

# Preparing for the CPA Examination

## Application of Intent Process

### Frequently Asked Questions



The following general information about the *Application of Intent* process is arranged in a question/answer format. Specific questions may be directed to the Qualifications Team at the Board office.

#### *What is the Application of Intent?*

The *Application of Intent* is the first set of forms that a person submits to determine if he or she meets the requirements of the *Public Accountancy Act* with respect to education and moral character before applying to take the Uniform CPA Examination.

#### *Who should submit an Application of Intent?*

- A person who is completing the college courses needed to take the CPA exam.
- A person who has completed the required degree and college courses needed to take the CPA exam.
- A person who has earned degrees and taken college courses from educational institutions outside of the United States and wants the Board to evaluate these credentials to determine if he or she meets the requirements to take the CPA exam.

#### *When should the Application of Intent be submitted?*

The *Application of Intent* may be submitted at any time; however, it remains active for only two years from the date it is received. Applicants should complete all educational requirements and take the CPA exam at least once within the two-year period.

#### *What is the deadline for filing an Application of Intent?*

There is no deadline for filing an *Application of Intent*; they are accepted year-round. Please allow two to three weeks for processing.

#### *Does the Application of Intent expire?*

Yes. The *Application of Intent* expires two years from the date it is received. If the applicant does not complete all educational requirements and does not take the CPA exam at least once within the two-year period, the *Application of Intent* will be purged from the Board's files, and a new *Application of Intent*, fee, and supporting documents must be submitted.

#### *How do I get an Application of Intent?*

The *Application of Intent* can be printed from the Board's website at [www.tsbpa.state.tx.us](http://www.tsbpa.state.tx.us) or, upon request, we can mail a copy from the Board office.

#### *How long does it take to approve the Application of Intent?*

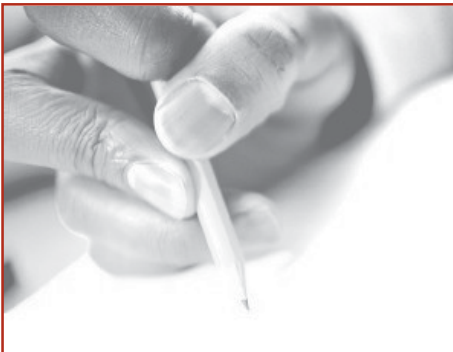
An *Application of Intent* can routinely be processed within three weeks from receipt in the Board office. Additional time may be needed if there is a delay in receiving educational documents, background investigations, or evaluation of foreign educational documents. The applicant will be notified of any deficiencies identified in the *Application of Intent*.

#### *When the Application of Intent is approved, do I have to take the upcoming Uniform CPA Examination?*

No. The Board will send you a congratulatory letter when the *Application of Intent* is approved and, under separate cover, an *Eligibility Application* for the CPA examination. You may submit the *Eligibility Application* at any time to take the CPA examination, as long as you take the exam prior to the two-year expiration date on the *Application of Intent*.

#### *Does the Application of Intent take the place of the Eligibility Application?*

No. The *Application of Intent* allows the Board to determine if you meet the educational and moral character requirements needed to take the CPA examination.



*Is the information provided on the Application of Intent kept confidential?*

Yes. The Board is required by statute to keep applicant information confidential. There are two exceptions to this requirement. Information about an applicant, such as name and address, is subject to the *Public Information Act* and may be made available without consent of the applicant. In addition, confidential data about an applicant will be provided to the National Association of State Boards of Accountancy (NASBA) for the sole and specific purpose of maintaining the National Candidate Database of individuals eligible for the CPA exam.

*Can the fee for the Application of Intent be paid by credit card?*

No. The fee for the *Application of Intent* should be paid with a personal check, cashier's check, or money order. Cash and credit cards are not accepted. The applicant will be charged an additional \$15 for a check that does not clear the Board's account due to insufficient funds or a closed account.

*Will I be notified of any deficiency on the Application of Intent?*

A member of the Qualifications Team will telephone, write, or email you to advise of any deficiency on the *Application of Intent*. Once the *Application of Intent* is approved, you will receive a congratulatory letter.

