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STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

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DIRECTOR

**MICHIGAN BOARD OF ACCOUNTANCY
RULES COMMITTEE WORK GROUP
MEETING**

**MINUTES
MAY 5, 2020**

The Michigan Board of Accountancy Rules Committee Work Group, met on May 5, 2020. The meeting was held via Zoom, pursuant to Executive Order 2020-48.

CALL TO ORDER

Weston MacIntosh, Senior Policy Analyst, Boards and Committees Section, called the meeting to order at 1:06 p.m.

ATTENDANCE

Members Present: James Bayson, CPA
Ola M. Smith, Ph.D., CPA

Members Absent: Barbara Homier, Public Member

Staff Present: Weston MacIntosh, Senior Policy Analyst, Boards and Committees Section
Alexandra Bestwick, Analyst, Licensing Division
Kerry Przybylo, Manager, Boards and Committees Section
Rick Roselle, Analyst, Licensing Division
Stephanie Wysack, Board Support, Boards and Committees Section

Public Present: Bob Doyle – Michigan Association of Certified Public Accountants
John Lindley – Michigan Association of Certified Public Accountants
Rachel Reardon – Michigan Association of Certified Public Accountants

WELCOME

RULES DISCUSSION – A copy of the draft rules used during discussion is attached.

R 338.5101 Definitions.

MacIntosh stated that he removed some of the definitions, as many are already in the Occupational Code. It is not necessary to repeat in the rules.

R 338.5102 Standards of professional practice adopted by reference.

MacIntosh stated that the language was updated to reference current versions of recognized standards.

R 338.5110 Uniform CPA exam generally.

MacIntosh stated that this rule had been rescinded and incorporated into R 338.5110a so that there was only one rule on the examination.

R 338.5110a Uniform CPA exam procedures.

Subdivision (c): MacIntosh stated that he added the rolling 18-month language.

Bayson asked what the 90-day extension was and if 90 days was a reasonable timeframe. Bayson stated that if someone were outside of the 90 days, they would not have the opportunity to request an extension.

Lindley stated that 90 days prior to the end of the 18-month timeframe was reasonable.

Smith questioned when someone would need to request an extension and could it be worded differently.

Wysack stated that the language did not say “prior to” 90 days.

Reardon agreed with the proposed language.

Smith asked how often requests were made.

Bestwick stated that very few requests were made to the Department.

Przybylo suggested saying “prior to the date of the exam.”

The Rules Committee and public agreed with the language as presented.

R 338.5112 Failure to write exam during specified period; reapplication required.

MacIntosh stated that this rule had been rescinded as part of creating one rule on the exam and the elimination of exam windows.

R 338.5115 Educational requirements for uniform CPA exam; approved educational institutions; adoption of accreditation standards by reference.

MacIntosh stated that the language had been revised to align with statute.

Subdivisions (1)(a) and (1)(b): MacIntosh read the subdivisions and stated that they were written to clarify the language stricken from Subrule (1).

Subrule (2): MacIntosh stated that this provision was left the same as it followed the current course requirements in the rule.

Smith asked what the effect there was in changing Subrule (1) into Subdivisions (1)(a) and (1)(b).

MacIntosh stated that it clarified the requirement in MCL 339.725(2) in statute.

Lindley stated that the new language highlighted the requirements and is clearer than the language stricken out in Subrule (1).

The Rules Committee and public agreed on the language as written.

R 338.5116 Educational requirements for certificate of certified public accountant.

MacIntosh read the educational requirements within Subdivisions (1)(a)(b) and (c). He stated that the master's degree and other subject requirements were removed to align with the statute in requiring a concentration in accounting.

Smith stated that removing the master's degree could remove alternate pathways for students.

MacIntosh stated that using the concentration in accounting only once in the rules made the requirements the same for applicants.

Smith stated that in the past, students who had earned a Master of Science in Administration (MSA) or Master of Public Administration (MPA) degree, who had a concentration in accounting could apply for licensure. The master's pathway should not be removed.

MacIntosh stated that leaving the master's pathway does not follow statute.

Lindley stated that the alternate pathway is covered under Subdivision (1)(b) in that it stated, "baccalaureate degree or higher degree..." One hundred twenty (120) semester hours are needed to take the exam, but the concentration in accounting is required to take the exam and for licensure. They are two different items.

MacIntosh reiterated that the concentration in accounting is defined once and therefore applied to all.

MacIntosh stated that the alternative pathway had not been eliminated; it was just outlined better with uniform language.

Bayson stated that the new language was an improvement and outlined the requirements more clearly.

