

WHAT IT TAKES

A Guide to Becoming a CPA

By Jason Fox

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What is a CPA?

A CPA is a certified public accountant and is licensed by the state. In California, to earn the prestige associated with the CPA license, individuals are required to demonstrate their knowledge and competence by passing the Uniform CPA Exam, meeting high educational standards and completing one year of general accounting experience. The two most important goals to focus on in your quest to become a CPA are passing the exam, which is offered in every state, and meeting the licensing requirements.

Requirements

Now that you have decided that being a CPA in California is the career for you, where to start? To begin with, there are four general requirements that you will need to complete:

- **Education**
- **The Uniform CPA Exam**
- **Ethics exam**
- **Work experience**

You should review what it takes to meet each of these requirements so you can map out your path to become a CPA.

EDUCATION

Virtually every state requires CPA candidates to have a minimum of a bachelor's degree and 150 semester hours of education, with a concentration in business and accounting. As part of the 150 hours, there are specific course requirements that you will need to take to be licensed in California. While the California Board of Accountancy generally lists the education requirements in terms of semester units, quarter units can be used to fulfill the education requirements. They will just need to be converted to semester units. With a little planning, you can complete many of these units as part of your general education requirements for the undergraduate degree.

First, you will need to fulfill the core education requirements needed to sit for the Uniform CPA Exam: a bachelor's degree from a nationally or regionally accredited college or university with 24 semester units in accounting and 24 semester units in business to sit for the exam.

- Business-related subjects include business administration, computer science/information systems, business communications, economics, business law, finance, financial management, business management, marketing, business related law courses offered by an accredited law school, mathematics and statistics.
- Accounting subjects include accounting, financial reporting, auditing, financial statement analysis, external or internal reporting, taxation, courses in assurance, attestation, bookkeeping, cost (cost analysis, costing), Peachtree, QuickBooks and CPA review courses taken at a recognized school (degree granting and nationally or regionally accredited).

In addition to the core education requirements, part of the 150 semester hours of education must include 20 additional semester units in accounting study and 10 semester units of ethics study.



If you're wondering what it takes to be a CPA, here's a look at the requirements to lead you from inspiration to a compelling career.

For the 20 semester units of accounting study, you can complete a master's degree in accounting, taxation or laws in taxation, or fill the units from a combination of the below classes:

- A minimum of six semester units in accounting subjects, which are the same accounting subjects as the core education requirements.
- A maximum of 14 semester units in business-related subjects, which are the same business-related subjects as the core education requirements.
- A maximum of nine semester units in other academic work relevant to accounting and business. Of these nine semester units:
 - A maximum of three semester units in skills-based courses, which include courses completed in the following disciplines: English, communications, journalism, and the physical, life, natural, and social sciences.
 - A maximum of three semester units in courses in foreign language—to include sign language—or courses with the terms “culture,” “cultural” or “ethnic” in the title.
 - A maximum of three semester units in industry-based courses, which include courses with the words “industry” or “administration” in the course title or courses completed in the following disciplines: engineering, architecture and real estate.
 - A maximum of four semester units in internships or independent studies related to accounting or business-related subjects.



The 10 semester units of ethics study can be met using a combination of the below courses:

- A minimum four quarter units or three semester units in accounting ethics or accountants' professional responsibilities.
- A maximum of 11 quarter units or seven semester units from courses containing any of the following terms in the course title: business law, corporate governance, ethics, morals, fraud, organizational behavior, human resources management, management of organizations, business government and society, business leadership, legal environment of business, professional responsibilities (non-accounting), corporate social responsibility, or auditing.
- A maximum of four quarter units or three semester units from courses taken in the following disciplines: philosophy, religion or theology. The course title must contain one of the following words or terms (or the sole name in the course title is the name of the discipline): introductory, general, introduction, fundamentals of, principles of, foundation of, survey of.

For candidates with nine semester units of ethics, it's not necessary to take an additional ethics class because they can count one semester unit of a course devoted solely to financial statement auditing toward the ethics education requirement.

A CPA license shows that you have the knowledge, skills and abilities to be a trusted adviser to your clients or employer and that you are an ethical individual who can offer an independent viewpoint.

EXAMS

Uniform CPA Exam and Ethics Exam

The Uniform CPA Exam is a high-level competency exam given to qualified candidates in the United States who want to be a CPA regardless of the state in which they wish to be licensed. It's divided into four sections that can be taken on separate days.

Essentially, the exam measures the candidates' understanding of business, auditing, evaluation of business transactions and entities, economics, ethical issues and taxation. It may seem daunting at first blush, but passing the exam is a very prestigious achievement. Additionally, to be licensed in California, you will need to pass a separate ethics exam.

EXPERIENCE

Work Experience and Auditing

For the work experience, you will need one year of general accounting experience supervised by a CPA with an active license. Audit hours aren't required; you can acquire the experience you need for licensing from any CPA in California with an active license. This means you can train under the CPA who is the information technology director at Warner Bros. or a CPA who works for herself in Lodi just as easily as you can under a partner at one of the large international accounting firms. Your employment opportunities are wide open.

When the public thinks of CPAs, they often think of auditing—the process of examining, testing and verifying a company's financial records. Traditionally, logging audit hours was how aspiring CPAs "paid their dues." Well, times have changed and the profession has changed. Financial transactions have become more complex and the skills needed to participate in and monitor today's marketplace have become more varied. The number of CPAs in California who perform audits and other attest-type services has dwindled so audit experience is no longer required to obtain a CPA license.

However, many businesses and government entities still need to be audited every year. So, at some point, you may want to log the 500 hours of attest or auditing experience to obtain the authority to sign attest reports. It can add to your marketability as a professional.

DESTINATION

Destination: Success

This is just a glimpse of the road ahead. It's an exciting one that requires careful planning, but your hard work will be rewarded. By earning a CPA license, you're telling the world that you received a broad-based education, planned well and studied hard to pass all parts of a very difficult exam. A CPA license shows that you have the knowledge, skills and abilities to be a trusted adviser to your clients or employer, and that you are an ethical individual who can offer an independent viewpoint. In short, it means you have become a well-respected professional widely known as the most trusted adviser.

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