*May I submit an Application of Intent if I do not have a social security number?*

Yes. The Board will assign a temporary number to the *Application of Intent* until you obtain a social security number.

*Is there a residency requirement?*

No. A person submitting an *Application of Intent* may reside in any state or country.

- (b) status of any type of professional license;
  - (c) denial of examination privileges by any other state or federal agency; and
  - (d) background investigation made after applicant submits the required fingerprint card.
- Information gained from the Texas Department of Public Safety – Crime Records Division, the Federal Bureau of Investigation, or any other law enforcement agency.

*Is it necessary for the Texas Board to complete a background investigation when the board of accountancy where I originally earned credit on the CPA exam checked my background?*

Yes. The Texas State Board of Public Accountancy has a statutory obligation to determine that any person awarded a Texas certificate is of good moral character.

*If I live or have lived outside of the United States, how does the Board determine character?*

An applicant who, at the time of filing the *Application of Intent*, resides outside of the U.S. or its territories, or who has resided outside of the U.S. for any portion of the two years immediately preceding the filing of the *Application of Intent*, must provide evidence of good moral character, such as an official certificate of good moral character or police clearance certificate.

The certificate must be issued and sealed by an official of the country of residence.

*What information does the Board obtain from law enforcement agencies?*

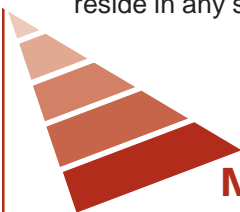
The background of each person who submits an *Application of Intent* is checked against the Texas Department of Public Safety – Crime Records Division for any arrest, charge, conviction, probation, and deferred adjudication. In order to access the FBI criminal files, the Board requires each applicant to provide a complete set of fingerprints. The Board may also access other criminal record files as necessary. The applicant must request the fingerprint card from the Board office.

*Do I need to submit a fingerprint card?*

You may be required to submit a fingerprint card so that the Board may obtain official information from the Federal Bureau of Investigation. You will be notified if one is needed.

*If I have been convicted of a felony, may I become a Texas CPA?*

A felony conviction does not automatically disqualify you from taking the CPA examination and becoming a Texas CPA, but you must provide full disclosure on the *Application of Intent*. The Board may request that you attend an administrative background interview or an administrative hearing at the Board office in Austin prior to approval of the *Application of Intent*.



## Moral Character

*How does the Board determine good moral character?*

Good moral character is demonstrated by the lack of a history of dishonest or felonious acts. The Board considers several areas in evaluating an applicant's moral character. These include

- Responses to questions on the application relating to:
  - (a) arrests, charges, convictions, probations and/or deferred adjudications of a misdemeanor or felony other than misdemeanor driving offenses, such as moving violations (NOTE: DWIs are not considered misdemeanor driving offenses);

*If I have been convicted of a misdemeanor, may I become a Texas CPA?*

A misdemeanor conviction for a crime of which fraud or deceit is an essential element or a crime involving moral turpitude does not automatically disqualify a person from taking the CPA examination and becoming a Texas CPA; however, you must provide full disclosure on the *Application of Intent*. The Board may request that you attend an administrative background interview or an administrative hearing at the Board office prior to approval of the *Application of Intent*.



*If I have received a deferred adjudication, may I become a Texas CPA?*

A deferred adjudication is usually the result of a misdemeanor offense. You should provide full disclosure on the *Application of Intent*. A deferred adjudication may be reported to the Board through the background investigation of the Texas Department of Public Safety Crime Records files unless the applicant has taken legal steps to have it expunged from the record. You should consult an attorney for additional information on this matter. The Board may request that you attend an administrative background interview or an administrative hearing at the Board office prior to approval of the *Application of Intent*.

*How should I report felonious or misdemeanor arrests?*

When filing the *Application of Intent*, you will provide a statement describing any felonious or misdemeanor arrests. The statement should include detailed information, dates, and court actions and may also include court-mandated rehabilitative efforts as well as those taken by the applicant outside of court sanctions.

