

Candidate Chronicle

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A newsletter for Texas CPA examination candidates
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Grace period nearing closure

In addition to the widely publicized Y2K issues, the first day of the new millennium will also bring a change for Texas CPA exam candidates.

The grace period not requiring first-time candidates to have completed the 150-hour requirement by the time they apply for the exam began on September 1, 1997 and will expire on January 1, 2000.

The 150-hour requirement has been in effect for a first-time applicant since the May 1998 examination, but the grace period allowed the candidate to sit for the examination prior to completing the requirement. However, the candidate could not be certified until the 150-hours were earned.

At least thirty semesters or quarter-hour equivalents of the candidate's college credits must be in accounting courses. Beginning with the May 1998 examination, the first two principle-level accounting courses were no longer accepted toward the thirty-hour accounting course requirement. This essentially increases the accounting course requirement to 36 hours, of which at least twenty are core accounting courses as defined by *Section 511.57 (Definition of Accounting Courses)* of the Board's rules.

In addition, a candidate must complete at least twenty semester hours or quarter-hour equivalents of related business courses as defined by *Section 511.58 (Definitions of Related Business Subjects)*.

Exam applicants must have earned 150 semester hours of college credit (or quarter-hour equivalents), 36 semester hours in accounting courses, twenty semester hours in related business subjects, and a degree by that date to be eligible to sit for the May 2000 or later exam.

Check out the Board's **EXPANDED** website

The Board's website, which has been in place for about a year, is now expanded to include a number of items of interest to CPAs, exam candidates, and the general public.

Publications.

The *Texas State Board Report*, Vol. 67 (January 1999) was the first of the Board's publications to go online. The newsletter is regularly mailed to all CPAs as well as to other interested parties. This issue of the *Candidate Chronicle* will be next to go online.

Plans are to keep a year's worth of each newsletter on the website.

Within a month you will be able to access the *Public Accountancy Act of 1991* on the website, as well as brochures containing information on the Uniform CPA Examination, the Board's *Rules of Professional Conduct* and continuing professional education rules.

Forms.

In the past, Board forms could only be obtained by calling, writing, or FAXing the Board office. Now, with Internet technology, many of these items are available online.

Forms currently on the Internet, or which will be online in the very near future, include:

Request to be Proctored in Texas

Transfer of Credit Application

Oath of Office

General Work Experience Form

Authorization for Interstate Exchange of Examination and Licensure Information

Applications for the CPA exam are still only available by contacting the Board directly, as these forms are pre-printed with the applicants' names, addresses, qualifications, and other pertinent information. Likewise, CPA issuance applications must be ordered through the Board office.

The Board's continuing professional education forms are already on the website, and many licensure and firm registration forms will soon be available as well.



Fifth-year
\$SCHOLARSHIP FUNDS
still available

The Texas Higher Education Coordinating Board is the state agency required by the Texas Legislature to administer the scholarship fund for fifth-year accounting students. Interested students should contact their student financial aid offices for information.

May 1999
Uniform CPA Examination

Wednesday
MAY 5, 1999

**Business Law and
Professional Responsibilities (LPR)**
9:00 a.m. - 12 noon

Auditing (AUD)
1:30 p.m. - 6:00 p.m.

Thursday
MAY 6, 1999

Accounting and Reporting (ARE)
8:30 a.m. - 12 noon

**Financial Accounting
and Reporting (FAR)**
1:30 p.m. - 6:00 p.m.

Board amends **ethics course** requirement

Each candidate for issuance of a CPA certificate must take an approved ethics course from a Board-registered sponsor. Have you taken yours?

The Texas State Board of Public Accountancy has amended *Section 523.32* of its rules regarding the ethics course required of all licensees.

The amended rules require an applicant for the CPA certificate after September 1, 1999 to complete a Board-approved four-hour CPE ethics course on the Board's *Rules of Professional Conduct* **before certification**. Thus, the emphasis is shifted from already-licensed CPAs to CPA applicants.

A candidate who is approved for certification prior to September 1, 1999 has three years after the date of certification in which to complete the course.

After a licensee has completed the initial four-hour CPE ethics course, the Board rule states that the licensee must take a two-hour "refresher" course every three years thereafter.

For a complete list of Board-approved ethics courses (both four-hour and two-hour), see below.

BOARD-APPROVED ETHICS COURSES

COURSE TITLE: Personal and Professional Ethics for Texas CPAs

INSTRUCTOR: Raymond Clay, Ph.D.

SPONSOR: Texas Society of CPAs/CPE Foundation, Inc.

COURSE FORMAT: Classroom or computer-based interactive format (provided by Positive Systems, Inc.)

