

# Certified Public Accountant (CPA)

## 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

## Education

- Requirements vary by state/jurisdiction
- Require 150 semester hours
- Number of accounting hours is dependent on state requirements

## Uniform CPA Exam

- 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
- Question types include multiple choice, simulation and written communication
- Eligibility to sit for exam depends on state requirements

## 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 state require ethics exam
- Must comply with rules of professional conduct



## 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 to type of license and area of employment
- Renewal every period

## AICPA Student Affiliate Membership

Become an AICPA Student Affiliate member

- Benefits include:
  - Exclusive scholarship opportunities
  - Member-only competitions
  - Special discounts on conferences
  - Access to industry news and publications
  - Exclusive discounts and offers on products and services from partners
  - Deals and access to the latest industry information at a fraction of regular prices



## 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

## Why CPAs are required in India?

CPA (Certified Public Accountants) are accountants and trusted financial advisers for individuals and businesses to help plan and achieve their financial goals. CPA is a profession that is recognized on a global platform. With the increase in F&A outsourcing (Finance and Accounting) to India in the recent times, the need for qualified CPAs has increased multifold. While functioning or role of CPA is the same as an Indian CA, CPA is a profession that is recognized on a global platform. Even though Indian CAs received ‘on the job’ training to produce financials as per US GAAP and IFRS standards, it was challenging for them to meet and keep up with the complex and changing requirements set by SEC (securities Exchange committee). This is where CPAs came into the picture. This trend is an opportunity for Indian accounting graduates to pursue CPA certification that gives global recognition and a lucrative salary base. All they require is the credibility which they can achieve by writing the 4 part exam and getting the license.