Lindley stated that back when coursework was increased by 30 semester hours, the experience requirement decreased from two years to one year. Being able to sit for the exam at 120 semester hours was the compromise.

The Rules Committee and public agreed to the language as presented.

R 338.5210 License renewals; continuing education requirements; applicability; continuing education waiver; reciprocity.

MacIntosh stated that a few words were changed to clarify the language.

The Rules Committee and public agreed to the language as presented.

R 338.5215 Acceptable continuing education; requirements; limitations.

MacIntosh discussed clarifying language that was added throughout the rule such as one-half credit defined as 0.5 credit, one-fifth credit defined as 0.2 credit, that 0.2 credit is allotted for each nano-learning program completed, and that 50 minutes of continuous instruction is equal to 1 hour of continuing education.

The Rules Committee and public agreed to the language as presented.

R 338.5230 Relicensure; continuing education.

MacIntosh reviewed the clarifying language added to Subdivision (1)(b) and stated that the rule was edited to coincide with how the Department processed applications for licensure.

The Rules Committee and public agreed to the language as presented.

ADJOURNMENT

MacIntosh stated that the rules would be ready to present to the Board for a vote at the May 29, 2020 meeting.

MacIntosh adjourned the meeting at 2:08 p.m.

Prepared by:
Stephanie Wysack, Board Support
Bureau of Professional Licensing

May 6, 2020

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

DIRECTOR'S OFFICE

~~ACCOUNTING~~ ACCOUNTANCY – GENERAL RULES

Filed with the secretary of state on

These rules take effect immediately upon filing with the secretary of state unless adopted under section 33, 44, or 45a(6) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.233, 24.244, or 24.245a. Rules adopted under these sections become effective 7 days after filing with the secretary of state.

(By authority conferred on the department of licensing and regulatory affairs by sections 205, **308**, 721, 725, 726, 728, **and 729 of the occupational code**, 1980 PA 299, MCL 339.205, **339.308**, 339.721, 339.725, 339.726, 339.728, **and 339.729**, ~~339.729~~; ~~and on the board of accountancy by section 308 of 1980 PA 299, MCL 339.308~~; and by Executive Reorganization Order No. **Nos.** 1991-9, 1996-2, 2003-1, 2008-4, and 2011-4, MCL 338.3501, 445.2001, 445.2011, 445.2025, and 445.2030-)

R 338.5101, R 338.5102, R 338.5110a, R 338.5115, R 338.5116, R 338.5210, R 338.5211, R 338.5215, and R 338.5230 of the Michigan Administrative Code are amended, and R 338.5110 and R 338.5112 are rescinded to read as follows:

PART 1. GENERAL PROVISIONS

R 338.5101 Definitions.

Rule 101. (1) As used in these rules:

(a) "Act" means 1980 PA 299, MCL 339.101 to 339.2677, and known as the occupational code.

(b) "Audit" or "examination" means an examination applying generally accepted auditing standards, including any procedure undertaken to verify or test the reasonableness of financial information with a view of expressing an opinion or commenting on the fairness of the presentation.

~~(e) "Attest" means an audit, review, examination, or agreed upon procedures engagement as defined in section 720 of the act, MCL 339.720, performed in accordance with applicable professional standards adopted in R 338.5102.~~

~~(d)~~ (c) "Board" means the Michigan board of ~~accountancy~~. **accountancy created under section 721 of the act, MCL 339.721.**

~~(e) "Certified public accountant" or "CPA" means a person holding a certificate of certified public accountant granted by the department, or an individual with practice privileges.~~

~~(f)~~ "Client" means the person or persons or entity that retains an individual licensee, a firm licensee, individual with practice privileges, or an out-of-state firm, for the performance of professional services.

~~(g)~~ **(d)** "Continuing education period" means all or part of a year beginning July 1 and ending June 30.

~~(h)~~ **(e)** "Continuous instruction" means education time not including breakfast, lunch, or dinner periods, coffee breaks, or any other breaks in the program.

~~(i)~~ **(f)** "Disclose" means to provide a written communication from a **Certified Public Accountant (CPA)** CPA or a CPA firm informing the client, prior to making a recommendation or referral, that the CPA or CPA firm will receive a commission, referral fee, or contingency fee from a third party for recommendations or referrals of products and/or services.

~~(j)~~ **(g)** "Enterprise" means a person, persons, or entity for which an individual licensee, a firm licensee, an individual with practice privileges, or an out-of-state firm performs professional services.

