The Pathway
For Accounting Students

Center for Financial Reporting & Management
(Updated July 15, 2014)
IMPORTANT DISCLAIMER

• We at CFRM are not members of the California Board of Accountancy and cannot speak for the Board.
• This document does not constitute legal advice. Thus, there can be and is no guarantee of the accuracy of anything that follows, although we have done all that we can to ensure that it is as accurate as possible.
• Further, this summary addresses only a portion of the rules and requirements of the Board of Accountancy. This focuses on the highlights and the areas where we have seen the most confusion.
• Some of this information is specific to candidates from the University of California at Berkeley.
• For complete and more direct information (although some of it might be hard to figure out), contact the California Board of Accountancy at:

CALIFORNIA BOARD OF ACCOUNTANCY
TELEPHONE: (916) 561-1701
WEB ADDRESS: www.dca.ca.gov/cba
EMAIL: licensinginfo@cba.ca.gov
# The New Requirements

Graduating after 2012 or Unable to Meet Requirements by 1/1/2014

<table>
<thead>
<tr>
<th>The Only Pathway</th>
<th>NOTES:</th>
</tr>
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<tbody>
<tr>
<td>Bachelor’s degree</td>
<td></td>
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<tr>
<td>150 semester-units of total coursework</td>
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<tr>
<td>30 semester-units of Accounting</td>
<td>Increase of 6 units from old requirements</td>
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<tr>
<td>38 semester-units of Business-related subjects</td>
<td>Increase of 14 units from old requirements (See slides for details)</td>
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<tr>
<td>10 semester-units of Ethics-related coursework</td>
<td>New requirement (See slides for details)</td>
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<tr>
<td>Pass all parts of the CPA Exam</td>
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<tr>
<td>One year of general accounting work experience</td>
<td>Work anywhere, under the supervision of a CPA</td>
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<tr>
<td>Pass an on-line ethics class</td>
<td>Taken on-line prior to completing your application</td>
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<tr>
<td>Course Number</td>
<td>Course</td>
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<tr>
<td>---------------</td>
<td>-------------------------------------------------------------</td>
</tr>
<tr>
<td>UGBA 102A</td>
<td>Intro to Financial Accounting</td>
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<tr>
<td>UGBA 102B</td>
<td>Intro to Managerial Accounting</td>
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<tr>
<td>UGBA 120AA</td>
<td>Intermediate Financial Accounting I</td>
</tr>
<tr>
<td>UGBA 120AB</td>
<td>Intermediate Financial Accounting II</td>
</tr>
<tr>
<td>UGBA 120B</td>
<td>Advanced Financial Accounting</td>
</tr>
<tr>
<td>UGBA 121</td>
<td>Federal Income Taxes</td>
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<td>UGBA 122</td>
<td>Financial Information Analysis</td>
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<tr>
<td>UGBA 126</td>
<td>Auditing</td>
</tr>
<tr>
<td>UGBA 128</td>
<td>Strategic Cost Management</td>
</tr>
<tr>
<td>UGBA 129</td>
<td>Financial Reporting for Complex Transactions</td>
</tr>
<tr>
<td>UGBA 131</td>
<td>Corporate Finance and Financial Statement Analysis (The only Finance course that qualifies)</td>
</tr>
<tr>
<td>UGBA 127</td>
<td>Special Topics Courses (Vary by Semester, Usually 3 Offered per Year); Recent Offerings: • International Financial Reporting • Operations and Financial Reporting in the Financial Services Sector • Fraud &amp; Forensics</td>
</tr>
</tbody>
</table>
What Are Business-Related Courses?

- Courses in the following departments, areas, majors, disciplines:
  - Business Administration
  - Business Communications
  - Business Law
  - Finance
  - Business Management
  - Marketing
  - Business Related Law Courses offered by an accredited law school
  - Computer Science/Information Systems
  - Economics
  - Mathematics
  - Statistics
38 Units of Business-Related Coursework

- Can be Accounting or Business coursework (as defined on previous slides)
- "BONUS UNITS" --- Maximum of nine (9) of these units can be considered business-related subjects, outlined below:
  - Skills-based courses (Maximum of 3 units)
    - Disciplines: English, Communications, Journalism, and the Physical, Life, Natural, and Social Sciences
  - Language-based courses (Maximum of 3 units)
    - Courses in foreign language, sign language, courses with the terms “Cultural,” or “Ethnic” in the title
  - Industry-based courses (Maximum of 3 units)
    - Courses with the words “Industry” or “Administration” or courses in the following disciplines: Engineering, Architecture, Real Estate
Units of Business-Related Coursework (Continued)

