

# Candidate Chronicle

A newsletter for Texas CPA examination candidates - Published by the Texas State Board of Public Accountancy

VOLUME 5

Austin, Texas

OCTOBER 1999

**A**CCORDING TO NATIONAL STATISTICS COMPILED BY the American Institute of Certified Public Accountants (the AICPA), Texas exam candidates' scores on all four parts of the Uniform CPA Examination have steadily increased since 1996, thus improving our national ranking.<sup>1</sup> The AICPA develops, distributes, and grades the exam.

## Texas candidates' scores soar dramatically over three years

**T**he table below shows the AICPA's ranking of Texas candidates between the May 1996 and the May 1999 examinations.

William Treacy, the Board's executive director, attributes the grade improvement in part to the implementation of the 150-hour educational requirement that went into effect in May 1997. "We're confident that the scores of Texas candidates will continue to improve," he said.

Another contributing factor is the outstanding quality of accounting education in Texas colleges and universities. "We are fortunate," he went on, "to have several of the highest-ranked academic accounting programs in the country located in Texas, including the University of Texas at Austin and Texas A&M University in College Station."

During this period, Texas also had several Elijah Watt Sells medal winners among its candidates:

one gold, one silver, and

one bronze. These awards are given by the AICPA to the individuals with the three highest scores in the nation on the Uniform CPA Examination.

"Obviously, we're extremely proud of all our candidates," said Mr. Treacy. "We give special recognition to the ones with the ten top scores at the swearing-in ceremonies each June and November, and when one of them is a gold, silver, or bronze medalist, we're doubly proud."

<sup>1</sup>There are fifty-four U.S. licensing jurisdictions: the fifty states plus the District of Columbia and the territories of Guam, Puerto Rico, and the Virgin Islands.

AUDITING		BUSINESS LAW & PROFESSIONAL RESPONSIBILITIES		ACCOUNTING & REPORTING		FINANCIAL ACCOUNTING & REPORTING	
Date	Rank	Date	Rank	Date	Rank	Date	Rank
5/99	24	5/99	21	5/99	23	5/99	22
11/98	29	11/98	25	11/98	30	11/98	33
5/98	39	5/98	31	5/98	30	5/98	35
11/97	47	11/97	46	11/97	48	11/97	48
5/97	46	5/97	40	5/97	39	5/97	43
11/96	41	11/96	43	11/96	40	11/96	44
5/96	40	5/96	35	5/96	41	5/96	42

# Candidate Chronicle

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# November 1999

# Uniform CPA Examination

## Wednesday

## Thursday

### NOVEMBER 3, 1999

### NOVEMBER 4, 1999

**Business Law  
and Professional  
Responsibilities (LPR)**

9:00 AM - 12 NOON

**Auditing  
(AUD)**

1:30 PM - 6:00 PM

**Accounting and  
Reporting (ARE)**

8:30 AM - 12 NOON

**Financial Accounting  
and Reporting  
(FAR)**

1:30 PM - 6:00 PM

## LOCATIONS

### Austin

Lester E. Palmer Auditorium

### El Paso

Clarion Concourse Hotel

### Fort Worth

Will Rogers Memorial Center  
(Amon Carter Exhibit Hall)

### Galveston \*

Moody Gardens  
Convention Center

### Lubbock

Lubbock Memorial Civic Center

### San Antonio

Live Oak Civic Center

*\* For the November 1999 exam only: The exam will move from Houston to Galveston. In May 2000, it will once again be held at the George R. Brown Convention Center in Houston.*

**O**NE OF THE BOARD'S RULES dealing with educational requirements, *Section 511.57 (Definition of Accounting Courses)*, allows a candidate to claim up to twelve semester hours of management information systems (MIS) classes toward the accounting course requirement.

The Board has requested all colleges and universities to uniformly evaluate these courses and to notify students of the rule's provisions, which are shown below.

# What about **MIS** courses?

## Section 511.57. Definition of Accounting Courses.

The board will accept not fewer than 30 passing semester hours of accounting courses (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, of which 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;
- (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);**

- (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 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.

**WHAT CRITERIA does the Board follow when evaluating management information systems courses?**

A candidate may claim up to twelve semester hours of MIS as part of the minimum thirty semester hours of accounting, *provided*:

- ✓ the courses are listed (or cross-referenced) 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 neither of these two requirements is met, the course may not be included in the minimum thirty semester hours of accounting.

