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CERTIFICATE

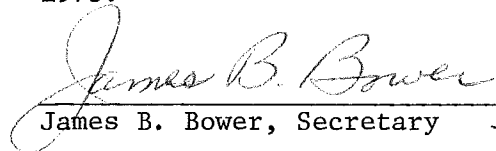
STATE OF WISCONSIN)
DEPARTMENT OF REGULATION AND LICENSING) SS
ACCOUNTING EXAMINING BOARD)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, James B. Bower, Secretary of the Accounting Examining Board, Department of Regulation and Licensing, and custodian of the official records of said board, do hereby certify that the annexed rules and regulations and amendments to rules and regulations relating to accounting, were duly approved and adopted by this board on December 13, 1975.

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

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the board at 201 East Washington Avenue in the city of Madison, this 31st day of December A.D. 1975.


James B. Bower, Secretary

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

Pursuant to authority vested in the Accounting Examining Board, Department of Regulation and Licensing, by section 442.01(2), Wis. Stats., the Accounting Examining Board hereby repeals, amends and adopts rules as follows:

Section Chapter Accy 1.101(2)(d) of the WISCONSIN ADMINISTRATIVE CODE is adopted to read:

(d) Effect of family relationships on independence. Rule of Conduct 1.101 proscribes relationships which impair a certified public accountant's or public accountant's independence through direct financial interests, material indirect financial interests, or other involvements. Relationships which arise through family bloodlines and marriage give rise to circumstances that may impair a certified public accountant's or public accountant's independence.

1. Financial and business relationships ascribed to the certified public accountant or public accountant. It is well accepted that the independence of a certified public accountant or public accountant may be impaired by the financial interests and business relationships of the certified public accountant's or public accountant's spouse, dependent children, or any relative living in a common household with or supported by the certified public accountant or public accountant. The financial interests or business relationships of such family, dependents or relatives in a certified public accountant's or public accountant's client are ascribed to the certified public accountant or public accountant; in such circumstances the independence of the certified public accountant or public accountant or his firm would be impaired under Rule 1.101.

2. Financial and business relationships that may be ascribed to the certified public accountant or public accountant. Family relationships may also involve

other circumstances such as those of a close kin in which the appearance of independence is lacking. However, it is not reasonable to assume that all kinships, per se, will impair the appearance of independence since some kinships are too remote. The following are guidelines to the effect of kinship on the appearance of independence:

a. A presumption that the appearance of independence is impaired arises from a significant financial interest, investment, or business relationship by the following close kin in a certified public accountant's or public accountant's client: non-dependent children, brothers and sisters, grandparents, parent, parents-in-law, and the respective spouses of any of the foregoing.

b. If the close kin's financial interest in a certified public accountant's or public accountant's client is material in relationship to the kin's net worth, a third party could conclude that the certified public accountant's or public accountant's objectivity is impaired with respect to the client since the kinship is so close. In addition, financial interests held by close kin may result in an indirect financial interest being ascribed to the certified public accountant or public accountant.

c. The presumption that the appearance of independence is impaired would also prevail where a close kin has an important role or responsible executive position (e.g., director, chief executive or financial officer) with a client.

d. Geographical separation from the close kin and infrequent contact may mitigate such impairment except with respect to a partner working on the engagement or located in the office responsible for the engagement, a partner in the same office or one who maintained close personal relationships with partners working on the engagements, a partner who, as a result of his administrative or advisory positions, is involved in the engagement, or a staff member participating on the engagement or located in the office responsible for the engagement. If a certified public accountant or public accountant does not or could not

reasonably be expected to have knowledge of the financial interests, investments and business relationships of his close kin, such lack of knowledge would preclude an impairment of objectivity and appearance of independence.

3. Financial and business relationships that are not normally ascribed to the certified public accountant or public accountant. A presumption that the appearance of independence is impaired would not normally arise from the financial interests and business relationships of remote kin: uncles, aunts, cousins, nephews, nieces, other in-laws, and other kin who are not close. The financial interests and business relationships of these remote kin are not considered either direct or indirect interests ascribed to the certified public accountant or public accountant. However, the presumption of no impairment with remote kin would be negated if other factors indicating a closeness exist, such as living in the same household with the certified public accountant or public accountant, having financial ties, or jointly participating in other business enterprises.

4. Summary. Certified public accountants or public accountants must be aware that it is impossible to enumerate all circumstances wherein the appearance of independence might be questioned by third parties because of family relationships. In situations involving the assessment of relationships with both close and remote kin, certified public accountants or public accountants must consider whether geographical proximity, strength of personal and other business relationships and other factors--when viewed together with financial interests in question--would lead a reasonable observer to conclude that the specified relationships pose an unacceptable threat to the certified public accountant's or public accountant's objectivity and appearance of independence.