*Should I report any arrests while in high school?*

If you were 17 or older at the time of the arrest, you should report the arrest. The statement describing the

arrest should include detailed information, dates, and court actions. The statement may also include rehabilitative efforts mandated by the court as well as those taken by the applicant outside of court sanctions. Your age at the time of the offense is only one of the factors considered in the background investigation.

## Education



*Do I have to meet the education requirements to submit an Application of Intent?*

No. The *Application of Intent* serves multiple purposes and may be submitted under the following conditions:

- You have completed the majority of college courses needed to take the CPA exam and are enrolled in the last semester(s) to meet the Board's requirements.
- You have completed the required degree and college courses needed to take the CPA exam.
- You have earned degrees and taken college courses from educational institutions outside the United States and want the Board to evaluate these credentials to determine if you meet the requirements to take the CPA exam.

You should consult an academic advisor at your college or university to map the courses needed for the degree plan. All courses required for the degree may not meet the Board's accounting and related business requirements. The Board will inform you of any educational deficiency so that you may take any additional courses needed.

*May I take the Uniform CPA Examination without meeting the education requirements?*

No. All education requirements must be met and the *Application of Intent* approved by the Board before a *Eligibility Application* is sent.

*What documents does the Board need to verify my education?*

The Board requires official transcripts from all colleges and universities that reflect courses taken, credits earned, and degrees granted. Each transcript must show the seal of the college or university and the registrar's signature. Photocopies are not acceptable. Documents will not be returned. Applicants receiving transcripts in sealed envelopes should open the envelopes and use the official documents to complete the *Application of Intent*.

*What courses satisfy the 150 semester-hour requirement?*

The 150 semester-hour requirement can be met in one of the following ways:

- You may complete a master's degree or higher degree conferred by a university recognized by the Board.
- If you have a baccalaureate degree in a discipline other than accounting, you may complete the upper level accounting, related business, and ethics courses needed to take the CPA exam by taking the required courses at a university or a community college recognized by the Board. The hours required for the baccalaureate degree plus the additional hours must equal or exceed 150 semester hours.

## COLLEGE AND UNIVERSITY ACCREDITING ASSOCIATIONS

- Middle States Association of Colleges and Schools
- North Central Association of Colleges and Schools
- New England Association of Colleges and Schools
- Northwest Association of Colleges and Schools
- Southern Association of Colleges and Schools
- Western Association of Colleges and Schools

- If you have a baccalaureate degree that includes the required upper level accounting, related business, and ethics courses needed to take the CPA exam, you should complete the additional semester hours to meet the 150 semester-hour requirement by taking upper level courses that will enhance

your professional skills and competence. The coursework should be in established courses offered through colleges within a university such as architecture, business administration, communications, engineering, fine arts, liberal arts, science, or another established discipline. Courses taken at community colleges or other educational institutions that do not offer a baccalaureate degree cannot meet this requirement and will not be accepted.

The Board will not accept preparatory, remedial, or developmental courses. Incompletes and failures will not be counted. Courses that are repeated will be counted only once.

### *Do I need to take an ethics course?*

Yes. All applicants for the CPA examination must have completed a 3-semester-hour ethics course in order to take the CPA examination. The course and instructor must be listed as Board approved, and the course should include ethical reasoning, integrity, objectivity, independence, and other core values. A list of the Board-approved

ethics courses is located on the Board website ([www.tsbpa.state.tx.us](http://www.tsbpa.state.tx.us)).

### *What college degree does the Board require?*

The Board requires a baccalaureate or higher degree from a degree-granting institution of higher education recognized by one of the accrediting associations shown in the box at the left. The Board does not recognize degrees from correspondence or vocational schools.

### *Can college credit earned while in high school be used to meet the 150 semester-hour requirement?*

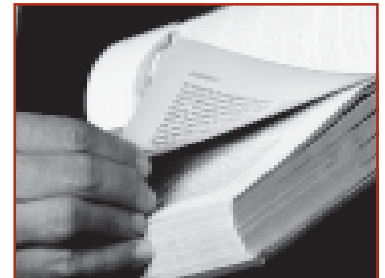
Yes, provided the courses are reflected on an official college transcript and are not considered preparatory, remedial, or developmental courses.

