

# Examination

# INFORMATION

*for*

# Prospective Texas CPA Applicants

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**TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY**  
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# EXAMINATION INFORMATION FOR PROSPECTIVE TEXAS CPA APPLICANTS

This brochure contains current information relative to applying for the Uniform CPA Examination under the jurisdiction of the Texas State Board of Public Accountancy (the Board), and should be helpful in determining eligibility requirements.

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## I. REQUIREMENTS FOR LICENSURE AS A TEXAS CPA

### *What are the requirements to become a licensed CPA in Texas?*

The *Public Accountancy Act* requires that an applicant must:

- be of good moral character;
- provide proof of legal status;
- meet the education requirements;
- pass the Uniform CPA Examination;
- meet the work experience requirements;
- pass an examination on the rules of professional conduct;
- complete a four-hour ethics course given by a board-approved provider;
- take an oath of office to support the laws and *Constitutions of the United States* and Texas, and rules adopted by the Board; and
- pay a fee for certification, and a separate fee for licensing.

## II. MORAL CHARACTER

### *Will the board verify proof of legal status in the United States?*

Yes. In compliance with the *Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996*, the board must verify proof of legal status in the United States. A person shall provide evidence of legal status by submitting a certified copy of an acceptable official document. Documents that may be used are:

- United States birth certificate
- United States passport
- Certificate of US citizenship or naturalization
- Alien registration receipt card with photograph
- School ID with photograph
- US military card or dependent's ID card
- US social security card

A person who does not possess one of these documents should contact the board office for additional acceptable documents.

### *How does the Board determine that a person is of good moral character?*

Good moral character is determined by the lack of a

history of dishonest or felonious acts. The Board considers several areas in the evaluation of an applicant's moral character. These are:

- Response to questions on the application relating to:
  1. arrests, charges, convictions, probations and/or deferred adjudications of a misdemeanor or felony other than misdemeanor driving offenses (**NOTE: DWIs are not** considered misdemeanor driving offenses);
  2. status of any type of professional license; and
  3. denial of examination privileges by any other state or federal agency.
- Information gained from the Texas Department of Public Safety – Crime Records Division, the Federal Bureau of Investigation, or any other law enforcement agency.

### ***Are there any other methods of determining good moral character?***

Yes. A person who resides outside of the United States or its territories, or who has resided for any part of the two years immediately preceding filing the Application of Intent must provide evidence of good moral character. The evidence must be an official “*certificate of good moral character*,” “*certificate of good conduct*,” “*police clearance certificate*” or any other identifying title that attests to good moral character. The evidence must be presented in the form of a certificate and shall be issued and sealed by an official of the country of residence.

### ***What information will be gained from law enforcement agencies?***

The background of each person who submits an *Application of Intent* is checked against the Texas Department of Public Safety – Crime Records Division for any arrest, charge, conviction, probation, and deferred adjudication. In order to access the FBI criminal files, the Board may request that an applicant provide a complete set of fingerprints. The Board may also access other criminal record files as necessary.

The background of each person who passes the Uniform CPA Examination and applies for a Texas CPA certificate and license is checked against the Texas Department of Public Safety – Crime Records Division for any arrest, charge, conviction, probation, and deferred adjudication.

### ***May a person who has been convicted of a felony or misdemeanor take the Uniform CPA Examination or receive a Texas CPA certificate and license?***

Convictions do not automatically disqualify a person unless the offense is a felony, or a misdemeanor of which fraud or deceit is an essential element, or a crime in-

volving moral turpitude. It may be necessary to come to the Board office in Austin for an administrative background interview prior to the approval of the *Application of Intent* or the *Application for the CPA Certificate and License*.

### **III. EDUCATIONAL REQUIREMENTS**

#### ***What are the educational requirements of the Public Accountancy Act to apply for the Uniform CPA Examination?***

A person who submits an *Application of Intent* must show completion of the following educational requirements in order to apply for the Uniform CPA Examination:

- baccalaureate or graduate degree conferred by an accredited institution of higher education recognized by the Board; and
- completion of courses recognized by the Board totaling not fewer than 150 semester hours of college credit; and
- successful completion of at least 30 semester hours of accounting coursework beyond the first two semesters of elementary accounting, with at least 20 of these semester hours in core accounting subjects as defined by Board rule; and
- successful completion of at least 20 semester hours of related business courses as defined by Board rule.