Section Chapter Accy 1.202(2) and 1.202(2)(a) of the WISCONSIN ADMINISTRATIVE CODE are adopted to read:

Accy 1.202(2) Interpretations of Accy 1.202, not intended to be all-inclusive, are as follows:

(a) Unaudited financial statements. Rule 1.202 does not preclude a certified public accountant or public accountant from associating himself with the unaudited financial statements of his clients. The Rule states in part that "No person licensed to practice as a certified public accountant, or public accountant, as defined in the statutes, shall permit his name to be associated with financial statements in such a manner as to imply that he is acting as an independent public accountant unless he has complied with the applicable (underscoring provided) Generally Accepted Auditing Standards promulgated by the American Institute of Certified Public Accountants."

1. In applying this provision to situations in which a certified public accountant's or public accountant's name is associated with unaudited financial statements, it is necessary to recognize that the Standards were specifically written to apply to audited financial statements. The fourth Reporting Standard, however, was made sufficiently broad to be applicable to unaudited financial statements as well.

The fourth Reporting Standard states in part:

"...In all cases where an auditor's name is associated with financial statements, the report should contain a clear-cut indication of the auditor's examination, if any, and the degree of responsibility he is taking." (Underscoring provided)

Those sections of Statements on Auditing Standards and related guides which deal with unaudited financial statements provide guidance to certified public accountants and public accountants associated with such statements.

Section Chapter Accy 1.501(2) and (a), (b), and (c) of the WISCONSIN ADMINISTRATIVE CODE are adopted to read:

Accy 1.501(2) Interpretations of Accy 1.501, not intended to be all-inclusive, are as follows:

(a) Client's records and accountant's workpapers. Retention of client records after a demand is made for them is an act discreditable to the profes-

sion in violation of Accy 1.501. It would be a violation of the Code to retain a client's records to enforce payment.

A certified public accountant's or public accountant's working papers are his property and need not be surrendered to the client. However, in some instances working papers will contain data which should properly be reflected in the client's books and records but which for convenience have not been duplicated therein, with the result that the client's records are incomplete. In such instances, the portion of the working papers containing such data constitutes part of the client's records, and copies should be made available to the client upon request.

If a certified public accountant or public accountant is engaged to perform certain work for a client and the engagement is terminated prior to the completion of such work, the certified public accountant or public accountant is required to return or furnish copies of only those records originally given to the certified public accountant or public accountant by the client.

Examples of working papers that are considered to be the client's records would include

1. Worksheets in lieu of books of original entry (e.g., listings and distributions of cash receipts or cash disbursements on columnar working paper).
2. Worksheets in lieu of general ledger or subsidiary ledgers, such as accounts receivable, job cost and equipment ledgers, or similar depreciation records.
3. All adjusting and closing journal entries and supporting details. (If the supporting details are not fully set forth in the explanation of the journal entry, but are contained in analyses of accounts in the accountant's working papers, then copies of such analyses must be furnished to the client.)
4. Consolidating or combining journal entries and worksheets and supporting detail used in arriving at final figures incorporated in an end product such as financial statements or tax returns.

Any working papers developed by the certified public accountant or public accountant incident to the performance of his engagement which do not result in changes to the client's records or are not in themselves part of the records ordinarily maintained by such clients are considered to be solely "accountant's working papers" and are not the property of the client, for example:

The certified public accountant or public accountant may make extensive analyses of inventory or other accounts as part of his selective audit procedures. Even if such analyses have been prepared by client personnel at the request of the certified public accountant or public accountant, they nevertheless are considered to be part of the accountant's working papers. Only to the extent such analyses result in changes to the client's records would the certified public accountant or public accountant be required to furnish the details from his working papers in support of the journal entries recording such changes, unless the journal entries themselves contain all necessary details.

Once the certified public accountant or public accountant has returned the client's records to him or furnished him with copies of such records and/or necessary supporting data, he has discharged his obligation in this regard and need not comply with any subsequent requests to again furnish such records.

If the certified public accountant or public accountant has retained in his files copies of a client's records already in possession of the client, the certified public accountant or public accountant is not required to return such copies to the client.

(b) Conviction of a crime. Conviction of a crime is an act discreditable to the profession in violation of Rule 1.501.

