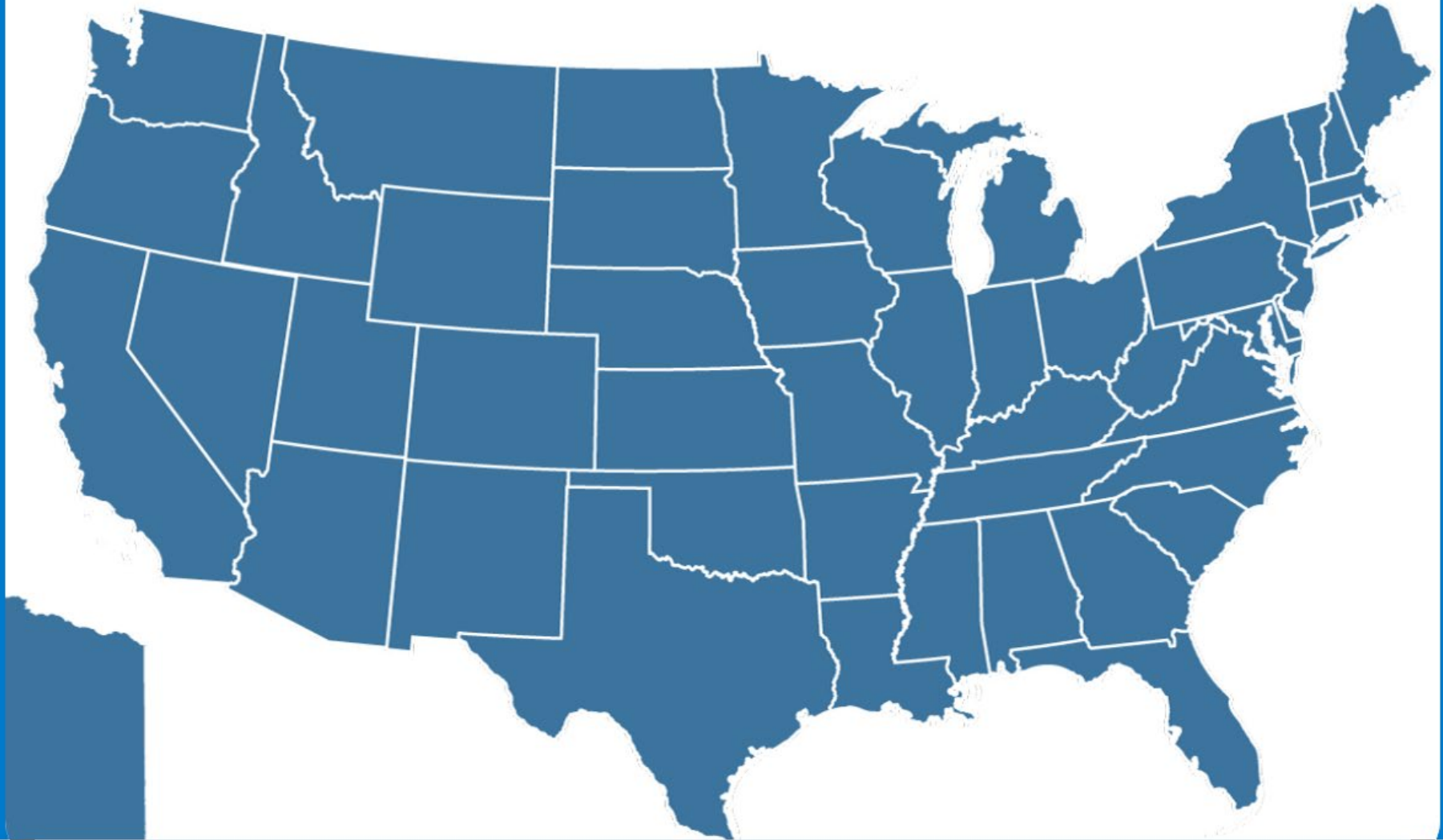


What state are you planning to sit for the CPA exam?