~~(k)~~ "Exam window" means the time in each calendar quarter in which the uniform certified public accountant examination is offered. There are 4 exam windows in each calendar year, the first 2 months of each calendar quarter: January 1 to February 28 (or 29), April 1 to May 31, July 1 to August 31, and October 1 to November 30.

~~(l)~~ **(h)** "Financial statements" means statements and related footnotes that show financial position, results of operations, and cash flows on the basis of generally accepted accounting principles or another comprehensive basis of accounting. The term does not include incidental financial data included in management advisory services reports to support recommendations to a client and does not include tax returns and supporting schedules of tax returns.

~~(m)~~ **(i)** "Generally accepted accounting principles" means accounting principles of professional conduct, promulgated by the applicable nationally or internationally recognized professional standard setting organization, related to individual accounting engagements.

~~(n)~~ **(j)** "Generally accepted auditing standards" means the standards of professional conduct, promulgated by the applicable nationally or internationally recognized professional standard setting organization, related to individual audit engagements.

~~(o)~~ **(k)** "Individual with practice privileges" means an individual who practices in this state pursuant to **under** section 727a of the act, MCL 339.727a.

~~(p)~~ "Licensee" means the holder of an individual license under section 727 of the act, MCL 339.727 or the holder of a firm license under section 728 of the act, MCL 339.728.

~~(q)~~ **(l)** "Nano-learning program" means a tutorial program designed to permit a participant to learn a given subject in a 10-minute time frame through the use of electronic media and without interaction with a real-time instructor.

~~(r)~~ **(m)** "Out-of-state firm" means a firm that is permitted to provide certain services and use the title "CPA firm" without obtaining a Michigan firm license under section 728 of the act, MCL 339.728, under the conditions in section 728(4) and (5) of the act, MCL 339.728(4) and (5).

~~(s)~~ **(n)** "Professional engagement" means an agreement between a client and an individual licensee, a firm licensee, an individual with practice privileges, or an out-of-state firm relative to the performance of professional services.

~~(t)~~ (o) "Professional services" means any services performed or offered to be performed by an individual licensee, a firm licensee, an individual with practice privileges, or an out-of-state firm for a client in the course of the practice of public accounting, pursuant to ~~under~~ section 720 of the act, MCL 339.720.

~~(u)~~ (p) "Qualifying hours" means continuing education hours that ~~comply with~~ satisfy part 3 of these rules.

(2) ~~Terms~~ A term defined in the act ~~have~~ has the same ~~meanings~~ meaning when used in these rules.

R 338.5102 Standards of professional practice adopted by reference.

Rule 102. (1) The following standards are adopted by reference:

(a) The standards issued by the American Institute of CPAs (AICPA), 220 Leigh Farm Road, Durham, North Carolina, 27707, set forth in the publication "AICPA Professional Standards" updated ~~June 1, 2017,~~ **July 1, 2019**, and any statements issued as of the effective date of this rule, which are available at cost from the institute's website at: <http://www.aicpa.org>.

(b) The standards issued by the Public Company Accounting Oversight Board (PCAOB), 1666 K Street NW, Washington, ~~DC~~ **District of Columbia**, 20006, set forth in the publication entitled "PCAOB Standards and Related Rules" ~~2017~~ **2020** edition, and any updates issued as of the effective date of this rule, which are available at cost from the AICPA at <http://www.aicpa.org>.

(c) The auditing standards issued by the Government Accountability Office, 441 G. St., NW, Washington, ~~DC~~ **District of Columbia**, 20548, in the publication entitled "Government Auditing Standards ~~2011 Revision,~~ **2018 Revision**" ~~reissued~~ **issued** on ~~January 20, 2012~~ **July 17, 2018**, which are available at no cost on the Office's website at <http://gao.gov/products/GAO-12-331G>. <https://www.gao.gov/assets/700/693136.pdf>.

(d) The auditing standards issued by the International Auditing and Assurance Standards Board (IAASB), 529 5th Avenue, New York, ~~NY~~ **New York**, 10017, in the publication entitled "**2018** Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Pronouncements" ~~2016-2017~~ **issued on December 17, 2018**, edition, and any related pronouncements issued as of the effective date of this rule, which are available at cost from the IAASB's website at: ~~<http://www.ifac.org/publications-resources/2015-handbook-international-quality-control-auditing-review-other-assurance>~~. <https://www.iaasb.org/publications/2018-handbook-international-quality-control-auditing-review-other-assurance-and-related-services-26>.

