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STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

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

**MINUTES
JULY 15, 2019**

The Michigan Board of Accountancy Rules Committee Work Group, met on July 15, 2019, at 611 West Ottawa Street, Upper Level Conference Center Room 4, Lansing, Michigan 48933.

CALL TO ORDER

Weston MacIntosh, Analyst, Boards and Committees Section, called the meeting to order at 2:01 p.m.

ATTENDANCE

Members Present: James Bayson, CPA
Barbara Homier, Public Member
Ola M. Smith, Ph.D., CPA

Members Absent: None

Staff Present: Weston MacIntosh, Analyst, Boards and Committees Section
Rick Roselle, Analyst, Licensing Division
Stephanie Wysack, Board Support, Boards and Committees Section

Public Present: Shane Barry – Michigan Association of Certified Public Accountants

WELCOME

MacIntosh explained the plan for the flow of the meeting.

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

R 338.5102 Standards of professional practice adopted by reference.

MacIntosh stated that he updated references to the most current years as well as the website addresses.

R 338.5110a Uniform CPA exam procedures.

Subrule (b): MacIntosh asked for clarification of the difference between a “rolling” 18-month period and an 18-month period.

Barry indicated that a “rolling” 18-month period is a term that is used by NASBA.

MacIntosh stated that he wanted a term that is used to serve a purpose.

Homier stated that simplification is the better course. She would like the term “rolling” removed.

Barry believed the term “rolling” is used by NASBA because each section of the examination starts the clock again.

MacIntosh stated that the rule reads that there is one clock from the date of taking the first examination and does not restart with each examination.

Barry agreed with removing the term “rolling” to provide clarification.

The Rules Committee agreed with all the changes in the rule as discussed.

MacIntosh will remove the term “rolling.”

R 338.5115 Qualifying educational requirements; approved educational institutions; adoption of accreditation standards by reference.

MacIntosh stated that clarifying language had been added.

Subrule (2)(b): Smith asked if applicant could complete any of the subjects listed. All of the subjects did not have to be completed. MacIntosh confirmed.

No public comment was made.

The Rules Committee agreed with the proposed rule as presented.

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

Provision (1): MacIntosh asked what the Rules Committee thought the intent of this rule was. Subrule (1)(c) is used for alternative programs but overall, this provision seems unclear whether it is to be in lieu of, or in addition to R 338.5115(2).

Subrule (1)(c): Barry stated this subrule is a moot point. Not all programs follow the traditional route.

Smith stated that she believed that a concentration in accounting was required. MacIntosh read MCL 339.725(2) that referenced the concentration in accounting.

Barry stated that under R 338.5115(1), an individual can test after completing at least 120 semester hours with a concentration in accounting, and that under R 338.5116(1), an individual can obtain licensure. Keeping subrule (1)(c) could limit alternative pathways.

Smith asked how the accounting concentration came into R 338.5116 if R 338.5115(2) was removed. MacIntosh clarified that he was referring to removing R 338.5116(1)(c).

Smith stated that R 338.5116(1) only requires "1 of the following" while R 338.5115(2) requires a major in accounting, not just an MBA, without an accounting course. She wanted a concentration in accounting to be required for testing under R 338.5115(2) to coincide with MCL 339.725(2) as it has many references to a concentration in accounting. Bayson agreed.

Smith stated that the university she works for follows the concentration in accounting route with the MBA. Many other universities do the same.

MacIntosh suggested adding language to include the number of accounting courses required in order to fulfil the concentration in accounting requirement of MCL 339.725(2). Smith stated that her university already incorporates core accounting courses.

Barry stated that the proposed language makes it more difficult for those individuals following an alternative pathway.

MacIntosh asked the Rules Committee if they knew the importance of the extra 30-credit hours of education that were referenced in R 338.5116. Bayson and Smith indicated that it was used to get more well-rounded individuals.

MacIntosh stated that he could possibly combine R 338.5115 and R 338.5116, as they both encompass educational requirements.

Smith stated that it could work as long as it clarified requirements to test and requirements for licensure.

MacIntosh stated that changing the heading, once combined, would possibly help with clarification.

Tabled for discussion at a future meeting.

R 338.5101 Definitions.

Subrule (1)(e) “Continuous education period”: MacIntosh suggested removing this definition as continuing education is covered under the statute. The Occupational Code rules outline the renewal dates for all occupational licenses. The renewal date for Accountancy is July 31.

Smith questioned how a licensee would know what defines a “year.” MacIntosh stated that the licensee would need to be aware of what their renewal date was.

Smith stated that changing the date will affect reporting of continuing education as the continuing education tracker provided through MICPA is based on June 30th.

MacIntosh stated that leaving subrule (1)(e) in, decreases the licensee’s timeframe to obtain continuing education by one month.

Bayson stated that he wanted to make sure that if a change is made, that it would be communicated.

MacIntosh stated that removing subrule (1)(e) would clarify the continuing education rule. He would update R 338.5210 anywhere the continuing education period was referenced.

Barry stated that 80 hours is needed to renew a license. All the continuing education can be packed into one month if a timeframe is not defined. MacIntosh stated that the department would not be able to stop an individual from obtaining all the continuing education in one month, no matter how the rule was written.

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

MacIntosh stated that the department has chosen to keep the renewal date for Accountancy as July 31 instead of changing to using the initial licensure date.

R 338.5211 Renewal of license with insufficient qualifying hours permitted under certain circumstances; waiver of requirement for additional hours.