0



The background image shows a modern building courtyard at dusk. On the left is a curved building with a cylindrical tower. In the center is a large glass-walled building. On the right is another modern building. In the foreground, there is a large, white, abstract sculpture of a ship. The sky is a light blue-grey color.

MSA

**CPA Advising
Presentation**

August 22, 2024

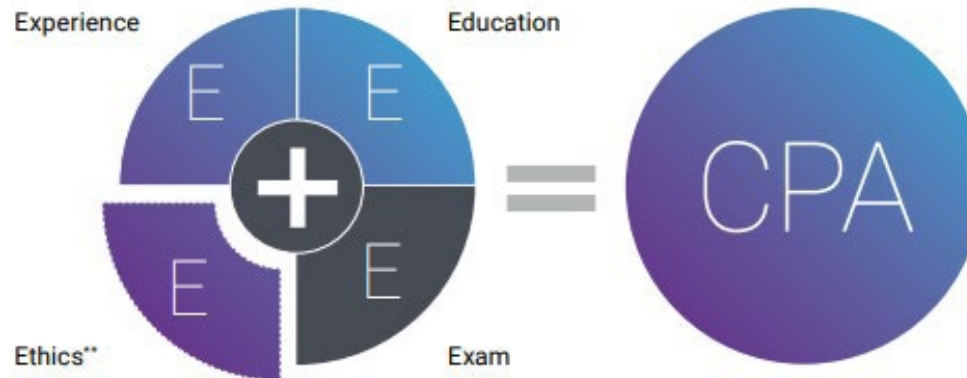
What is a CPA

A Certified Public Accounting (CPA) license is the accounting profession's highest standard of competence, a symbol of achievement and assurance of quality.

A CPA license can distinguish a candidate looking for employment (and can garner additional salary).

The 4 E's to CPA licensure

Of the four requirements, only the Exam is uniform and accepted for CPA licensure by all jurisdictions. Experience, education and ethics requirements vary by jurisdiction.



*The Commonwealth of the Northern Mariana Islands does not accept applicants for the Exam but does accept scores from other jurisdictions for initial licensure.

**Most jurisdictions require a separate ethics assessment in addition to what is tested on the CPA Exam.

Experience and the state specific Ethics assessment – are usually after graduation considerations (so not the focus here).

BECOMING A CPA

- Your Responsibility
 - I am here to help if I can
- Educational Requirements:
 - Every state is **different**
 - Timing of being able to sit varies by state
- NASBA Website (Starting Point):
 - <https://nasba.org/stateboards/>
 - Review state requirements
 - **There may be different requirements for taking the exam and a license** (double check which one you are reading)
 - Compare to transcript
 - Contact Professor Morrison with questions



CPA Exam – 3 Core Areas



- Audit and Attestation (AUD) [46% pass rate – YTD 2024]
 - Ethics, Professional Responsibilities and General Principles (15-25%)
 - Assessing Risk and Developing a Planned Response (20-30%)
 - Performing Further Procedures and Obtaining Evidence (30-40%)
 - Forming Conclusions and Reporting (15-25%)
- Financial Accounting and Reporting (FAR) [41% pass rate – YTD 2024]
 - Conceptual Framework, Standard Setting & Financial Reporting (25-35%)
 - Select Financial Statement Accounts (30-40%)
 - Select Transactions (20-30%)
 - State and Local Governments (5-15%)
- Regulation (REG) [63% pass rate – YTD 2024]
 - Ethics, Professional Responsibilities and Federal Tax Procedures (10-20%)
 - Business Law (10-20%)
 - Federal Taxation of Property Transactions (12-22%)
 - Federal Taxation of Individuals (15-25%)
 - Federal Taxation of Entities (28-38%)

3 Disciplines

Everyone must take (and pass) only **one** of these parts of the Exam

- Business Analytics and Reporting (BAR) [41% pass rate – YTD 2024]
 - Business Analysis (40–50%)
 - Technical Accounting and Reporting (35–45%)
 - State and Local Governments (10–20%)
- Information Systems and Controls (ISC) [56% pass rate – YTD 2024]
 - Information Systems and Data Management (35–45%)
 - Security, Confidentiality and Privacy (35–45%)
 - System and Organization Controls (SOC) Engagements (15–25%)
- Tax Compliance and Planning (TCP) [78% pass rate – YTD 2024]
 - Tax Compliance and Planning for Individuals and Personal Financial Planning (30–40%)
 - Entity Tax Compliance (30–40%)
 - Entity Tax Planning (10–20%)
 - Property Transactions (disposition of assets) (10–20%)