(e) The accounting standards issued by the Financial Accounting Standards Board (FASB), 401 Merritt 7, P.O. Box 5116, Norwalk, ~~CT~~ **Connecticut**, 06856, in the publication entitled "FASB Accounting Standards Codification" as of October 31, ~~2016~~ **2019**, and any updates published as of the effective date of this rule, which are available at cost from the board's website at <https://asc.fasb.org>.

(f) The accounting standards issued by the Governmental Accounting Standards Board (GASB), 407 Merritt 7, P.O. Box 5116, Norwalk, ~~CT~~ **Connecticut**, 06856, in the publication entitled "GASB Codification" as of June 30, ~~2016~~ **2019**, and any

pronouncements published as of the effective date of this rule, which are available at cost from the board's website at <http://gasb.org>.

(g) The accounting standards issued by the International Accounting Standards Board, 30 Cannon Street, London EC4M 6XH, United Kingdom, in the publication entitled "2017 2018 International Financial Reporting Standards IFRS® (Red Book)" and any pronouncements issued as of the effective date of this rule, which are available at cost from the board's website at: <http://www.ifrs.org>.

(h) The United States Securities and Exchange Commission (SEC) rules contained in Title 17 Chapter 2 of the United States Code of Federal Regulation and the SEC's Interpretative Releases and Policy Statements issued as of the effective date of this rule. The SEC rules may be obtained free of charge at <http://www.ecfr.gov>. The SEC's Interpretative Releases and Policy Statements may be obtained free of charge at <https://www.sec.gov>.

(2) Copies of the standards adopted in this rule are available for inspection and distribution at **the cost of 10 cents per page** from the Department of Licensing and Regulatory Affairs, Bureau of Professional Licensing, 611 W. Ottawa Street, P.O. Box 30670, Lansing, ~~MI~~ **Michigan**, 48909.

(3) A licensee ~~shall comply with~~ **must satisfy** the applicable standards adopted in subrule (1) of this rule.

R 338.5110 ~~Uniform CPA exam generally.~~ **Rescinded.**

~~Rule 110. (1) The department or its designee may permit a candidate to sit for the exam in another state if the candidate complies with all administrative rules.~~

~~(2) The department may excuse a candidate from an exam due to the sickness of the candidate or a member of the candidate's immediate family if substantiated by a doctor's certificate. A candidate may also be excused if the candidate provides the department with proof of a death in the candidate's immediate family, temporary military service, or another good reason acceptable to the department. A candidate shall make a request to be excused within 90 days of the date of the exam. If excused, an applicant's exam shall not count as a failure to write the exam.~~

~~(3) The department shall grant a candidate credit for exam grades of 75 or higher earned in another state if the candidate meets the educational requirements to sit for the exam and if the board determines the exam was equivalent to the exam provided by the department.~~

PART 2. LICENSURE REQUIREMENTS

R 338.5110a Uniform CPA exam procedures.

Rule 110a. The following procedures ~~shall apply:~~ **apply to the uniform CPA exam:**

(a) Applicants may take the required exam sections individually and in any order.

(b) Applicants ~~shall~~ **must** pass all sections of the exam within ~~the exam windows that fall within~~ a rolling 18-month period beginning on the date that the first section is passed. If all sections are not passed ~~within the exam windows that fall~~ within the rolling 18-

month period, then credit for any section passed outside the 18-month period ~~shall expire~~ **expires** and must be retaken.

(c) The department may extend ~~an exam window~~ **the rolling 18-month period under subdivision (b) of this rule** due to the sickness of the candidate or a member of the candidate's immediate family if substantiated by a doctor's ~~certificate~~ **certificate** or ~~An exam window may also be extended~~ if the candidate provides the department with proof of a death in the candidate's immediate family, temporary military service, or another good reason acceptable to the department. A candidate ~~shall~~ **must** make a request for an **extension** ~~to be excused~~ within 90 days of the date of the exam. If ~~extended~~ **extended**, an applicant's exam ~~shall~~ **does** not count as a failure to write the exam.

(d) ~~Applicants shall not retake any sections of the exam within the same exam window.~~ **The department or the entity contracted with the department to administer the exam may permit a candidate to sit for the exam in another state if the candidate complies with all the requirements for sitting for the exam under these rules.**

(e) The department grants a candidate credit for exam grades of 75 or higher earned in another state if the candidate satisfies the educational requirements to sit for the exam and if the board determines the exam was equivalent to the exam provided by the department.

(f) An applicant may retake an exam section once the applicant's grade for any previous attempt of the same exam section has been released.