1. On conviction of a felony, the Board will initiate charges in every instance.

2. On conviction for willful failure to file an income tax return or other document which, the certified public accountant or public accountant as an individual is required by law to file, for filing a false or fraudulent income tax return or other document on his or her or a client's behalf, or for willful aiding in the preparation and/or presentation of a false or fraudulent income tax return of a client, or the willful making of a false representation in connection with

the determination, collection or refund of any tax, whether it be in his or her own behalf or in behalf of a client, the Board will initiate charges in every instance.

3. On conviction of a misdemeanor the Board will review the circumstances and the nature of the act resulting in the conviction. Each such situation will be considered by the Board as an informal complaint. The minutes of the Board meeting will reflect the fact of review and the resulting disposition of the informal complaint. Such convictions that are professionally related and related to good moral character (See Chapter Accy 6) can be the basis for bringing formal charges and subsequent Board action.

(c) Receiving fees for services not performed. The deliberate receipt and retention of a fee from a client for services not performed when the client has been given reason to believe that there should be performance, or the withholding of services and receiving a retainer or fee when the services agreed upon have knowingly been withheld, are acts discreditable to the profession. (The amount or rate of charge for services is a contractual matter between the certified public accountant or public accountant and the client, and except as related to the provision, the Board does not have authority to set or regulate fees or for taking jurisdiction in such matters. The term "services not performed" means situations in which the actual work for which payment is received is not done.)

Section Chapter Accy 1.502(2)(a) of the WISCONSIN ADMINISTRATIVE CODE is repealed.

Section Chapter Accy 1.502(2)(a) of the WISCONSIN ADMINISTRATIVE CODE is recreated to read:

(a) Announcements and press releases. Announcements are permitted to inform clients and others of changes in status or location of a firm. Thus

announcements may be issued on changes in partners, firm mergers, changes in telephone number, the opening of new offices and office relocations.

Announcements may be mailed to clients and individuals other than clients, such as lawyers and bankers, with whom professional contacts are maintained. Announcements may not contain material that tends to deprecate other firms.

Announcements sent to nonclients, as described above

1. Should be confined to objective statements of fact and should not promote the firm through self-laudatory statements of accomplishment.

2. Should not refer to fields of specialization or contain statements as to the expertise of the firm or its partners, stockholders, or employees, or other personnel.

3. Should not give information not specifically related to the change, such as prior affiliations, the total number of partners, employees, officers, clients, etc.

Press releases announcing changes in the partnership or other status of the firm or its locations are permitted with the following limitations:

1. They should be distributed to the new media only once.

2. They should be distributed only within the geographic area in which the firm maintains a bona fide office and to which the facts are relevant or significant.

3. The content is governed by the same criteria as announcements to nonclients.

Section Chapter Accy 1.502(2)(g) of the WISCONSIN ADMINISTRATIVE CODE is repealed.

Section Chapter Accy 1.502(2)(g) of the WISCONSIN ADMINISTRATIVE CODE is recreated to read:

(g) Firm publications. Newsletters, bulletins, house organs, recruiting brochures and other firm literature on accounting and related business subjects prepared and distributed by a firm for the information of its staff and clients

serve a useful purpose. The distribution of such material outside the firm must be properly controlled and should be restricted to clients and individuals with whom professional contacts are maintained, such as lawyers and bankers. Copies may also be supplied to job applicants, to students considering employment interviews, to nonclients who specifically request them and to educators.

If requests for multiple copies are received and granted, the certified public accountant or public accountant and his firm are responsible for the distribution by the party to whom they are issued.

No firm publications should contain comments that are derogatory to other firms. In addition, if it is likely that nonclients or the general public will have access to the material, care must be exercised not to include aggrandizing statements.

Section Chapter Accy 1.502(2)(j) of the WISCONSIN ADMINISTRATIVE CODE is repealed.

Section Chapter Accy 1.502(2)(j) of the WISCONSIN ADMINISTRATIVE CODE is recreated to read:

(j) Information to the media. A certified public accountant or public accountant shall not directly or indirectly cultivate publicity which advertises his or his firm's professional attainments or services. He may respond factually if approached by the press for information concerning his firm, but he should not use press inquiries as a means of aggrandizing himself or his firm or of advertising professional attainments or services. When interviewed by a writer or reporter, he is charged with the knowledge that he cannot control the journalistic use of any information he may give and should notify the reporter of the limitations imposed by professional ethics. A certified public accountant or public accountant may give information to the reporter or writer about his firm, such as its size, number of partners and employees, location,

etc. He should not make statements to the writer or reporter as to comparative size with other firms or other statements that would tend to aggrandize his firm at the expense of other professionals.