Time frame - Each section is taken separately. You will have four hours to take each section, for a total testing time of 16 hours. You must pass ($\geq 75\%$) all four sections within 30 months. The start of the 30-month time frame will be notice of first passed exam.

CPA Considerations – where?



- You can **physically** take the CPA exam in any state (and other global locations) and still be registered in another state
- Big 4 offer letter language:

Your employment with XXXXXX is contingent upon the successful completion of the **state-specific educational requirements** (150 credit hours successfully completed that meet the **specific coursework requirements** as set by the state board of accountancy) to be a licensed Certified Public Accountant **in the principal place of business** (the state in which the office is located) by your start date. In the event that you do not meet these requirements, your start date may be deferred or your employment with XXXXXXXX may be reevaluated.

- States have policies for transferring exam scores or a CPA license
 - In most cases, transfers are easier with more years of experience
 - Most states have policies in place to avoid “gaming the system” and transferring exam scores shortly after you pass

CPA Education Requirements

License

Sit for Exam

Illinois:

- ND MSA

- Bachelors degree
- Audit
- Tax
- 24 hours of accounting
- 12 hours of business

New York:

Apply prior to **8/1/27**

- ND MSA

Apply on 8/1/27 or later

- 33 SCH in accounting, w/ Audit, Tax, and AIS
- 36 SCH in business (including B Law, Data Analytics, Information Tech, Econ, and Finance)
- Bachelors or Masters degree in Accounting that meets NY requirements (ND MSA **w/ Data Analytics** meets this)

- 120 hours
- Financial accounting
- Cost/managerial
- Tax
- Audit

- Information based on courses taken at appropriately accredited schools. If your undergraduate institution is not accredited, additional evaluation may be required.

CPA – Top 11 States

State	Community College acceptable	Requirements for License												
		Accounting		Business Hours		Accounting classes					Business classes			
		Total	Upper	Total	Upper	Audit	Tax	AIS	Cost	Ethics	Blaw	Info Tech	Finance	Econ
California	Yes	30		24		Complicated combination								
Florida	?	36	30	36	21	X	X		X		X			
Illinois	Yes	30		24		X	X		X					
Indiana	Yes	24		24		X	X		X					
Mass	Yes	30		24		X	X		X		X		X	
New York	Yes	33	18	36		X	X	X			X	X	X	X
N Carolina	?	30	24	24							?		?	?
Ohio	Yes	24		24		X	X		X					
Penn.	Yes	18		12		?	?				?	?	?	?
Texas	No	33	27		24	X	X			X				
Virginia	Yes	27	21	24		X	X	X						

ILLINOIS PROCESS TO LICENSE



1. Review the education [requirements](#).
2. Open an [online account](#).
3. Apply for a [credentials evaluation](#).
4. Submit official [transcripts](#) from every post-secondary institution you attended
5. Look for an emailed [results letter](#) approving you to sit for the exam or outlining your deficiencies.
6. Make the [Initial Exam Request](#).
7. Establish an account with [NASBA](#).
8. Pay the bill for your exam(s) ([Payment Coupon](#)).
9. Schedule your exam(s) at Prometric using your [Notice to Schedule](#) (NTS).
10. Pass all four sections of the CPA exam within 30 months
11. Pass the [AICPA Ethics Exam](#) and submit your certificate to the ILBOE.
12. Look for an emailed letter containing your [certification number](#).
13. Apply for a license at the [Illinois Department of Financial and Professional Regulation](#).

The process can take a while, you just cannot sign-up and take the exam. Initial application timing can be 6 – 8 weeks. Scheduling a spot at the Prometric site can be difficult too.

CPA Considerations – when?