MacIntosh asked the Rules Committee if they felt this rule was needed.

Barry stated that it is needed as MCL 339.729 requires 40 hours of continuing education credit in each year of licensure, for a total of 80 hours.

MacIntosh stated that to account for the length of the cycle, the statute needs to have a certain number of hours.

MacIntosh clarified that saying “for” each year is different than saying “in” each year. The word “for” is in statute, therefore it cannot be changed. The timeframe for “for” is two years to earn the total of 80 hours. The timeframe for “in” would be one year for every 40 hours to earn the total of 80 hours.

Roselle stated that the old rule set said for each year, but the current rule set refers back to the language in the statute.

R 338.5215 Acceptable continuing education; requirements; limitations.

MacIntosh stated that changes were made for clarification.

R 338.5230 Relicensure; continuing education.

Provision (3): MacIntosh stated that he will add language to reference the license cycle.

ADJOURNMENT

MacIntosh stated that the rules will not be ready to vote on by the next board meeting on July 26, 2019. He will work on a new draft for review.

MacIntosh adjourned the meeting at 3:52 p.m.

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

July 25, 2019

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.

~~(c) "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) (d) "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~~

June 12, 2019

~~the performance of professional services.~~ **“Carry over hours” means continuing education hours that satisfy the requirements under R 338.5215 and section 729(1)(e) of the act, MCL 339.729(1)(e).**

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

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

~~(i)~~ **(g)** "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)~~ **(h)** "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)~~ **(i)** "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)~~ **(j)** "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)~~ **(k)** "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)~~ **(l)** "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)~~ **(m)** "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)~~ **(n)** "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)~~ **(o)** "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.

(p) "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.

(q) "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~~, **2018**, 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~~ **2019** 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>~~. <http://www.ifac.org/publications-resources/2018-handbook-international-quality-control-auditing-review-other-assurance>.

(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~~ **March 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~~ **2018**, 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:

(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 **was taken**. 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 **the rolling 18-month period under subdivision (b) of this rule** ~~an exam window~~ 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.**

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; approved educational institutions; adoption of accreditation standards by reference.

Rule 115. (1) ~~Pursuant to~~ **Under** 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 **that satisfies the requirements under subrule (2) of this rule** at a higher education institution approved in subrule (3) of this rule is eligible to take the uniform certified public accountant examination.

(2) A concentration in accounting ~~shall~~ **must** 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 must include study in any of the~~ **cover some or all of the** following subjects

subject areas:

(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~~ **subject areas** approved by the department **as substantially similar to the subject areas under subparagraphs (i) through (x) of this subdivision.**

(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) 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 Certificate of certified public accountant; credit hour requirements for concentration in accounting.

Rule 116. (1) The department ~~shall consider~~ **considers** a person as having met the concentration in accounting requirements of section 725(1)(e) of the act, MCL 339.725(1)(e), if the person provides proof of having **satisfied the requirements of R 338.5115(2) and** completed 150 semester hours of academic credit **at a higher education institution approved under R 338.5115(3)** ~~an accredited college or university, including any~~ **that includes 1** of the ~~following~~ **following requirements:**

(a) A master's degree in accounting.

(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.

(c) An academic program consisting of both of the ~~following~~ **following requirements:**

(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~~ **is** counted toward the semester hour requirement.

(3) Academic credit earned during an internship ~~shall apply~~ **applies** toward the total 150 semester hour requirement; however, ~~it shall~~ **does** not apply to the required 30 semester hours of accounting subjects **under subrule (1)(c)(i) of this rule** 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~~ **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~~ **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 338.5211 Renewal of license with insufficient qualifying hours permitted under certain circumstances; waiver of requirement for additional hours.

Rule 211. (1) A licensee who does not earn sufficient qualifying hours during the continuing education period may be allowed to renew a license upon reporting 80 qualifying hours and an additional 4 hours of continuing education credit for each month of time needed to remove the deficiency. The additional 4 hours of continuing education credit for each month of time needed to remove the deficiency ~~shall not only apply~~ **applies** toward the qualifying hours of continuing education credit required in a continuing education period for the renewal of a license.

(2) The department may waive the requirement for additional hours upon a showing by the licensee that the additional hours would present an undue hardship on the licensee.

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)	<p>Attendance in a group 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 conducted by an instructor or discussion leader whose background, training, education, or experience makes it appropriate for him or her to lead a discussion on the subject matter. • The sponsor of the program takes individual attendance. • The sponsor of the program issues to each attendee a program outline and a written 	<p>Fifty minutes of continuous instruction equals 1 continuing education hour.</p> <p>Additional credit shall be is granted after the first 50 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.

	<p>certification of the attendee's hours of attendance.</p> <ul style="list-style-type: none"> 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>	<ul style="list-style-type: none"> 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>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>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>A combined maximum of 1 continuing education hour in the study of professional ethics may be earned under this activity and activity (f) during</p>

		each continuing education period.
(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>	Each classroom hour 50 minutes of continuous instruction equals 1 continuing education hour.
(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>	Fifteen continuing education hours shall be are granted for each academic credit hour.
(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 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>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>Three continuing education hours is granted for every 50</p>

		<p>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>
(f)	<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, sponsor name and contact information, course title, course field of study, date completed, and type of instruction or delivery method used.</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 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>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>Fifty minutes of continuous instruction equals 1 continuing education hour.</p>

	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.