R 338.5112 ~~Failure to write exam during specified period; reapplication required.~~ **Rescinded.**

Rule 112. ~~A candidate who fails to write an exam for a period of 6 successive exam windows shall apply as a new applicant, unless excused under R 338.5110(2) or R 338.5110a(c).~~

R 338.5115 ~~Qualifying educational requirements;~~ **Educational requirements for uniform CPA exam;** approved educational institutions; adoption of accreditation standards by reference.

Rule 115. (1) ~~Pursuant to~~ **To satisfy section 725(1)(b) of the act, MCL 339.725(1)(b) and section 725(2) of the act, MCL 339.725(2), an individual who has completed a curriculum required for a baccalaureate degree consisting of not less than 120 semester hours with a concentration in accounting at a higher education institution approved in subrule (3) of this rule is eligible to take the uniform certified public accountant examination. must supply proof of both of the following:**

(a) **Completion of a curriculum required for a baccalaureate degree consisting of not less than 120 semester hours with a concentration in accounting at a higher education institution approved under subrule (3) or considered substantially equivalent under subrule (4).**

(b) **Completion of a concentration in accounting at a higher education institution approved under subrule (3) or considered substantially equivalent under subrule (4), that includes all the accounting and general business subjects under subrule (2).**

(2) A concentration in accounting shall include all the following accounting and general business subjects:

(a) Auditing: 3 semester hours.

(b) Twenty-four semester hours of general business subjects, other than accounting, that may include study in any of the following subjects:

(i) Business communications.

(ii) Business ethics.

(iii) Business law.

(iv) Economics.

(v) Finance.

(vi) Management.

(vii) Marketing.

(viii) Information systems or technology.

(ix) Quantitative methods.

(x) Statistics.

(xi) Other subjects approved by the department.

(c) Twenty-one semester hours of accounting principles that must include study in each of the following areas:

(i) Financial accounting and accounting theory.

(ii) Managerial accounting, including cost accounting.

(iii) Accounting systems and controls.

(iv) Taxation.

(v) Governmental/fund accounting.

(3) The board adopts by reference the procedures and criteria for recognizing accrediting agencies of the United States Department of Education, effective July 1, 2010, as contained in Title 34, Part 602 of the Code of Federal Regulation, and the policies and procedures for recognition of accrediting organizations of the Council of Higher Education Accreditation (CHEA), effective June 28, ~~2010~~ **2019**. The federal recognition criteria may be obtained from the United States Department of Education, Office of Postsecondary Education, 400 Maryland Avenue, SW, Washington, ~~DC~~ **District of Columbia**, 20202 and are available at no cost at <http://www.ecfr.gov>. The policies and procedures may be obtained from CHEA, One Dupont Circle NW, Suite 510, Washington, DC 20036 and are available at no cost at <http://www.chea.org>.

(4) An individual who attended an unaccredited higher education institution must establish that the individual has completed educational requirements at a higher education institution that satisfies accreditation requirements substantially equivalent to those recognized in subrule (3) by providing a credential evaluation completed by either the National Association of State Boards of Accountancy (NASBA) or a credential evaluation organization that is a current member organization of the National Association of Credential Evaluation Services (NACES).

~~(4)~~ **(5)** Copies of the standards and criteria adopted by reference in this rule are available for inspection and distribution at **the cost of 10 cents per page** from the Department of Licensing and Regulatory Affairs, Bureau of Professional Licensing, 611 W. Ottawa Street, P.O. Box 30670, Lansing, ~~MI~~ **Michigan**, 48909.

R 338.5116 **Educational requirements for Certificate certificate of certified public accountant; accountant.** ~~credit hour requirements for concentration in accounting.~~

Rule 116. (1) ~~The department shall consider a person as having met the concentration in accounting requirements of~~ **To satisfy** section 725(1)(e) of the act, MCL 339.725(1)(e), if the person provides proof of having completed 150 semester hours of academic credit at an accredited college or university, including any of the following: **an individual must supply proof of all the following to the department:**

(a) ~~A master's degree in accounting.~~ **Completion of at least 150 semester hours at a higher education institution approved under R 338.5115(3) or considered substantially equivalent under R 338.5115(4).**

(b) ~~A master's degree in business administration that includes not less than 12 semester hours of graduate level accounting courses. The 12 semester hours of accounting courses does not include tax or information systems courses.~~ **Completion of a baccalaureate degree or higher degree from a higher education institution approved under R 338.5115(3) or considered substantially equivalent under R 338.5115(4).**

(c) ~~An academic program consisting of both of the following:~~ **Completion of a concentration in accounting under R 338.5115(1)(b) and R 338.5115(2) at a higher education institution approved under R 338.5113(3) or considered substantially equivalent under R 338.5115(4).**