- Up to 4 units from internships and independent study in accounting/business fields can be applied if you earn academic credit for the internship/independent study

- **NOTE:** Completion of a Masters of Accounting, Masters of Taxation, or Masters of Law in Taxation (LL.M.) shall be deemed equivalent to completing additional units
  - These masters degrees pre-empt the need to obtain the 6 specific accounting units, plus 14 additional units of accounting- or business-related units as described on the previous slides
Ethics Requirements (10 Units)

- Maximum of 10 additional units from courses with the following specific* terms in the title:
  - Auditing
  - Business Law
  - Corporate Governance
  - Ethics (Ethical is OK), Morals, or Fraud
  - Organizational Behavior
  - Human Resources Management
  - Management of Organizations
  - Business, Government & Society
  - Leadership
  - Professional Responsibilities (non-accounting)
  - Legal Environment of Business
  - Corporate Social Responsibility

* Cannot substitute courses with similar terms
- Continued…
Ethics Requirements (Continued)

• “BONUS UNITS”: Maximum of 3 units from courses in the following disciplines:
  – Philosophy
  – Religion
  – Theology
    • Course titles in these disciplines must contain one of the following words/terms: “Introductory,” “Introduction,” “Principles of,” “Survey of,” “General,” “Fundamentals of,” “Foundation of”

• You can split the units for the Auditing course (e.g., for our 4-unit UGBA 126 course, one unit could apply to Ethics and 3 units could be applied to the Accounting requirements). Only 1 unit of an Auditing course can be used for the Ethics requirements.

• NOTE: Effective January 1, 2017, 3 units must be obtained from an accounting ethics, accounting fraud, accountants’ professional responsibilities course.
# Ethics-Related Courses at Haas

<table>
<thead>
<tr>
<th>Course Number</th>
<th>Title</th>
<th>Semester Units</th>
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<tbody>
<tr>
<td>UGBA 107</td>
<td>The Social, Political, and Ethical Environment of Business</td>
<td>3</td>
</tr>
<tr>
<td>UGBA 126</td>
<td>Auditing</td>
<td>1</td>
</tr>
<tr>
<td>UGBA 127</td>
<td>Special Topics in Accounting – Fraud &amp; Forensics</td>
<td>2</td>
</tr>
<tr>
<td>UGBA 151</td>
<td>Management of Human Resources</td>
<td>3</td>
</tr>
<tr>
<td>UGBA 157</td>
<td>Special Topics in Organizational Behavior – Leadership: Purpose, Authority and Empowerment</td>
<td>3</td>
</tr>
<tr>
<td>UGBA 170</td>
<td>Business Ethics in the 21st Century</td>
<td>2</td>
</tr>
<tr>
<td>UGBA 175</td>
<td>Legal Aspects of Management</td>
<td>3</td>
</tr>
<tr>
<td>UGBA 177</td>
<td>Colloquium on the Social, Political, and Ethical Environment of Business</td>
<td>1</td>
</tr>
<tr>
<td>UGBA 196</td>
<td>Special Topics in Business Administration – Improvisational Leadership</td>
<td>3</td>
</tr>
<tr>
<td>UGBA 196</td>
<td>Special Topics in Business Administration – Leadership &amp; Personal Development</td>
<td>3</td>
</tr>
</tbody>
</table>

You may use only 1 unit from UGBA 126 (which is a 4 unit course) to apply to the Ethics Study requirement.
Summary of New Requirements = Total 150 Units
Includes 78 units in the following 3 buckets:

- Accounting: 30 units
- Business: 38 units
- Ethics: 10 units

No double dipping allowed – units can only be used for one bucket!
What Does it Take to Become a CPA?

- Follow the 3 Es:
  1. Education
  2. Exam
  3. Experience
Picking Up Additional Coursework

- UC Berkeley Extension
- Accredited Community Colleges
- Advanced Placement Units
- Other Colleges and Universities

NOTES: Online courses and courses taken Pass/No-Pass (Pass/Fail) count! All courses can be either upper or lower division courses.
DON’T PANIC!

• The new requirements may seem like a lot, however...