#### ***Does a person who has previously taken the examination in Texas have to meet the educational requirements described in this section?***

No. Any person who took the examination under a prior *Public Accountancy Act* may continue to be examined under that *Act*.

#### ***How does a person prove education to the Board?***

Official transcripts showing degrees conferred and courses completed must be submitted with the *Application of Intent*. The Board does not evaluate education without this completed application.

#### ***What courses will the Board accept in satisfying the 150-semester hour requirement?***

The 150-semester hour requirement must be comprised of college courses offered at an accredited institution of higher education recognized by the Board. Advanced placement tests can be used to meet this requirement, provided the semester hour's credit is reflected on an official college transcript.

#### ***May a person who does not meet the education requirements take the Uniform CPA Examination?***

No. All educational requirements must be met and verified prior to applying for the Uniform CPA Examination.

## IV. RECOGNIZED SCHOOLS AND COLLEGES

### *Are all colleges recognized by the Board?*

No. The Board generally accepts colleges or universities that offer an associate, baccalaureate, or higher degree, which are recognized by one of the following accrediting associations.

- Middle States Association of Colleges and Schools
- North Central Association of Colleges and Schools
- New England Association of Schools and Colleges
- Northwest Association of Schools and Colleges
- Southern Association of Colleges and Schools
- Western Association of Schools and Colleges

The Board may receive assistance from the reporting institution in the State of Texas in evaluating an educational institution. Correspondence schools and vocational schools do not meet these criteria. (*Section 511.52 of the Board's Rules.*)

### *Where can information about recognized colleges and universities be obtained?*

The Board is the primary source of information on its recognized educational institutions. Other sources are the *American Association of Collegiate Registrars and Admissions Officers*, the *Council on Postsecondary Accreditation Directory*, or the University of Texas at Austin admissions office, which is currently the reporting institution in this state. Although these sources may be used for reference, the Board makes the final determination on recognized colleges.

### *Does the Board recognize schools outside the U.S.?*

Arrangements have been made with an evaluator at the University of Texas at Austin to review foreign educational documents. This evaluator is knowledgeable about all aspects of foreign educational systems, and provides the Board with an evaluation of the applicant's equivalent schools, degrees, and courses. There is a fee for this service. Contact the Board for the additional forms if an evaluation of foreign credentials is needed.

## V. RECOGNIZED ACCOUNTING COURSES

### *What courses will the Board accept as accounting courses?*

The Board will accept not fewer than 30 passing semester hours of accounting courses without repeat. A recognized educational institution must have accepted them for purposes of obtaining a baccalaureate degree or its equivalent, and they must be shown on an official transcript. At least 15 of these hours must result from physical attendance at classes meeting regularly on any campus of the transcript-issuing institution. Not less than 20 semester hours must be in core accounting courses in the following subject areas:

- (1) accounting core courses:
  - (A) intermediate accounting, advanced accounting;
  - (B) cost accounting;
  - (C) auditing, internal accounting control and evaluation;
  - (D) report writing (principally writing financial reports, internal control reports, and management letters);
  - (E) financial statement analysis;
  - (F) accounting theory;
  - (G) up to six semester hours of income tax;
  - (H) accounting for governmental and/or other nonprofit organizations; and
  - (I) up to six semester hours of accounting systems, including management information systems;<sup>1</sup>
- (2) other accounting courses:
  - (A) income tax accounting (not to exceed 12 semester hours, including hours in paragraph (1)(G) of this section);
  - (B) accounting systems, including management information systems (not to exceed 12 semester hours, including hours in paragraph (1)(I) of this section);<sup>1</sup>
  - (C) accounting consultation;
  - (D) accounting for specialized businesses or industries (such as fiduciaries, banks, etc.);
  - (E) an accounting internship program (not to exceed 3 semester hours) which meets the following requirements:
    - (i) the accounting knowledge gained is equal to or greater than the knowledge gained in a traditional accounting classroom setting;
    - (ii) the employing firm provides the faculty coordinator and the student with the objectives to be met during the internship;
    - (iii) the internship is approved by the faculty advisor;
    - (iv) the employing firm provides a significant accounting work experience with adequate

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<sup>1</sup> *Up to twelve semester hours of information systems may be included in the minimum thirty semester hours of accounting, PROVIDED:*

- *the courses are listed (or cross-listed) as accounting courses; and*
- *the applicant's college or university accepts these courses as satisfying the accounting course requirements for graduation with a degree in accounting.*