(i) ~~Thirty semester hours of accounting subjects, including not more than 6 semester hours of taxation. Additional semester hours in accounting subjects may be applied toward the general business subject requirements of subdivision (c)(ii) of this subrule.~~

(ii) ~~Thirty nine additional semester hours with a minimum of 3 semester hours, but not more than 12 semester hours, in not less than 5 of the following areas:~~

- ~~(A) Business law.~~
- ~~(B) Economics.~~
- ~~(C) Professional ethics.~~
- ~~(D) Finance.~~
- ~~(E) Management.~~
- ~~(F) Marketing.~~
- ~~(G) Taxation.~~
- ~~(H) Statistics.~~
- ~~(I) Business policy.~~

(2) A person may earn credit only once for an accounting or general business topic. If the department determines that 2 courses are duplicative, then only the semester hours of ~~1~~ **the first** course shall be counted toward the semester hour requirement.

(3) ~~Academic credit earned during an internship shall apply toward the total 150 semester hour requirement; however, shall not apply to the required 30 semester hours of accounting subjects or the required 39 semester hours in subrule (1)(c)(ii) of this rule.~~

PART 3. CONTINUING EDUCATION

R 338.5210 License renewals; continuing education requirements; applicability; continuing education waiver; reciprocity.

Rule 210. (1) This part applies to applications for renewal of an accountancy license under sections 411 and 729 of the act, MCL 339.411 and 339.729. An applicant for renewal must submit the required fee and a completed application on a form provided by the department. Both of the following apply:

(a) Pursuant to ~~Under~~ section 729(1) of the act, MCL 339.729(1), an applicant for renewal who is a nonresident licensee as defined under section 720(1)(g) of the act, MCL 339.720(1)(g), is considered to have met the requirements under this part if he or she satisfies all of the following requirements:

(i) Submits the required fee and a completed application on a form provided by the department.

(ii) The state in which his or her principal place of business is located requires continuing education for renewal of that state’s accountancy license.

(iii) Has met the continuing education requirements of the state in which his or her principal place of business is located.

(b) If audited, the applicant shall ~~shall~~ **must** provide a copy of the license that was renewed by the state in which his or her principal place of business is located.

(2) Submission of an application for renewal shall ~~constitute~~ **constitutes** the applicant’s certification of compliance with the requirements of this rule. Both of the following apply:

(a) An applicant shall ~~shall~~ **must** retain documentation required by R 338.5215 as ~~evidence~~ **proof of meeting satisfying** the requirements under this rule for 4 years from the date of applying for license renewal.

(b) A licensee is subject to audit under this part and may be required to submit the documentation as described by R 338.5215 upon request of the department.

(3) A request for a continuing education waiver pursuant to ~~under~~ section 204(2) of the act, MCL 339.204(2), must be received by the department before the expiration date of the license.

R 338.5215 Acceptable continuing education; requirements; limitations.

Rule 215. (1) ~~The board shall consider the following as acceptable continuing education:~~ **The continuing education hours required for renewal must satisfy the following requirements:**

Acceptable Continuing Education		
	Activity and proof of completion	Number of continuing education hours earned for the activity: activity
(a)	Attendance in a group program that meets satisfies all the following requirements: <ul style="list-style-type: none"> • The subject matter of the program complies with R 338.5255. • The program is conducted by an instructor or discussion leader whose background, 	Fifty minutes of continuous instruction equals 1 continuing education hour. Additional credit shall be is granted after the first 50

	<p>training, education, or experience makes it appropriate for him or her to lead a discussion on the subject matter.</p> <ul style="list-style-type: none"> • The sponsor of the program takes individual attendance. • The sponsor of the program issues to each attendee a program outline and a written certification of the attendee's hours of attendance. • The sponsor of the program maintains written records of individual attendance and the program outline for 4 years. <p>If audited, a licensee shall must submit a copy of a letter or certificate of completion showing the licensee's name, total continuing education hours earned, sponsor name and contact information, course title, course field of study, date offered or completed, and type of instruction or delivery method used.</p>	<p>minutes for continuous instruction in the following amounts:</p> <ul style="list-style-type: none"> • One-half credit (0.5 credit) for every additional 25 minutes. • One-fifth credit (0.2 credit) for every additional 10 minutes.
(b)	<p>Completion of an individual nano-learning program that meets satisfies all the following requirements:</p> <ul style="list-style-type: none"> • The subject matter of the program complies with R 338.5255. • The program is an educational course designed for nano-learning delivery. • The program uses instructional methods that define a minimum of 1 learning objective. • The program guides the participant through a program of learning and provides evidence proof of a participant's satisfactory completion of the program. • The sponsor requires the participant to successfully complete a qualified assessment with a passing grade of 100% before issuing credit for the course. • The sponsor of the program issues the participants a written certification of the participant's completion of the program and a program outline. • The sponsor of the program maintains written records of the participant's completion of the program and the program outline for 4 years. 	<p>Credit shall be is awarded as 1/5 credit (0.2 credit) for each nano-learning program completed.</p> <p>A nano-learning course cannot be combined with another nano-learning course.</p> <p>A combined maximum of 20 continuing education hours may be earned under this activity and activity (f) during each continuing education period.</p> <p>A combined maximum of 4 continuing education hours in auditing and accounting may be earned under this activity and activity (f) during each continuing education period.</p>