CLASS LENGTH: 2 and 4 hours

FOR INFORMATION: (800) 428-0272 or (512) 338-4002

COURSE TITLE: Ethics for CPAs in Industry and Texas CPAs: Doing the Right Thing

INSTRUCTOR: Nita J. Clyde, Ph.D., CPA

SPONSOR: Texas Society of CPAs/CPE Foundation, Inc. and Clyde Associates

COURSE FORMAT: Classroom

CLASS LENGTH: 2 and 4 hours

FOR INFORMATION: (972) 387-8266

COURSE TITLE: Ethics and the Texas State Board of Public Accountancy Complaints

INSTRUCTOR: Richard M. Forrest, CPA, JD

SPONSORS: Houston, Rio Grande Valley, and San Antonio Chapters of TSCPA

COURSE FORMAT: Classroom

CLASS LENGTH: 2 and 4 hours

FOR INFORMATION: (713) 622-7733 Houston; (956) 541-1921 Rio Grande Valley; (210) 828-2722 San Antonio

COURSE TITLE: Ethics for Texas CPAs

INSTRUCTORS: Wayne A. Hayenga Ph.D., JD and W.N. Cargill, Ph.D., CPA

SPONSOR: Texas A&M Extension Education Foundation

COURSE FORMAT: Classroom

CLASS LENGTH: 2 and 4 hours

FOR INFORMATION: (409) 845-5446, (956) 326-2501, or e-mail at cargill@tamiu.edu

COURSE TITLE: Sorting through Ethical Dilemmas: An Ethics Overview

INSTRUCTOR: Ken Reisor (team teacher with a CPACo-instructor)

SPONSOR: Values Based Management, Inc.

COURSE FORMAT: Classroom

CLASS LENGTH: 2 and 4 hours

FOR INFORMATION: (972) 997-8203, (214) 553-8255 or e-mail at vbm@airmail.net

COURSE TITLE: Ethics in Accounting: The Texas Perspective

INSTRUCTOR: Pricilla D. Slade, Ph.D.

SPONSOR: Pricilla D. Slade

COURSE FORMAT: Classroom

CLASS LENGTH: 4 hours

FOR INFORMATION: (281) 499-3489

NOTE: *The AICPA's ethics course is not on this list because it is not an approved course to fulfill the ethics requirements of the Texas State Board of Public Accountancy.*

CONCERNED CPA NETWORK

**Offering *confidential* assistance to CPAs,
exam candidates, and accounting students
who may have a drug or alcohol dependency
problem or mental health issues.**

For information call
(800) 289-7053

The network is sponsored by the TSCPA and is endorsed by the Board.

“Have you ever been arrested, charged, and/or convicted of a felony or misdemeanor, placed on probation, or granted deferred adjudication in any state or by the federal government?”

Question on the “Affidavit of Applicant” (Texas CPA examination application)

You’re a good upstanding citizen now, but . . .

What about that youthful arrest?

Let’s say, hypothetically, when you were an eighteen-year-old college student, you and some friends were arrested and charged with public intoxication. Maybe you weren’t even drinking with them, but you were in their presence and you were underage. Nevertheless, the arrest is on your record even though you were never convicted. Do you need to report this to the Board on your exam application?

Another hypothetical situation: At age twenty you were convicted of shoplifting a t-shirt from a discount store. You’ve since changed your ways, and ten years later you’re applying for the CPA exam. You would be embarrassed if any of your colleagues at the CPA firm where you work found out. Must you report this misdemeanor to the Board?

The answer in both cases is yes. The Board wants to know about each incidence of arrest or conviction, deferred adjudication, probation in Texas or another state.

During each exam cycle, the Board reviews a number of arrests and convictions reports involving exam candidates. These reports may come from the candidates themselves or from law enforcement agencies.

One of the Board’s statutory obligations is to ensure that each individual certified as a Texas CPA not only has the technical and educational qualifications to serve the public in a fiduciary capacity, but also that he or she is morally fit to do so.

Beginning with the first examination application, several steps aid the Board in determining whether a person should be certified.

On every examination and re-examination application is an “Affidavit of Applicant,” requiring the candidate’s truthful responses and signature to several questions, including the question in the sidebar.

Someone who answers “yes” is required to attach a detailed statement describing the circumstances and outcome of the event. The Board staff may then meet with the candidate in an attempt to determine whether the applicant is rehabilitated or whether he or she is continuing the behavior in question.

Responding affirmatively to the question does not automatically disqualify someone from sitting for the exam; however, a candidate who deliberately falsifies the answer to the question could be considered unfit to become a CPA.

A candidate who does not report an arrest, charge, or conviction that subsequently is revealed by the DPS or FBI criminal background check is asked to meet with Board staff to ascertain why the candidate failed to truthfully respond to the question.

The Board may also investigate a person’s character by contacting the character references the candidate provides on the application.

Planning for the computerized examination

The statistical questionnaire

In planning for the computer-based CPA exam likely to begin in 2003, the board is requiring each exam candidate to complete a questionnaire at the May 1999 Uniform CPA Examination. This will help us to determine candidates' costs associated with taking the exam.

The questionnaire asks for the costs of lodging, meals, and transportation during the exam. It also asks each candidate the number of miles traveled to the exam site and for information about the candidate's education, exam history, and exam preparatory courses.

The questionnaire will be distributed at the exam.

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Future Exams

Dates

November 3-4, 1999

Filing deadline August 31, 1999

May 3-4, 2000

Filing deadline February 28, 2000

November 1-2, 2000

Filing deadline August 31, 2000

May 2-3, 2001

Filing deadline February 28, 2001

November 7-8, 2001

Filing deadline August 31, 2001

May 1-2, 2002

Filing deadline February 28, 2002

Locations

Austin

Lester E. Palmer Auditorium

El Paso

Clarion Concourse Hotel

Fort Worth *

Fort Worth/Tarrant County Convention Center

Houston *

George R. Brown Convention Center

Lubbock

Lubbock Memorial Civic Center

San Antonio

Live Oak Civic Center

*** PLEASE NOTE:** For the November 1999 exam only: The exam will move from Houston to Galveston at the Moody Convention Center, and the Fort Worth exam will be at the Will Rogers Memorial Center.