*If either of these two requirements is not met, the course may not be included in the minimum thirty semester hours of accounting.*

training and supervision of the work performed by the student;

(v) the employing firm provides an evaluation of the student at the conclusion of the internship, provides a letter describing the duties performed and the supervision to the student, and provides a copy of the documentation to the faculty coordinator and the student;

(vi) the student keeps a diary comprising a chronological list of all work experience gained in the internship;

(vii) the student writes a paper demonstrating the knowledge gained in the internship; and

(viii) the student and/or faculty coordinator provides evidence of all items upon request by the board;

(F) any other course which is principally accounting or auditing in nature but which may be designated by some other name (and the verification of which is obtained in writing from the particular college or university). After the November 1997 examination, elementary accounting may not be considered under this title;

(G) any CPA review course offered by an educational institution or of a proprietary nature may not be considered in meeting the requirements under this title.

(3) Credit for hours taken at recognized colleges and universities using the quarter system shall be counted as  $2/3$  of a semester hour for each hour of credit received under the quarter system. (*Section 511.57 of the Board's Rules.*)

## VI. RECOGNIZED RELATED BUSINESS COURSES

### *What courses will the Board accept as related business courses?*

(a) The board will accept not fewer than 20 passing semester hours as related business subjects without repeat, taken at a recognized educational institution shown on official transcripts or accepted by a recognized educational institution for purposes of obtaining a baccalaureate degree or its equivalent, in the following areas:

(1) commercial law;

(2) CPA coaching course in auditing, practice, theory, and business law (if the curriculum is developed and taught in a classroom environment by a faculty member under contract at the accredited college or university which is offering the course for credit and which is not a review of material covered in other courses for which credit was received by the applicant);

(3) economics;



- (4) management;
- (5) marketing;
- (6) communications;
- (7) mathematics (as it pertains to business);
- (8) statistics;
- (9) technical writing (covering subjects such as opinions, tax planning reports, and management advisory services reports and management letters);
- (10) finance;
- (11) data processing; and
- (12) other areas related to accounting.

(b) The board may treat one or more of the related business subjects as an accounting course if the accounting nature of the course is substantiated by the particular college or university, in writing, as being primarily accounting.

(c) Credit for hours taken at recognized colleges and universities using the quarter system shall be counted as 2/3 of a semester hour for each hour of credit received under the quarter system. (*Section 511.58 of the Board's Rules.*)

## VII. WORK EXPERIENCE

***Is there a work experience requirement that must be met in order to take the CPA examination?***

No. Qualifying work experience commensurate with the education requirement must be submitted prior to licensure.

***Is information on the work experience requirements available?***

Yes. You may contact the Board and request a work experience information sheet.

## VIII. APPLICATION OF INTENT REQUIREMENTS

***What is the Application of Intent?***

The *Public Accountancy Act* provides for the Board to establish an application for a person pursuing a Texas CPA Certificate. This application is used by the Board to determine a person's eligibility to apply for the Uniform CPA Examination. This application is named the *Application of Intent*.

***Who should submit an Application of Intent?***

- Any person who has never taken the Uniform CPA Examination in Texas, and wants to take the Uniform CPA Examination.
- Any person who has earned conditional credit on part or all of the Uniform CPA Examination in another licensing jurisdiction, and wants to take the Uniform CPA Examination in Texas, or wants to apply for a Texas certificate and license.

- Any person who wants the Board to perform a comprehensive evaluation of their education and to determine eligibility as well as any educational deficiency. The person will also be informed if an administrative background interview is necessary to discuss moral character issues.

### ***When can the Application of Intent be submitted?***

The *Application of Intent* can be submitted at any time during the year. The *Public Accountancy Act* allows for the submission of this application not more than two years prior to taking the Uniform CPA Examination. Therefore, a person who is currently enrolled in college courses to meet the requirements to take the Uniform CPA Examination may submit this application to determine eligibility.

### ***What is required to submit an Application of Intent?***

The *Application of Intent* is available from the Board office or from the Board's web site at [www.tsbpa.state.tx.us](http://www.tsbpa.state.tx.us). The following is required when submitting the *Application of Intent*:

- non-refundable filing fee;
- official transcripts from each college or university attended;
- one 2" x 2" photo of the applicant, recently taken; and
- verification of legal status.

### ***Does the Application of Intent take the place of the CPA Exam Application?***

No. A brief *CPA Exam Application* for the upcoming Uniform CPA Examination will be mailed after the *Application of Intent* is approved.