	<p>If audited, the licensee shall must submit a copy of a letter or certificate of completion provided by the program sponsor verifying the licensee's name, number of continuing education hours earned, sponsor name and contact information, course title, course field of study, date completed, and type of instruction or delivery method used.</p>	<p>A combined maximum of 1 continuing education hour in the study of professional ethics may be earned under this activity and activity (f) during each continuing education period.</p>
(c)	<p>Passing a noncredit academic course that meets satisfies both of the following requirements:</p> <ul style="list-style-type: none"> • The subject matter of the course complies with R 338.5255. • The course is offered by an educational institution that complies with R 338.5115. <p>If audited, the licensee shall must submit a letter from the institution confirming the name and course number of the course completed, number of classroom hours attended, and the date of satisfactory course completion.</p>	<p>Each classroom hour 50 minutes of continuous instruction equals 1 continuing education hour.</p>
(d)	<p>Passing a for-credit academic course that meets satisfies both of the following requirements:</p> <ul style="list-style-type: none"> • The subject matter of the course complies with R 338.5255. • The course is offered by an educational institution that complies with R 338.5115. <p>If audited, the licensee shall must submit a copy of an official transcript or a letter from the institution confirming the name and course number of the course completed, credit hours earned, and date of satisfactory course completion.</p>	<p>Fifteen continuing education hours shall be are granted for each academic credit hour.</p>
(e)	<p>Classroom work as a teacher, instructor, speaker, or lecturer that is part of an academic course of which the subject matter complies with R 338.5255 and is offered at an educational institution that complies with R 338.5115 or for conducting a group program that meets satisfies the requirements under activity code (a) as a teacher, instructor, lecturer, speaker, or seminar discussion leader.</p> <p>If audited, the licensee shall must submit a copy of the confirmation letter provided by the program</p>	<p>Twenty five minutes of continuous instruction equals ½ of 1 continuing education hour. One fifth of 1 continuing education hour shall be granted for every additional 10 minutes of continuous instruction after the first 25 minutes of continuous instruction.</p>

	<p>sponsor or the institution verifying the licensee’s name, number of hours of classroom work or hours spent conducting the group program, course title, course field of study, and dates of the presentation or instruction.</p>	<p>Three continuing education hours is granted for every 50 minutes of continuous instruction.</p> <p>A maximum of 20 continuing education hours may be earned during each continuing education period.</p> <p>A maximum of 4 continuing education hours in auditing and accounting may be earned during each continuing education period.</p> <p>A maximum of 1 continuing education hour in the study of professional ethics may be earned during each continuing education period.</p>
<p>(f)</p>	<p>Completion of an individual self-study program that meets satisfies all the following requirements:</p> <ul style="list-style-type: none"> • The subject matter of the program complies with R 338.5255. • The program is an educational course designed for self-study. • The sponsor of the program issues the participants a written certification of the participant’s completion of the program and a program outline. • The sponsor of the program maintains written records of the participant’s completion of the program and the program outline for 4 years. <p>If audited, the licensee shall must submit a copy of a letter or certificate of completion provided by the program sponsor verifying the licensee’s name, number of continuing education hours earned,</p>	<p>Twenty-five minutes of continuous instruction equals ½ (0.5 credit) of 1 continuing education hour.</p> <p>One-fifth (0.2 credit) of 1 continuing education hour shall be is granted for every additional 10 minutes of continuous instruction after the first 25 minutes of continuous instruction.</p> <p>A combined maximum of 20 continuing education hours may be earned under this activity and</p>