2024 CPA CONSIDERATIONS

Test Administration and Score Release Schedule in 2024

Core Section Test Dates (AUD, FAR, REG)	Core Section Score Release Dates	Discipline Section Test Dates (BAR, ISC, TCP)	Discipline Section Score Release Dates
Jan 10 - Mar 26	Jun 4	Jan 10 - Feb 6	Apr 24
Apr 1 - Jun 25	Jul 31	Apr 20 - May 19	Jun 28
Jul 1 - Sep 25	Approx Nov 1	Jul 1 - 31	Sep 10
Oct 1 - Dec 26	Early Feb 2025**	Oct 1 - 31	Dec 10

**These dates are subject to change.*

*** Could be released throughout the 2024 Q4 testing window (Oct 1 - Dec 26).*

NEXT STEPS

Assurance Track – complete 1st day
survey (see link on Canvas home page)

Appendix

Texas CPA Educational Requirements



- **150 total credit hours.**
- **30 credit hours of upper level accounting (36 including the introductory level courses)**
 - at least 2 hours of which must be accounting or tax research and must be on the approved list for the Texas Board of Accountancy.
 - Must include one course in each of financial accounting, financial auditing, taxation, and accounting information systems.

<https://www.tsbpa.texas.gov/exam-qualification/education-accounting-courses.html>

- **24 credit hours of upper level business courses**
 - at least 2 of which must be accounting or business communication and must be on the approved list for the Texas Board of Accountancy.
 - There is a limitation on how many credit hours (6, or 9 hours) can come from any specific discipline, and
 - Economics and statistics courses at any level <https://www.tsbpa.texas.gov/exam-qualification/education-accounting-courses.html>
- **A 3.0 credit Board approved ethics course.**

University of Notre Dame	MSA 70175 – Ethics in Accounting	Brian Levey, JD
	ACCT 40750 – Accounting Ethics	

Texas Research & Communications Requirements



Texas requires 2 semester credit hours in Accounting/Tax Research & Accounting/Business Communications

University	Accounting or Tax Research and Analysis	Accounting or Business Communications
University of Notre Dame	MSA 70161 Tax Research – 2 hours MSA 70160 Taxes & Business Strategy – 2 hours MSA 70113 Topics in Accounting Measurement & Disclosure – 2 hours (If course is used to meet the research requirement it cannot be used to meet the communications requirement.)	ACCT 40770 Advanced Writing for Accounting Professionals – 1.5 hours MBCM 60771 Advanced Writing for Accounting Professionals – 2 hours MSA 70113 Topics in Accounting Measurement & Disclosure – 1 hour (If course is used to meet the communications requirement it cannot be used to meet the research requirement.) MGTO 30620 Business Communication – 1 hour MSA 60400 – Management Writing/Strategic Writing – 2 hours MGTO 30630 Business Report Writing – 1 hour MGTO 30600 Business Writing – 1 hour MBA 60420 Corporate Communications – 1 hour MSMG 60415 Strategic Communications – 1 hour

California – Exam Taking Requirements

EDUCATIONAL REQUIREMENTS



Bachelor's
degree or higher

+



24 semester units in
accounting subjects

+



24 semester units in
business-related subjects

Accounting Subjects

Accounting
Auditing
External or Internal Reporting
Financial Reporting
Financial Statement Analysis
Fraud
Taxation

Business-Related Subjects

Accounting Subjects (in excess of
the 24 semester units required)
Business Administration
Business Communications
Business Law
Business Management
Business-Related Law Courses
(offered by an accredited law school)

Computer Science and
Information Services
Economics
Finance
Marketing
Mathematics
Statistics

California – License Requirements



Exam Taking Requirements Plus:

20 SEMESTER UNITS – ACCOUNTING STUDY

- Minimum 6 semester units in accounting subjects (see above)
- Maximum 14 semester units in business-related subjects (see above)
- Maximum 9 semester units in other academic work relevant to business and accounting (maximum 3 units from any one area)
 - Skills-based courses – Courses completed in the following disciplines: English, Communications, Journalism, and the Physical, Life, Natural, & Social Sciences
 - Foreign Languages/
Cultural & Ethnic Studies – Courses in foreign languages (including sign language) and courses with the terms culture, cultural, or ethnic in the titles
 - Industry-based courses – Courses with the words “industry” or “administration” in the title or courses completed in the following disciplines: Engineering, Architecture, and Real Estate
- Maximum 4 semester units in internships/independent studies in accounting and/or business-related subjects
- Completion of a Master of Accounting, Taxation, or Laws in Taxation is equivalent to 20 semester units of accounting study

and

10 SEMESTER UNITS – ETHICS STUDY

- Minimum 3 semester or 4 quarter units in accounting ethics, accountants’ professional responsibilities, auditing or fraud.
 - The course(s) must be completed at an upper division level or higher, unless it was completed at a community college.
- Maximum 7 semester or 11 quarter units in courses in any of the following subject areas:
 - Auditing
 - Business Leadership
 - Corporate Governance
 - Ethics
 - Human Resources Management
 - Management of Organizations
 - Organizational Behavior
 - Business, Government & Society
 - Business Law
 - Corporate Social Responsibility
 - Fraud
 - Legal Environment of Business
 - Morals
 - Professional Responsibilities
- Maximum 3 semester or 4 quarter units in courses from the following disciplines:
 - Philosophy
 - Religion
 - Theology
 - Course title must contain one of the following words or terms, or the sole name in the course title is the name of the discipline.
 - Introduction
 - General
 - Fundamentals of
 - Survey of
 - Introductory
 - Principles of
 - Foundations of

Professor Morrison – CPA Advisor

- tmorris6@nd.edu
- Office hours - Monday & Wednesday 1 pm – 3 pm
 - Or just stop by 321J Mendoza

FAQS (<https://nasba.org>)

Question: How long do I have to pass all four sections of the examination?

- This varies for each jurisdiction. Your State Accountancy Board determines if credit is granted and the length of time credit is valid. Most jurisdictions will be allowing a maximum of 30 months to pass all remaining sections in order to retain credit on the passed section(s).

Question: Exam credit is good for a “rolling” 30 months. How does that work?

- **Answer:** You may take sections individually and in any order, but are required to pass all four sections of the CPA Exam within a rolling 30-month period. Credit for any section passed shall be valid for 30 months from **the first score release date.** Examination credit expires by section. You will lose credit for each section passed outside the 30-month period, and will have to retake those sections. Your score notice will contain any relevant expiration dates.
- For example: Let’s say you passed AUD on your first try. After a couple months, you successfully complete BAR, and then pass FAR. If you were to sit for the REG section on the last day before your credit for AUD expires, and you fail REG, you now have to sit for and pass AUD and REG by the time your credit for BAR expires.

FAQS (<https://nasba.org>)

Question: I have passed all four sections. Do my credits expire?

- Some states require candidates to complete the licensure eligibility requirements and application within a specific timeframe. This timeframe varies by state. For additional information, please consult the [Accountancy Licensing Library](#).

Question: My conditional credit expires soon. What is the last day I can sit without losing credit?

- You have until the end of testing on the day your credit expires. Remember, when scheduling your examination, some testing centers are not open on weekends or holidays. For some jurisdictions, the expiration date for conditional credit may fall in a non-testing month.

FAQS (<https://nasba.org>)

Question: Where can I find a jurisdiction's educational requirements?

- **Answer:** There is only one Uniform CPA Examination offered via a network of test centers across the United States and its territories, as well as Japan, Latin America and the Middle East. However, there are different requirements to sit depending on the state/jurisdiction through which you apply.
- NASBA's CPA Examination Services (CPAES) provides a comprehensive array of services to 32 Boards of Accountancy related to the Uniform CPA Examination. Some of these include application processing, credential evaluations and score reporting. A list of participating CPAES jurisdictions can be found [here](#). If you plan on taking the Exam through one of these 32 jurisdictions, then you can find that jurisdiction's educational requirements, as well as the option to apply online to take the Exam, through NASBA.org.
- Otherwise, you will need to research the [board's website](#) of the jurisdiction through which you want to test for educational requirements and application instructions.