What Does It Take to Become a CPA?

Presented by ThisWayToCPA: AICPA’s new website for college students and CPA exam candidates
What Is a CPA?

• Stands for Certified Public Accountant

• Trusted financial advisor who helps individuals, businesses, and other organizations plan and reach their financial goals

• All CPAs are accountants, but not all accountants are CPAs
To Become a CPA

• 3 E’s are required for licensure:
  – **Education**
  – **Exam or Uniform CPA Examination**
  – **Experience**

• State Boards of Accountancy determine the laws and rules for each state/jurisdiction

• Visit ThisWayToCPA for **state requirements**
Education

- Requirements vary by state/jurisdiction (see state requirements)
  - Most states now require 150 semester hours
  - Number of accounting hours (in the 150 total) is dependent on state requirements
Uniform CPA Examination

- Computer-based format
- **Consists of 4 sections**
  - Auditing and Attestation (AUD)
  - Business Environment and Concepts (BEC)
  - Financial Accounting and Reporting (FAR)
  - Regulation (REG)
- Same test no matter where it is taken
- Passing score is 75 on a 0-99 scale
- Question types include multiple choice, simulation and written communication
- Eligibility to sit for exam depends on state (see state requirements)
- Click here for more exam information
Experience

- A candidate is an applicant for a CPA license
- Many states require the candidate to have 1 – 2 years experience under a CPA
- Additional requirements vary by the candidate’s:
  - Education – e.g., Graduate degree vs. 150 hours of undergraduate
  - Employer(s) – e.g., Public accounting firm vs. industry
  - Type of work – e.g., Tax professional vs. auditor
Licensure

• Licenses gives the right to practice public accounting

• Some states require Ethics exam (see state requirements)

• Must comply with rules of professional conduct

• Licensure timeline
Maintaining the License

- Continuing Professional Education (CPE)
  - Typically 40 hours per year
  - Types (e.g., computer-based vs. group/classroom learning) of CPE vary by jurisdiction
  - May need Ethics training and compliance
  - Subjects vary depending on the type of license and area of employment

- Renewal every period
AICPA Membership

Become an AICPA Student Affiliate Member!

AICPA membership provides:

• National membership organization for the profession
• Support for the diverse membership and efforts to build the future of the profession
• Advocacy with standard setters and state boards
• Professional excellence in terms of professional ethics, training, peer review
• Discounts and affinity programs (even for students!)
State Society Membership

• State CPA Society vs. State Board of Accountancy
  – Society is a membership organization
  – Board sets policy

• How do State Societies and AICPA differ?
  – National vs. state/jurisdiction
  – Work closely together in many cases
Most requirements are determined by the state/jurisdiction in which you hope to practice. In general, this is a summary of the steps to CPA licensure.

**Education**
- Bachelor’s degree
- 150 semester hours

**Exam**
- Apply to sit based on state requirements
- Pass all 4 parts with a 75% or higher

**Experience**
- 1-2 years in accounting
- Under a CPA
Again, this is a summary of the steps to maintaining a CPA license. Requirements do vary by state/jurisdiction.

**License**
- Meet state/jurisdiction 3 E’s requirements
- Other requirements (e.g., ethics exam)

**Continuing Professional Education**
- 40 hours of CPE per year
- Renew license every 1, 2 or 3 years

**Beyond**
- Join state society, AICPA and volunteer
- Specialize in one or more areas (e.g., CFF)
Tips

• Understand your state/jurisdiction’s requirements

• Take it one step at a time!
  • Focus on the education requirement first
  • Become eligible to sit for the Uniform CPA Examination
  • Study for (and pass!) the CPA Exam
  • Gain the required experience
What Is ThisWayToCPA?

- AICPA’s new website for college students and CPA exam candidates

- A virtual warehouse chock full of the information (and motivation) you need to pursue a career in accounting

- Includes features like Find Your Fit, CPA Profiles, and an online community
Resources

• ThisWayToCPA (AICPA website for college students) at http://thiswaytocpa.com

• AICPA web site for CPA candidates at http://www.aicpa.org/Membership/Join/

• Start Here, Go Places. (AICPA website for high school students) at http://www.startheregoplaces.com/

• NASBA web site at http://www.nasba.org/