

CERTIFICATE

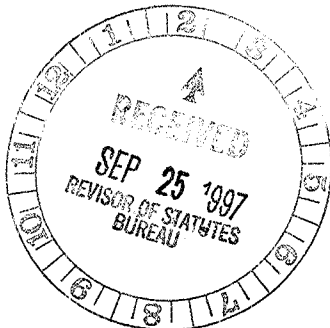
**STATE OF WISCONSIN
DEPARTMENT OF REGULATION AND LICENSING**

TO ALL WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Alfred J. Hall, Jr., Director, Bureau of Business and Design Professions in the Wisconsin Department of Regulation and Licensing and custodian of the official records of the Accounting Examining Board, do hereby certify that the annexed rules were duly approved and adopted by the Accounting Examining Board on the 24th day of September, 1997.

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

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the board at 1400 East Washington Avenue, Madison, Wisconsin this 24th day of September, 1997.



Alfred J. Hall, Jr.
Alfred J. Hall, Jr., Director, Bureau of Business and Design Professions, Department of Regulation and Licensing

STATE OF WISCONSIN
ACCOUNTING EXAMINING BOARD

IN THE MATTER OF RULE-MAKING : ORDER OF THE
PROCEEDINGS BEFORE THE : ACCOUNTING EXAMINING BOARD
ACCOUNTING EXAMINING BOARD : ADOPTING RULES
: (CLEARINGHOUSE RULE 97-070)

ORDER

An order of the Accounting Examining Board to create Accy 7.035, relating to the education required of candidates to take the examination leading to receipt of a credential as a certified public accountant after December 31, 2000.

Analysis prepared by the Department of Regulation and Licensing.

ANALYSIS

Statutes authorizing promulgation: ss. 15.08 (5) (b) and 227.11 (2), Stats.

Statutes interpreted: ss. 442.04 (4) (bm) and (c), Stats.

This proposed rule-making order of the Accounting Examining Board addresses the requirement in s. 442.04 (4), Stats., as amended by 1995 Wisconsin Act 333, that after December 31, 2000, a person may not take the examination leading to the certificate to practice as a certified public accountant unless the person has completed at least 150 semester hours of education with an accounting concentration at a recognized institution, and has received a bachelor's or higher degree with an accounting concentration. If a person has a bachelor's or higher degree from an institution, but the degree does not consist of an accounting concentration, the law authorizes the board to review the person's educational experience to determine whether the education constitutes the "reasonable equivalence" of an accounting concentration, thereby permitting the person to take the examination.

Accordingly, it is necessary for the board to promulgate rules defining the educational prerequisites for taking the examination which will be deemed to constitute an "accounting concentration" and its "reasonable equivalence."

In fashioning the rules, the board has three primary goals. First, to structure the rules in a fashion assuring that currently accepted programs provided by state educational institutions continue to be accepted once they have implemented coursework meeting the 150 hour requirement. Second, to set forth the generally accepted minimal coursework recognized within the profession as needed to prepare an individual to provide competent CPA services, while retaining flexibility for the schools to present courses serving the needs of CPA candidates as the requirements of the

profession evolve. Third, to develop criteria which will enable and assure capability of movement of CPAs to and from this state through reciprocity.

These goals are addressed through the adoption of rule provisions substantially based upon model language developed jointly by the American Institute of Certified Public Accountants (AICPA), which is the national professional association of CPAs, and the National Association of State Boards of Accountancy (NASBA), which is an organization of the 54 licensing and regulatory boards of accountancy in each state and U.S. territory. The AICPA and NASBA developed the model in light of the fact that several states, including Wisconsin, have now enacted laws establishing the 150 hours of education requirement. Several neighboring states have already adopted 150 hour provisions substantially based upon the AICPA/NASBA model.

The specific proposals set forth accepted minimum core content for educational programs leading to becoming a CPA. They include coursework in financial accounting, auditing, taxation, and management accounting. The rule recognizes that it is the content of the coursework completed by an examination candidate that is primarily determinative of educational qualification, rather than the name or nature of the actual degree conferred. Accordingly, the proposed rule recognizes programs that confer graduate degrees in accounting and from business schools, baccalaureate degrees with majors in accounting from business schools, and other non-accounting or non-business baccalaureate or higher degrees as meeting the educational prerequisite, as long as they provide a 150 hour program containing the core course content.

TEXT OF RULE

SECTION 1. Accy 7.035 is created to read:

Accy 7.035 EDUCATION REQUIREMENT EFFECTIVE JANUARY 1, 2001.

Pursuant to s. 442.04 (4), Stats., after December 31, 2000, a person may not take the examination leading to the certificate to practice as a certified public accountant unless the person has, as part of the 150 hours education, met one of the following four conditions:

- (1) Earned a graduate degree with a concentration in accounting from an accounting program or department that is accredited by an accrediting agency recognized by the board.
- (2) Earned a graduate degree from a business school or college of business that is accredited by an accrediting agency recognized by the board and completed at least 24 semester hours in accounting at the undergraduate level or 15 semester hours at the graduate level, or an equivalent combination, including courses covering the subjects of financial accounting, auditing, taxation, and management accounting.

(3) Earned a baccalaureate degree with a major in accounting from a business school or college of business that is accredited by an accrediting agency recognized by the board including all of the following:

(a) At least 24 semester hours in accounting at the undergraduate or graduate level, including courses covering the subjects of financial accounting, auditing, taxation, and management accounting.

(b) At least 24 semester hours in business courses, other than accounting courses, at the undergraduate or graduate level.

(4) Having obtained the reasonable equivalent of an accounting concentration by having earned a baccalaureate or higher degree from an accredited educational institution including all of the following:

(a) At least 24 semester hours of accounting, including courses covering the subjects of financial accounting, auditing, taxation, and management accounting.

(b) At least 24 semester hours in business courses, other than accounting courses, at the undergraduate or graduate level.

Note: In accounting, the courses covering the subjects of financial accounting, auditing, taxation, and management accounting under s. Accy 7.035 (3) (a) and (4) (a), would normally be all courses taken beyond the introduction level.

(END OF TEXT)

The rules adopted in this order shall take effect on the first day of the month following publication in the Wisconsin administrative register, pursuant to s. 227.22 (2) (intro.), Stats., or 60 days after its adoption of the Accounting Examining Board, pursuant to s. 442.01 (2), Stats., whichever is later.

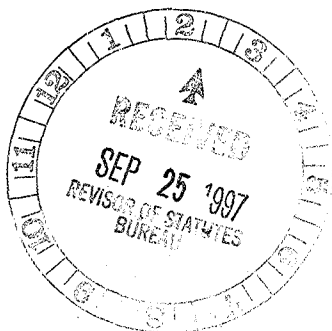
Dated 23RD SEPTEMBER 1997 Agency

Frank Probst / a.j.h.

Chairperson

Accounting Examining Board

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9/18/97





State of Wisconsin
DEPARTMENT OF REGULATION AND LICENSING
CORRESPONDENCE/MEMORANDUM

DATE: September 25, 1997

TO: Gary Poulson
Assistant Revisor of Statutes

FROM: Pamela A. Haack, Administrative Rules Coordinator
Department of Regulation and Licensing
Office of Administrative Rules

SUBJECT: Final Order Adopting Rules

Agency: ACCOUNTING EXAMINING BOARD

Clearinghouse Rule 97-070

Attached is a copy and a certified copy of a final order adopting rules. Would you please publish these rules in the register.

Please stamp or sign a copy of this letter to acknowledge receipt.

Thank you.