Technical research reports and studies on accounting and related business subjects may be distributed to the media provided such material does not contain information about the firm or its members beyond the authorship credits permitted by 1.502(2)(i). Authorship may be credited to individual certified public accountants and/or public accountants or to the firm.

Press releases and public statements made by certified public accountants and/or public accountants or firms enunciating a policy or position related to the practice of public accounting or addressed to a subject of public interest are permitted.

Publicity arising out of the certified public accountant's or public accountant's involvement in public service activities is not considered advertising provided the publicity is not initiated by the certified public accountant or public accountant.

In any material released to the public, the certified public accountant or public accountant shall confine himself to statements concerning the subject of the release, shall not promote himself or his firm through self-laudatory statements of accomplishments, or make statements that tend to deprecate other certified public accountants or public accountants.

Section Chapter Accy 1.502(2)(n) of the WISCONSIN ADMINISTRATIVE CODE is adopted to read:

(n) Requirements by governmental units or public fund grant program recipients for multiple proposals for services. A certified public accountant or public accountant may notify a governmental unit or any public fund grant recipient which is subject to a legal requirement to obtain multiple proposals before awarding an agency or grant-related contract for accounting or other

services of his interest in being included among those from whom specific proposals will be requested. However, such expressions of interest may not be promotional in nature or advertise professional attainments and services.

Section Chapter Accy 1.504(2) of the WISCONSIN ADMINISTRATIVE CODE is adopted to read:

Accy 1.504(2) Interpretations of Accy 1.504, not intended to be all-inclusive, are as follows:

(a) Engaging concurrently with the practice of public accounting in any business or occupation inconsistent with the certified public accountant's or public accountant's responsibilities under Chapter Accy 1, Rules of Conduct, would constitute involvement in an incompatible occupation prohibited by Rule 1.504. The above proscription would apply to any business or occupation which:

1. Detracts from the public image of the professional, as for example, on moral or legal grounds, or involves conduct which would constitute an act discreditable to the profession, or,
2. Impairs the certified public accountant's or public accountant's objectivity in rendering professional services to his clients, or,
3. Serves as a feeder to the certified public accountant's or public accountant's public accounting practice, or,
4. Requires extensive personal solicitation or promotional activities which may readily be identified with the certified public accountant or public accountant or his public accounting practice, or,
5. Inherently involves responsibilities which are likely to conflict with the certified public accountant's or public accountant's responsibility to others arising out of the client-CPA relationship.

Section Chapter Accy 1.505(1)(a) of the WISCONSIN ADMINISTRATIVE CODE is repealed.

Section Chapter Accy 1.505(1)(a) of the WISCONSIN ADMINISTRATIVE CODE is recreated to read:

(a) No person licensed to practice as a certified public accountant or public accountant, as defined in the statutes, shall practice under a firm name which includes a fictitious name, indicates specialization or is misleading as to the type of organization (proprietorship, partnership or corporation). However, names of one or more past partners or shareholders may be included in the firm name of a successor partnership or corporation, provided that such persons were licensed or eligible to be licensed in accordance with requirements for all partners or shareholders of the successor partnership or corporation. Also a partner surviving the death or withdrawal of all other partners may continue to practice under the partnership name for up to 2 years after becoming a sole practitioner.

Section Chapter Accy 1.505(2) of the WISCONSIN ADMINISTRATIVE CODE is renumbered as 1.505(3).

Section Chapter Accy 1.505(2) of the WISCONSIN ADMINISTRATIVE CODE is adopted to read:

(2) No person who is engaged to practice as a certified public accountant or public accountant, as defined in the statutes, shall practice using a name or designation that is misleading as to the number of responsible individuals with an equity in the firm. A sole proprietor therefore cannot use a name implying multiple ownership such as "& Co." or "& Company" or "& Associates," and a partnership cannot use the name of an individual so that multiple ownership is not disclosed.

The rules, amendments, and repeals contained herein shall take effect on April 1, 1976, as provided in section 442.01(2) and pursuant to authority granted by section 227.026(1)(b).

Dated: *December 31, 1975*

ACCOUNTING EXAMINING BOARD

James B. Bower
James B. Bower, Secretary

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

Pursuant to authority vested in the Accounting Examining Board, Department of Regulation and Licensing, by section 442.01(2), Wis. Stats., the Accounting Examining Board hereby repeals, amends and adopts rules as follows:

Section Chapter Accy 1.101(2)(d) of the WISCONSIN ADMINISTRATIVE CODE is adopted to read:

(d) Effect of family relationships on independence. Rule of Conduct 1.101 proscribes relationships which impair a certified public accountant's or public accountant's independence through direct financial interests, material indirect financial interests, or other involvements. Relationships which arise through family bloodlines and marriage give rise to circumstances that may impair a certified public accountant's or public accountant's independence.