### ***Does a person whose Application of Intent is approved have to take the upcoming Uniform CPA Examination?***

No. A person does not have to take the upcoming Uniform CPA Examination. However, it should be noted that the *Application of Intent* expires on the second anniversary of the date the application is filed if the person does not take the Uniform CPA Examination within that period of time.

### ***What is the deadline for filing an Application of Intent?***

The *Application of Intent* can be filed at any time, **HOWEVER:**

- if a person plans on applying for the MAY Uniform CPA Examination the completed *Application of Intent* must be received with transcripts in the Board's office by January 31.

The *CPA Examination Application* for the MAY Uniform CPA Examination will not be mailed until the *Application of Intent* is approved. The completed examination application must be received in the Board's office on or before March 15.

- if a person plans on applying for the NOVEMBER Uniform CPA Examination the completed *Application of Intent* must be received with transcripts in the Board's office by July 31.

The *CPA Examination Application* for the NOVEMBER Uniform CPA Examination will not be mailed until the *Application of Intent* is approved. The completed examination application must be received in the Board's office on or before September 15.

## IX. UNIFORM CPA EXAMINATION INFORMATION

### *Are special examination accommodations available?*

Yes. A person who needs examination accommodation under the *Americans with Disabilities Act* should contact the Board office for the required forms. The forms are used to document the person's need as determined by a licensed professional. The completed forms should be filed with the Board at least one month prior to the date of the CPA examination.

### *How many sections are there to the Uniform CPA examination?*

The Uniform CPA Examination consists of four sections:

- Business Law and Professional Responsibilities (LPR)
- Auditing (AUD)
- Accounting and Reporting (ARE)
- Financial Accounting and Reporting (FAR)

### *How long is the Uniform CPA Examination?*

The Uniform CPA Examination is given over two consecutive days.

### *What amount of time is allotted for each section of the Uniform CPA Examination?*

• <b>LPR</b>	Wednesday	9:00 AM – 12:00 NOON	3 hours
• <b>AUD</b>	Wednesday	1:30 PM – 6:00 PM	4½ hours
• <b>ARE</b>	Thursday	8:30 AM – 12:00 NOON	3½ hours
• <b>FAR</b>	Thursday	1:30 PM – 6:00 PM	4½ hours

### *What is the deadline for filing a CPA Examination Application?*

The *CPA Examination Application* for the MAY Uniform CPA Examination is due in the Board's office on or before March 15.

The *CPA Examination Application* for the NOVEMBER Uniform CPA Examination is due in the Board's office on or before September 15.

### *Does a person have to take all sections of the Uniform CPA Examination?*

Yes. A person must take all sections for which they

have not received conditioning credit.

### ***Is there a penalty for not taking all sections of the Uniform CPA Examination?***

Yes. If a person receives a passing grade on two or more sections and receives a grade of less than 50 percent on the subjects not passed, or is absent; no credit is awarded for the sections with a passing grade.

### ***How is credit established?***

A person must:

- write all sections of the Uniform CPA Examination for which they are eligible;
- pass two or more sections; and
- receive a score of 50 percent or higher on the sections failed.

### ***What is considered a passing grade on the Uniform CPA Examination?***

A grade of 75 or better on each section.

### ***Once credit is established, is the person required to take all sections of the Uniform CPA Examination that have not been passed?***

Yes. In order to receive additional credits a person must:

- write all sections of the Uniform CPA Examination for which they are eligible;
- pass one or more sections; and
- receive a score of 50 percent or higher on the sections failed.

### ***How long does conditional credit exist?***

A person earning conditional credit has the next SIX consecutive Uniform CPA Examinations in which to pass the remaining sections before the conditional credits are removed.

### ***Is there a penalty for not taking a Uniform CPA Examination?***

No.

HOWEVER, if conditional credit is established, a missed examination is considered one of the SIX consecutive Uniform CPA Examinations.

### ***May a person who is unsuccessful on the Uniform CPA Examination apply again?***

Yes. A person without credits has the right to any number of reexaminations as long as all examination requirements are met.

## **X. EXAMINATION REVIEW**

### ***Is there a process available to request a review of a failing grade on the Uniform CPA Examination?***

Yes. The AICPA Board of Examiners' Review Service is administered by the AICPA. A person who fails one or more parts of the most recent Uniform CPA Examination may request a review of the applicant's answer papers to verify the accuracy of the grading process. There are deadlines for requesting a review, and also a fee for the service. Contact the Board office for additional information.