	<p>sponsor name and contact information, course title, course field of study, date completed, and type of instruction or delivery method used.</p>	<p>activity (b) during each continuing education period.</p> <p>A combined maximum of 4 continuing education hours in auditing and accounting may be earned under this activity and activity (b) during each continuing education period.</p> <p>A combined maximum of 1 continuing education hour in professional ethics may be earned under this activity and activity (b) during each continuing education period.</p>
(g)	<p>A course in professional ethics that complies with the requirements of activity (a), (b), (c), (d), (e), or (f) is approved if the subject matter of the course complies with R 338.5255(2).</p> <p>If audited, the licensee shall must submit a copy of a letter or certificate of completion provided by the program sponsor verifying the licensee's name, number of continuing education hours earned, sponsor name and contact information, course title, course field of study, date completed, and type of instruction or delivery method used.</p>	<p>Continuing education hours shall be are granted in an amount allowed under the type of activity for which the course qualifies.</p>
(h)	<p>Completion of a course in Michigan statutes and administrative rules applicable to public accountancy that meets satisfies all the following requirements:</p> <ul style="list-style-type: none"> • The content of the course is created by the Michigan Association of Certified Public Accountants. • The course provider issues the participants a written certification of the participant's completion of the course and a course outline. • The sponsor of the program maintains written records of the participant's completion of the course and the course outline for 4 years. 	<p>Fifty minutes of continuous instruction equals 1 continuing education hour.</p>

	If audited, the licensee shall must submit a copy of a letter or certificate of completion provided by the program sponsor verifying the licensee's name, number of continuing education hours earned, sponsor name and contact information, course title, course field of study, date completed, and type of instruction or delivery method used.	
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(2) Continuing education hours ~~shall not be~~ **are not** granted for a program or activity that has substantially the same content of a program or activity for which the applicant has already earned continuing education hours during the continuing education period.

R 338.5230 Relicensure; continuing education.

Rule 230. (1) An applicant for relicensure whose license has lapsed for less than 3 years after the expiration date of the last license may be relicensed under section 411(3) of the act, MCL 339.411(3), if the applicant satisfies both of the following requirements:

(a) Submits the required fee and a completed application on a form provided by the department.

(b) Submits proof to the department of the completion of 40 hours of continuing education within the 12 months immediately preceding the date of **filing the relicensure application. However, if the continuing education hours submitted with the application are deficient, the application will be held by the department and the applicant must provide proof of completing the deficient hours within 1 year of the date of filing the relicensure application.** The 40 hours must ~~comply with~~ **satisfy** all the following requirements:

(i) ~~Meet~~ **Satisfy** the requirements of R 338.5215.

(ii) Eight of the 40 hours are in auditing and accounting.

(iii) Two of the 40 hours are in professional ethics.

(iv) One of the 2 hours ~~of is in~~ professional ethics **that satisfies the requirements under R 338.5215(1)(h).** ~~are in Michigan statutes and administrative rules applicable to public accountancy.~~

(2) An applicant whose license has been lapsed for 3 or more years after the expiration date of the last license may be relicensed under section 411(4) of the act, MCL 339.411(4), if the applicant satisfies all of the following requirements:

(a) Submits the required fee and a completed application on a form provided by the department.

(b) Establishes that he or she holds a valid and unrevoked certificate as a certified public accountant that was issued ~~pursuant to~~ **under** section 725 or 726 of the act, MCL 339.725 or 339.726

(c) Submits proof to the department of the completion of 40 hours of continuing education within the 12 months immediately preceding the date of **filing the relicensure application. However, if the continuing education hours submitted with the application are deficient, the applicant has 1 year from the date of filing the application to provide proof of completing the deficient hours.** The 40 hours must ~~comply with~~ **satisfy** all the following requirements:

(i) ~~Meet~~ **Satisfy** the requirements of R 338.5215.

(ii) Eight of the 40 hours are in auditing and accounting.

(iii) Two of the 40 hours are in professional ethics.

(iv) One of the 2 hours ~~of~~ **is in** professional ethics **that satisfies the requirements under R 338.5215(1)(h).** ~~are in Michigan statutes and administrative rules applicable to public accountancy.~~

~~(2)~~ **(3)** The continuing education hours required for the continuing education period of the year in which the license is granted under this rule ~~shall be~~ **are** prorated starting with the month following the date of relicensure.

(4) The department cannot calculate the period of a lapsed license based on a current or lapsed registration. A registrant whose license has lapsed for less than 3 years must satisfy the requirements under subrule (1) of this rule. A registrant whose license has lapsed for 3 years or more must satisfy the requirements under subrule (2) of this rule.