1. Financial and business relationships ascribed to the certified public accountant or public accountant. It is well accepted that the independence of a certified public accountant or public accountant may be impaired by the financial interests and business relationships of the certified public accountant's or public accountant's spouse, dependent children, or any relative living in a common household with or supported by the certified public accountant or public accountant. The financial interests or business relationships of such family, dependents or relatives in a certified public accountant's or public accountant's client are ascribed to the certified public accountant or public accountant; in such circumstances the independence of the certified public accountant or public accountant of his ^{or her} firm would be impaired under Rule 1.101.

2. Financial and business relationships that may be ascribed to the certified public accountant or public accountant. Family relationships may also involve

Corrected Copies

CERTIFICATE

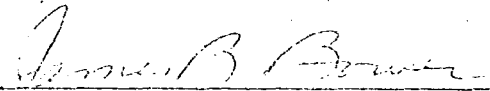
STATE OF WISCONSIN)
DEPARTMENT OF REGULATION AND LICENSING) SS
ACCOUNTING EXAMINING BOARD)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, James B. Bower, Secretary of the Accounting Examining Board, Department of Regulation and Licensing, and custodian of the official records of said board, do hereby certify that the annexed rules and regulations and amendments to rules and regulations relating to accounting, were duly approved and adopted by this board on December 13, 1975.

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

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the board at 201 East Washington Avenue in the city of Madison, this 31st day of December A.D. 1975.

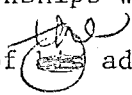

James B. Bower, Secretary

other circumstances such as those of a close kin in which the appearance of independence is lacking. However, it is not reasonable to assume that all kinships, per se, will impair the appearance of independence since some kinships are too remote. The following are guidelines to the effect of kinship on the appearance of independence:

a. A presumption that the appearance of independence is impaired arises from a significant financial interest, investment, or business relationship by the following close kin in a certified public accountant's or public accountant's client: non-dependent children, brothers and sisters, grandparents, parent, parents-in-law, and the respective spouses of any of the foregoing.

b. If the close kin's financial interest in a certified public accountant's or public accountant's client is material in relationship to the kin's net worth, a third party could conclude that the certified public accountant's or public accountant's objectivity is impaired with respect to the client since the kinship is so close. In addition, financial interests held by close kin may result in an indirect financial interest being ascribed to the certified public accountant or public accountant.

c. The presumption that the appearance of independence is impaired would also prevail where a close kin has an important role or responsible executive position (e.g., director, chief executive or financial officer) with a client.

d. Geographical separation from the close kin and infrequent contact may mitigate such impairment except with respect to a partner working on the engagement or located in the office responsible for the engagement, a partner in the same office or one who maintained close personal relationships with partners working on the engagements, a partner who, as a result of  administrative or advisory positions, is involved in the engagement, or a staff member participating on the engagement or located in the office responsible for the engagement. If a certified public accountant or public accountant does not or could not

reasonably be expected to have knowledge of the financial interests, investments and business relationships of ~~the~~ close kin, such lack of knowledge would preclude an impairment of objectivity and appearance of independence.

3. Financial and business relationships that are not normally ascribed to the certified public accountant or public accountant. A presumption that the appearance of independence is impaired would not normally arise from the financial interests and business relationships of remote kin: uncles, aunts, cousins, nephews, nieces, other in-laws, and other kin who are not close. The financial interests and business relationships of these remote kin are not considered either direct or indirect interests ascribed to the certified public accountant or public accountant. However, the presumption of no impairment with remote kin would be negated if other factors indicating a closeness exist, such as living in the same household with the certified public accountant or public accountant, having financial ties, or jointly participating in other business enterprises.

4. Summary. Certified public accountants or public accountants must be aware that it is impossible to enumerate all circumstances wherein the appearance of independence might be questioned by third parties because of family relationships. In situations involving the assessment of relationships with both close and remote kin, certified public accountants or public accountants must consider whether geographical proximity, strength of personal and other business relationships and other factors--when viewed together with financial interests in question--would lead a reasonable observer to conclude that the specified relationships pose an unacceptable threat to the certified public accountant's or public accountant's objectivity and appearance of independence.