• You can meet many of the requirements through courses
  – you have already taken as part of your pre-requisites or breadth course work
  – you were planning to take for your major requirements

BOTTOM LINE: You are probably in better shape than you think!
Strategy Under the “New” Rules

- Will you be able to attain 150 hours overall?
  - At UC Berkeley
  - Community college (courses count even if they don’t transfer to UC Berkeley)
  - UC Berkeley Extension
  - High school advanced placement credits

- If not close (132 units or fewer at graduation), you may want to consider a Masters program

- If yes, plan as follows:
  - Plan timing and pace of Accounting courses (30 units)
  - Fit in Ethics requirements (10 units)
  - Then, apply remaining courses to Business courses (38 units)
What You Can Do

- Plan your coursework as early as you can
- Map your status/progress using the course requirement checklists (see CFRM website)
- Seek advisement from CFRM
- Online courses and courses taken Pass/No-Pass (Pass/Fail) count

For FAQs, see:
http://groups.haas.berkeley.edu/accounting/students/studentFAQ.html
Advice re: Courses Outside UC Berkeley and Courses Taken Pass/No Pass

- For the **Accounting bucket**, we recommend that you take most of your **Accounting courses** (i.e., all but one or two) at UC Berkeley (not UC Extension) for a letter grade
  - *In general, the firms are hiring you for your accounting education*

- All other buckets and course requirements can be completed elsewhere and/or on a Pass/No Pass basis
2. The Exam

- Same topics/format for all students across the country

- **4 Sections** to the exam:
  1. Financial Accounting & Reporting (FAR)
     - 4 hours long
  2. Auditing & Attestation (AUD)
     - 4 hours long
     - 3 hours long
  4. Regulation (REG)
     - 3 hours long
Very Important Timing Matters

• To apply to the State Board to take the CPA exam, you need to have the following requirements completed (as evidenced by official transcript(s)):
  – Bachelor’s degree
  – 24 units of accounting, and
  – 24 units of business-related courses

• NOTE: To become licensed, you need to pass the exam, plus all of the other requirements

• It takes between 60-90 days after graduation for UC Berkeley Registrar’s Office to get your official transcript to the Board of Accountancy

• The Board of Accountancy needs to review and approve your transcript prior to allowing you to take the CPA Exam (this takes them approximately 30 days to process)
Structure of Exam

- Exams are taken at Prometrics testing centers
- Quarterly testing windows – 2 months of every quarter
- Can take any number of sections per quarter
  => Normally, people take one section per quarter
- Must pass all 4 parts within 18 months after passing your first part
- A “pass” is 75% correct on each part
3. The Experience

- This is the work experience you obtain working in accounting (under the supervision of another CPA)
- Internship time counts toward experience
- Two “levels” of CPA
  - General license
  - Audit license – must have supervisory experience
    - Can obtain the general license and switch to audit license later when you get the appropriate experience
More on Experience

- Most accounting firms have processes and procedures in place to help you:
  - Track your preparation to become a CPA
  - Record your work experience to submit to the California Board of Accountancy

- Often, the firms incentivize staff ($$$) to pass the exam and become certified
The Life of a CPA

You are born.

You’re a carefree kid.

Enroll in college. (Start the Education phase)
Additional Information

See FAQs at
http://groups.haas.berkeley.edu/accounting/students/studentFAQ.html

Contact the Center for Financial Reporting & Management (CFRM)
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or

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The Life of a CPA

Buy a suit.
(Start of the Experience phase)

Get a summer internship
(Hiring in Fall of Sophomore or Junior Year)

Get your bachelor's degree.

Get additional course units (or Masters Degree)
The Life of a CPA

1. Get a job. (The Experience Phase Continues)
2. Get your own place.
3. Apply for the CPA Exam (The Exam Phase Starts)
4. Pass the Exam

75%
The Life of a CPA

Celebrate.

Reap the benefits.

Live a long and prosperous life.
1. The Education Requirements

- Overview
- Resources
Overview

• In the State of California, rules are determined by the California State Board of Accountancy (under the Department of Consumer Affairs)
  – http://www.dca.ca.gov/cba/

• Other states have different requirements
  – http://www.nasba.org/stateboards/
Recent Changes to the Requirements

• Went into effect *January 1, 2014*

• Dramatically changed the education requirements to obtain a CPA license in the State of California
  
  – *Changes made to put California on par with other states*
  
  – *Eases mobility of California CPAs across the country/globe*