



ADMINISTRATIVE RULES OF MONTANA



24.201.723 RECORDS

- (1) A firm, licensee, or practice privilege holder shall furnish to the client or former client, upon request made within a reasonable time after original issuance of the document in question:
 - (a) a copy of a tax return of the client;
 - (b) a copy of any report or other document issued by the firm, licensee, or practice privilege holder to or for such client;
 - (c) any accounting or other records which the firm, licensee, or practice privilege holder obtained from or on behalf of the client which the firm, licensee, or practice privilege holder removed from the client's premises or received for the client's account, but the firm, licensee, or practice privilege holder may make and retain copies of such documents when they form the basis for work done by the firm, licensee, or practice privilege holder; and
 - (d) a copy of the firm's, licensee's, or practice privilege holder's working papers, to the extent that such working papers include records which would ordinarily constitute part of the client's books and records and are not otherwise available to the client.
- (2) Examples of working papers that are considered to be a client's records include:
 - (a) worksheets in lieu of books of original entry (e.g., listings and distributions of cash receipts or cash disbursements on columnar working paper);
 - (b) worksheets in lieu of general ledger or subsidiary ledgers, such as accounts receivable, job cost and equipment ledgers or similar depreciation records;
 - (c) all adjusting and closing journal entries and supporting details. (If 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.); or
 - (d) 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.
- (3) Retention by a firm, licensee, or practice privilege holder of client records after a demand is made for them is an act discreditable to the profession.
- (4) A firm's, licensee's, or practice privilege holder's working papers are the firm's, licensee's, or practice privilege holder's property and need not be surrendered to the client. Any working papers developed by the firm, licensee, or practice privilege holder incident to the performance of the engagement which do not result in changes in 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. If the firm, licensee, or practice privilege holder has retained file copies of a client's records already in possession of the client, the firm, licensee, or practice privilege holder is not required to return such copies to the client.

Authorizing statute(s): 37-1-131, 37-50-203, MCA

Implementing statute(s): 37-1-131, 37-50-203, 37-50-325, MCA

History: NEW, 1980 MAR p. 2971, Eff. 11/29/80; TRANS, from Dept. of Prof. & Occup. Lic., Ch. 274, L. 1981, Eff. 7/1/81; AMD, 1984 MAR p. 961, Eff. 6/29/84; TRANS, from Commerce, 2005 MAR p. 2668; AMD, 2009 MAR p. 9, Eff. 1/16/09; AMD, 2010 MAR p. 2574, Eff. 10/29/10; AMD, 2016 MAR p. 1016, Eff. 6/4/16; AMD, 2020 MAR p. 792, Eff. 5/1/20.