Section Chapter Accy 1.202(2) and 1.202(2)(a) of the WISCONSIN ADMINISTRATIVE CODE are adopted to read:

Accy 1.202(2) Interpretations of Accy 1.202, not intended to be all-inclusive, are as follows:

(a) Unaudited financial statements. Rule 1.202 does not preclude a certified public accountant or public accountant from associating himself with the unaudited financial statements of his clients. The Rule states in part that "No person licensed to practice as a certified public accountant, or public accountant, as defined in the statutes, shall permit his name to be associated with financial statements in such a manner as to imply that he is acting as an independent public accountant unless he has complied with the applicable (underscoring provided) Generally Accepted Auditing Standards promulgated by the American Institute of Certified Public Accountants."

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1. In applying this provision to situations in which a certified public accountant's or public accountant's name is associated with unaudited financial statements, it is necessary to recognize that the Standards were specifically written to apply to audited financial statements. The fourth Reporting Standard, however, was made sufficiently broad to be applicable to unaudited financial statements as well.

The fourth Reporting Standard states in part:

"...In all cases where an auditor's name is associated with financial statements, the report should contain a clear-cut indication of the auditor's examination, if any, and the degree of responsibility he is taking." (Underscoring provided)

Those sections of Statements on Auditing Standards and related guides which deal with unaudited financial statements provide guidance to certified public accountants and public accountants associated with such statements.

Section Chapter Accy 1.501(2) and (a), (b), and (c) of the WISCONSIN ADMINISTRATIVE CODE are adopted to read:

Accy 1.501(2) Interpretations of Accy 1.501, not intended to be all-inclusive, are as follows:

(a) Client's records and accountant's workpapers. Retention of client records after a demand is made for them is an act discreditable to the profes-

sion in violation of Accy 1.501. It would be a violation of the Code to retain a client's records to enforce payment.

A certified public accountant's or public accountant's working papers are ^{her} his property and need not be surrendered to the client. However, in some instances working papers will contain data which should properly be reflected in the client's books and records but which for convenience have not been duplicated therein, with the result that the client's records are incomplete. In such instances, the portion of the working papers containing such data constitutes part of the client's records, and copies should be made available to the client upon request.

If a certified public accountant or public accountant is engaged to perform certain work for a client and the engagement is terminated prior to the completion of such work, the certified public accountant or public accountant is required to return or furnish copies of only those records originally given to the certified public accountant or public accountant by the client.

Examples of working papers that are considered to be the client's records would include

1. Worksheets in lieu of books of original entry (e.g., listings and distributions of cash receipts or cash disbursements on columnar working paper).
2. Worksheets in lieu of general ledger or subsidiary ledgers, such as accounts receivable, job cost and equipment ledgers, or similar depreciation records.
3. All adjusting and closing journal entries and supporting details. (If the supporting details are not fully set forth in the explanation of the journal entry, but are contained in analyses of accounts in the accountant's working papers, then copies of such analyses must be furnished to the client.)
4. Consolidating or combining journal entries and worksheets and supporting detail used in arriving at final figures incorporated in an end product such as financial statements or tax returns.

Any working papers developed by the certified public accountant or public accountant incident to the performance of ^{an} ~~his~~ engagement which do not result in changes to the client's records or are not in themselves part of the records ordinarily maintained by such clients are considered to be solely "accountant's working papers" and are not the property of the client, for example:

The certified public accountant or public accountant may make extensive analyses of inventory or other accounts as part of ~~his~~ selective audit procedures. Even if such analyses have been prepared by client personnel at the request of the certified public accountant or public accountant, they nevertheless are considered to be part of the accountant's working papers. Only to the extent such analyses result in changes to the client's records would the certified public accountant or public accountant be required to furnish the details from ~~his~~ working papers in support of the journal entries recording such changes, unless the journal entries themselves contain all necessary details.

Once the certified public accountant or public accountant has returned the client's records ~~to him~~ or furnished ~~him~~ with copies of such records and/or necessary supporting data, ~~he has discharged his~~ ^{the} obligation in this regard and ~~it is~~ ^{has been discharged} ~~not~~ ^{not necessary to} comply with any subsequent requests to again furnish such records.

If the certified public accountant or public accountant has retained ~~in his~~ ^{files} copies of a client's records already in possession of the client, the certified public accountant or public accountant is not required to return such copies to the client.

(b) Conviction of a crime. Conviction of a crime is an act discreditable to the profession in violation of Rule 1.501.

1. On conviction of a felony, the Board will initiate charges in every instance.
2. On conviction for willful failure to file an income tax return or other document which, the certified public accountant or public accountant as an individual is required by law to file, for filing a false or fraudulent income tax return or other document on his or her or a client's behalf, or for willful aiding in the preparation and/or presentation of a false or fraudulent income tax return of a client, or the willful making of a false representation in connection with

the determination, collection or refund of any tax, whether it be in his or her own behalf or in behalf of a client, the Board will initiate charges in every instance.