# 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**

8:30 AM - 5:00 PM

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

**O**K. LET'S SAY YOU'VE PASSED ALL PARTS OF THE CPA EXAM, completed all the requirements for issuance, and hung your freshly printed CPA certificate on your office wall. You might then ask yourself,

## “What now?”

### *License to practice.*

First and foremost, after receiving your certificate, you must *obtain* a license to practice. Then you must *maintain* your license by paying an annual renewal fee. While you'll only be issued a certificate once, you must pay for a new license every year. Without a current license, you cannot practice public accountancy in Texas, nor can you call yourself a CPA.

Your first license will be valid as soon as you pay your license fee and will expire on the last day of your birth month. The Board will send you a renewal notice each year thereafter, approximately six weeks prior to the license expiration date. Completely fill out the notice to renew your license and return it to the Board. You will be

asked to provide certain information, answer questions about convictions or legal proceedings in which you have been involved, and sign the notice.

### *Continuing professional education.*

Under the provisions of the *Public Accountancy Act*, each licensee must earn 120 hours of continuing professional education (CPE) during every three-year license period, with a minimum of twenty CPE hours reported to the Board each year. The Board will not renew the license of an individual who fails to earn and report CPE. Someone who has not earned CPE is also subject to license suspension.

You will not need to report any CPE hours to receive your first license, but during subsequent license periods you must begin reporting CPE on the annual license renewal form. Keep in mind that you must report the number of hours earned, even if that number is zero.

At least fifty percent of your CPE courses must be in technical subjects as defined in the Board's rules.

### *Ethics course.*

Prior to certification, you will be required to complete a four-hour comprehensive Board-approved ethics course covering the Board's *Rules of Professional Conduct*. Thereafter, you will need to take a two-hour refresher course every three years and report it along with your other CPE courses when you renew your license each year.

## Your CPA license

What you'll need to do  
**AFTER**  
earning your certificate

### Helpful telephone numbers

Licensing Division  
(512) 305-7853

CPE Section  
(512) 305-7844

**A** FUTURE EXAMINATION CANDIDATE WILL SOON HAVE THE opportunity to obtain an “application of intent” via the Internet. The purpose of this new application is to have the Board evaluate the candidate’s eligibility, including educational qualifications and moral character, prior to actually applying for the exam.

The candidate will be able to file the form with the Board at any time. It will remain active either until the candidate writes the Uniform CPA Examination or for two years, whichever comes first.

**Application of intent to go online**

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

Along with the application of intent, the future candidate must also pay a filing fee and provide the necessary documentation to determine eligibility and moral character. Upon meeting all qualifications to take the exam, the Board will send the candidate notification and an exam application.

The application of intent may also be used when transferring credits from another state.

**F**ROM TIME-TO-TIME, THE BOARD FINDS THAT AN EXAM CANDIDATE or a CPA has falsified paperwork submitted to the Board or altered materials originated by the Board.

In the past, candidates have presented altered grade letters and follow-up grades to prospective employers. Some have filed false diagnostic reports, examination applications, work experience forms, and interstate exchange of information forms.

Such activity is considered to be falsification of state documents and constitutes a violation of state law. Additionally, the Board could take disciplinary action which could affect whether a candidate will be permitted to sit for the exam or become certified as a Texas CPA. In the case of a licensee, it could cause the loss of the individual’s license and/or certificate.

**FALSIFYING STATE DOCUMENTS**

***Future Exams***

**T**HE DEADLINES FOR FUTURE EXAMS HAVE BEEN CHANGED SINCE the last edition of the *Candidate Chronicle*. Please use the following dates when planning for these exams.

<b>MAY 3-4, 2000</b> Filing deadline March 15, 2000	<b>NOVEMBER 7-8, 2001</b> Filing deadline September 15, 2001
<b>NOVEMBER 1-2, 2000</b> Filing deadline September 15, 2000	<b>MAY 1-2, 2002</b> Filing deadline March 15, 2002
<b>MAY 2-3, 2001</b> Filing deadline March 15, 2001	<b>NOVEMBER 6-7, 2002</b> Filing deadline September 15, 2002

**BOARD TO RAISE EXAM FEES**

**B**eginning in May 2000, the exam fees will increase as shown below:

- \$180 - four parts**
- \$90 - two parts**
- \$60 - one part**