn. Stat. § 297A.29 (1976). The rules for which amendments are being considered deal with the application and administration of the sales and use tax.

All interested or affected persons or groups are requested to participate. Statements of information and comment may be made orally or in writing. Written statements of information and comment may be addressed to:

Mr. Donald Mundahl, Director
Sales & Use Tax Division
Department of Revenue
9th Floor, Capitol Square Building
550 Cedar Street
St. Paul, Minnesota 55101

Oral statements of information and comment will be received during regular business hours over the telephone at (612) 296-2896, and in person at the above address.

All statements of information and comment must be received by July 15, 1977. Any written materials received by the Agency shall become part of the hearing record.

George W. Winter
Deputy Commissioner

Teachers Retirement Association

Board of Trustees Meeting

The Board of Trustees, Minnesota Teachers Retirement Association, will hold a meeting on Wednesday, June 29, 1977, at 3 p.m. in the office of the Association, 302 Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota, to consider matters which may properly come before the Board.

State Board of Accountancy

Notice of Intent to Solicit Outside Opinion on Rules Regarding Continuing Education Requirement

Notice is hereby given that the State Board of Accountancy has begun consideration of proposed rules governing continuing education for certified public accountants in accordance with Minn. Stat. §§ 214.12 and 326.18 (1976). In order to adequately determine the nature and utility of such rules, the Board of Accountancy hereby requests information and comments from all interested individuals or groups concerning the subject matter of the proposed rules.

The proposed rules, if adopted, would establish a continuing education requirement for licensed certified public accountants as a condition to the retention of their licenses.

All interested or affected persons or groups are requested to participate. Statements of information and comment may be in writing. Written statements of information and comment may be addressed to:

Marian Flanagan
Executive Secretary
Board of Accountancy
500 Metro Square Building
Saint Paul, Minnesota 55101

All statements of information and comment must be received within fourteen (14) days of the publication of this notice.

Leonard A. Rapoport
Chairman, Board of Accountancy
500 Metro Square Building
Saint Paul, Minnesota 55101

Department of Commerce

Notice of Intent to Solicit Outside Opinion on Rules Regarding Home Loans Made Pursuant to the Conventional Home Loan Assistance and Protection Act

Notice is hereby given that the Banking Division is seeking information or opinions from sources outside the agency in preparing to propose the repeal or amendment of rules governing home loans made pursuant to the Conventional Home Loan Assistance and Protection Act, Minn. Stat. § 47.20, as amended. Any interested persons may submit data or views on this subject in writing or orally to:

James Miller
Banking Division
500 Metro Square Building
St. Paul, Minnesota 55101
Telephone: 612-296-2132

Any written material received by the agency shall become