3. On conviction of a misdemeanor the Board will review the circumstances and the nature of the act resulting in the conviction. Each such situation will be considered by the Board as an informal complaint. The minutes of the Board meeting will reflect the fact of review and the resulting disposition of the informal complaint. Such convictions that are professionally related and related to good moral character (See Chapter Accy 6) can be the basis for bringing formal charges and subsequent Board action.

(c) Receiving fees for services not performed. The deliberate receipt and retention of a fee from a client for services not performed when the client has been given reason to believe that there should be performance, or the withholding of services and receiving a retainer or fee when the services agreed upon have knowingly been withheld, are acts discreditable to the profession. (The amount or rate of charge for services is a contractual matter between the certified public accountant or public accountant and the client, and except as related to the provision, the Board does not have authority to set or regulate fees or for taking jurisdiction in such matters. The term "services not performed" means situations in which the actual work for which payment is received is not done.)

Section Chapter Accy 1.502(2)(a) of the WISCONSIN ADMINISTRATIVE CODE is repealed.

Section Chapter Accy 1.502(2)(a) of the WISCONSIN ADMINISTRATIVE CODE is recreated to read:

(a) Announcements and press releases. Announcements are permitted to inform clients and others of changes in status or location of a firm. Thus

announcements may be issued on changes in partners, firm mergers, changes in telephone number, the opening of new offices and office relocations.

Announcements may be mailed to clients and individuals other than clients, such as lawyers and bankers, with whom professional contacts are maintained. Announcements may not contain material that tends to deprecate other firms.

Announcements sent to nonclients, as described above

1. Should be confined to objective statements of fact and should not promote the firm through self-laudatory statements of accomplishment.

2. Should not refer to fields of specialization or contain statements as to the expertise of the firm or its partners, stockholders, or employees, or other personnel.

3. Should not give information not specifically related to the change, such as prior affiliations, the total number of partners, employees, officers, clients, etc.

Press releases announcing changes in the partnership or other status of the firm or its locations are permitted with the following limitations:

1. They should be distributed to the new media only once.

2. They should be distributed only within the geographic area in which the firm maintains a bona fide office and to which the facts are relevant or significant.

3. The content is governed by the same criteria as announcements to nonclients.

Section Chapter Accy 1.502(2)(g) of the WISCONSIN ADMINISTRATIVE CODE is repealed.

Section Chapter Accy 1.502(2)(g) of the WISCONSIN ADMINISTRATIVE CODE is recreated to read:

(g) Firm publications. Newsletters, bulletins, house organs, recruiting brochures and other firm literature on accounting and related business subjects prepared and distributed by a firm for the information of its staff and clients

serve a useful purpose. The distribution of such material outside the firm must be properly controlled and should be restricted to clients and individuals with whom professional contacts are maintained, such a lawyers and bankers. Copies may also be supplied to job applicants, to students considering employment interviews, to nonclients who specifically request them and to educators.

If requests for multiple copies are received and granted, the certified public accountant or public accountant and ^{or her} his firm are responsible for the distribution by the party to whom they are issued.

No firm publications should contain comments that are derogatory to other firms. In addition, if it is likely that nonclients or the general public will have access to the material, care must be exercised not to include aggrandizing statements.

Section Chapter Accy 1.502(2)(j) of the WISCONSIN ADMINISTRATIVE CODE is repealed.

Section Chapter Accy 1.502(2)(j) of the WISCONSIN ADMINISTRATIVE CODE is recreated to read:

(j) Information to the media. A certified public accountant or public accountant shall not directly or indirectly cultivate publicity which advertises ~~the certified public accountants or public accountants~~ ^{or those of the firm} professional attainments or services. ^{he} he may respond factually if approached by the press for information concerning ~~the~~ ^{the} firm, but ~~he~~ ^{he} should not use press inquiries as a means of aggrandizing himself or ~~the~~ ^{himself} the firm or of advertising professional attainments or services. When interviewed by a writer or reporter, ^{the certified public accountant or public accountant} ~~he~~ ^{or she} is charged with the knowledge that ~~he~~ ^{he} cannot control the journalistic use of any information ~~he may give~~ ^{he} and should notify the reporter of the limitations imposed by professional ethics. A certified public accountant or public accountant may give information to the reporter or writer about ~~the~~ ^{the} firm, ^{with which associated,} such as its size, number of partners and employees, location,

the certified public accountant or public accountant may give information

etc. ~~He should not make~~ statements to the writer or reporter as to comparative size with other firms or other statements that would tend to aggrandize ~~the~~ *the* firm at the expense of other professionals. *should not be made.*

Technical research reports and studies on accounting and related business subjects may be distributed to the media provided such material does not contain information about the firm or its members beyond the authorship credits permitted by 1.502(2)(i). Authorship may be credited to individual certified public accountants and/or public accountants or to the firm.