### *Can an examination paper be regraded?*

No. The AICPA does not regrade examination papers. The following steps are taken during the review of the examination papers:

- manual verification of the accuracy of the objective answer scores;
- independent verification of the original scoring of the essay or problem solutions by a technical manager who did not participate in the original grading of the questions; and
- retabulation of the total score.

### *How is a person informed of the results of the review?*

A written response from the AICPA through the Board concerning the results of the review is sent to the applicant. The response will be "no change" unless a failing grade is increased to 75 or higher.

## **XI. REFUND AND WITHDRAWAL POLICY**

### *How should a person withdraw from the Uniform CPA examination after filing an application?*

The person should advise the Board in writing of their withdrawal.

### *Does the Board refund the Uniform CPA Examination fee?*

The Board considers requests for refunds that conform to the following guidelines.

A full refund of the examination fee is granted if the applicant withdraws from the exam and notifies the Board in writing prior to the deadline for applying for the examination (March 15 or September 15).

The Board grants a refund of one-half of the total examination fee paid if:

- the applicant submits an incomplete application for the examination and does not remedy the deficiency, and as a result is not permitted to take the examination; or
- the applicant withdraws after the filing deadline because of extreme hardship. (*Section 511.76 of the Board's Rules.*)

### *What does the Board consider an extreme hardship?*

Extreme hardship is defined as a serious illness of the applicant or a member of the applicant's immediate fam-

ily or death of an immediate family member just prior to the examination. Work or job related situations are not considered extreme hardships.

### ***When should a request for a refund be submitted?***

A request for refund based on an extreme hardship must be in writing accompanied by documentation of the extreme hardship that required withdrawal from the Uniform CPA Examination. The Board must receive the request for refund on or before the 15th of November following the May examination. The Board must receive the request for refund on or before the 15th of May following the November examination.

### ***Will the Board transfer the Uniform CPA Examination fee to another examination?***

No. Uniform CPA Examination fees will not be transferred to a subsequent examination.

## **XII. TRANSFER OF CONDITIONAL EXAMINATION CREDITS FROM ANOTHER STATE**

### ***May a person transfer conditional examination credits to Texas from another state?***

Yes. However, the following requirements must be met:

- the examination was prepared and graded by the AICPA;
- the credits are active in the state of origin;
- the applicant met the requirements in effect in the state of origin at the time the credit was earned and that state's standards are equal to or higher than those in Texas; and
- the applicant meets this board's requirements to become a Texas candidate.

A person may also request credit for any of the sections passed at a subsequent examination, but the transfer is subject to the requirements that were in effect in Texas at the time the person qualified to take the exam in the other state.

# IMPORTANT DATES

## APPLICATION REQUEST DATES AND FILING DEADLINES

The application is due in the Board office by the following deadlines.

### APPLICATION OF INTENT REQUEST DATES

#### YEAR-ROUND FILING DEADLINES

May Exam – January 31                      Future Exam – no deadline  
November Exam – July 31                      Evaluation – no deadline

## CPA EXAMINATION APPLICATION REQUEST DATES

May Exam – January 15 through March 15  
November Exam – July 15 through September 15

### FILING DEADLINES

May Exam – March 15  
November Exam – September 15

### EXAMINATION DATES

	MAY	NOVEMBER
2002		6 – 7
2003	7 – 8	5 – 6

### EXAMINATION SCHEDULE

Wednesday	9:00 a.m. to 12:00 noon	LPR
Wednesday	1:30 p.m. to 6:00 p.m.	AUD
Thursday	8:30 a.m. to 12:00 noon	ARE
Thursday	1:30 p.m. to 6:00 p.m.	FAR

## IMPORTANT TELEPHONE NUMBERS

Application of Intent requests	(512) 305-7850
CPA Examination Application requests	(512) 305-7850
General Information – Recorded Message	(512) 305-7870
Fax	(512) 305-7875

### WEBSITE ADDRESS

[www.tsbpa.state.tx.us](http://www.tsbpa.state.tx.us)

### E-MAIL ADDRESS

[exam@tsbpa.state.tx.us](mailto:exam@tsbpa.state.tx.us)

(Attachments are not accepted or opened.)

### Contact the Board via e-mail for:

- Examination application requests
- Notification of address changes
- Notification of withdrawals
- General requests
- Special accommodation requests