Press releases and public statements made by certified public accountants and/or public accountants or firms enunciating a policy or position related to the practice of public accounting or addressed to a subject of public interest are permitted.

Publicity arising out of the certified public accountant's or public accountant's involvement in public service activities is not considered advertising provided the publicity is not initiated by the certified public accountant or public accountant.

In any material released to the public, the certified public accountant or public accountant shall confine ~~himself~~ *or herself* to statements concerning the subject of the release, shall not promote ~~himself~~ *or herself* or ~~his~~ *the* firm through self-laudatory statements of accomplishments, or make statements that tend to deprecate other certified public accountants or public accountants.

Section Chapter Accy 1.502(2)(n) of the WISCONSIN ADMINISTRATIVE CODE is adopted to read:

(n) Requirements by governmental units or public fund grant program recipients for multiple proposals for services. A certified public accountant or public accountant may notify a governmental unit or any public fund grant recipient which is subject to a legal requirement to obtain multiple proposals before awarding an agency or grant-related contract for accounting or other

in which the certified public accountant or public accountant is interested
services ~~of the~~ interest in being included among those from whom specific proposals will be requested. However, such expressions of interest may not be promotional in nature or advertise professional attainments and services.

Section Chapter Accy 1.504(2) of the WISCONSIN ADMINISTRATIVE CODE is adopted to read:

Accy 1.504(2) Interpretations of Accy 1.504, not intended to be all-inclusive, are as follows:

(a) Engaging concurrently with the practice of public accounting in any business or occupation inconsistent with the certified public accountant's or public accountant's responsibilities under Chapter Accy 1, Rules of Conduct, would constitute involvement in an incompatible occupation prohibited by Rule 1.504. The above proscription would apply to any business or occupation which:

1. Detracts from the public image of the professional, as for example, on moral or legal grounds, or involves conduct which would constitute an act discreditable to the profession, or,
2. Impairs the certified public accountant's or public accountant's objectivity in rendering professional services to ~~his~~ clients, or,
3. Serves as a feeder to the certified public accountant's or public accountant's public accounting practice, or,
4. Requires extensive personal solicitation or promotional activities which may readily be identified with the certified public accountant or public accountant or ~~his~~ public accounting practice, or,
5. Inherently involves responsibilities which are likely to conflict with the certified public accountant's or public accountant's responsibility to others arising out of the client-CPA relationship.

Section Chapter Accy 1.505(1)(a) of the WISCONSIN ADMINISTRATIVE CODE is repealed.

Section Chapter Accy 1.505(1)(a) of the WISCONSIN ADMINISTRATIVE CODE is recreated to read:

(a) No person licensed to practice as a certified public accountant or public accountant, as defined in the statutes, shall practice under a firm name which includes a fictitious name, indicates specialization or is misleading as to the type of organization (proprietorship, partnership or corporation). However, names of one or more past partners or shareholders may be included in the firm name of a successor partnership or corporation, provided that such persons were licensed or eligible to be licensed in accordance with requirements for all partners or shareholders of the successor partnership or corporation. Also a partner surviving the death or withdrawal of all other partners may continue to practice under the partnership name for up to 2 years after becoming a sole practitioner.

Section Chapter Accy 1.505(2) of the WISCONSIN ADMINISTRATIVE CODE is renumbered as 1.505(3).

Section Chapter Accy 1.505(2) of the WISCONSIN ADMINISTRATIVE CODE is adopted to read:

(2) No person who is engaged to practice as a certified public accountant or public accountant, as defined in the statutes, shall practice using a name or designation that is misleading as to the number of responsible individuals with an equity in the firm. A sole proprietor therefore cannot use a name implying multiple ownership such as "& Co." or "& Company" or "& Associates," and a partnership cannot use the name of an individual so that multiple ownership is not disclosed.

The rules, amendments, and repeals contained herein shall take effect on April 1, 1976, as provided in section 442.01(2) and pursuant to authority granted by section 227.026(1)(b).

Dated: *December 31, 1975*

ACCOUNTING EXAMINING BOARD

James B. Bower
James B. Bower, Secretary