### *Do I have to submit transcripts from all colleges and universities I attended?*

Yes. The Board evaluates transcripts from colleges and universities where courses were taken, not where they were accepted in transfer.

### *Must the transcript be submitted with the Application of Intent, or can it be mailed from the college or university?*

The Board prefers that all transcripts be submitted with the *Application of Intent*. However, if the college or university will not issue an official transcript to a student or graduate, then the Board will accept them directly from the institution.



## Recognized Schools and Colleges

### *Are all colleges recognized by the Board?*

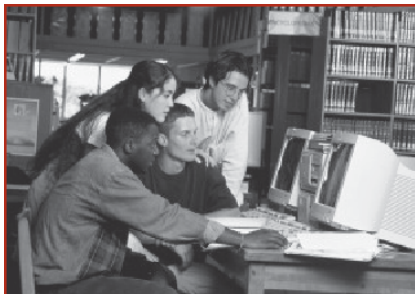
No. The Board generally accepts colleges or universities that offer a baccalaureate or higher degree and are recognized by one of the accrediting associations shown in the box at the left.

Effective June 1, 2011, the Board will accept colleges or universities, to include distance learning schools, that offer a baccalaureate or higher degree and are recognized by the Southern Association of Colleges and Schools (SACS). If you attended a college or university, to include distance learning schools, that offers a baccalaureate or higher degree and is accredited by another accrediting association shown in the box, the school must have a business school or accounting pro-



gram that is accredited and recognized as a specialized or professional accrediting organization. Examples of a specialized or professional accrediting organization are the Association to Advance Collegiate Schools of Business - International (AACSB) or the Association of Collegiate Business Schools and Programs (ACBSP).

Correspondence schools and vocational schools do not meet these criteria.



***Does the Board recognize colleges that primarily offer distance learning courses?***

The Board may recognize a college that primarily offers distance learning courses

provided that the following conditions are met:

The college must be a four-year, degree-granting institution that is accredited by one of the six associations recognized by the Board. After June 1, 2011, the college must be recognized by the Southern Association of Colleges and Schools (SACS) or, if the college is recognized by one of the other accrediting associations, the college must also have a business school or accounting program that is accredited and recognized as a specialized or professional accrediting organization. Examples of specialized or professional accrediting organizations are the Association to Advance Collegiate Schools of Business - International (AACSB) or the Association of Collegiate Business Schools and Programs (ACBSP).

The courses taken must be comparable to those offered at degree-granting institutions in a traditional classroom setting with an instructor and students present for each class.

***Does the Board recognize schools outside of the United States?***

Arrangements have been made with an evaluator at the University of Texas at Austin to review foreign educational documents. This evaluator is knowledgeable about all aspects of foreign educational systems and provides the Board with an evaluation of the applicant's equivalent schools, degrees, and courses. There is a fee for this service. Contact the Board for an additional form if an evaluation of foreign credentials is needed.

***Where can I get information about recognized colleges and universities?***

The Board is the primary source of information on its recognized educational institutions. Other sources are the

*American Association of Collegiate Registrars and Admissions Officers ([www.aacrao.org](http://www.aacrao.org)), the Council on Postsecondary Accreditation Directory, or the University of Texas at Austin admissions office, which is the reporting institution in this state. Although these sources may be used for reference, the Board makes the final determination on recognized colleges.*

***Does the Board require original transcripts from schools outside of the United States?***

Yes. The Board requires original transcripts to document education received outside of the U.S. Original transcripts become the property of the Board and are maintained in the applicant's file; however, they may be returned to the applicant upon written request.

***I received my college education outside of the United States; do I meet the education requirements?***

It may be necessary to have the educational documents evaluated to determine if:

- the educational system of the other country is equivalent to the United States educational system;
- the degrees earned are equivalent to those offered in the United States;
- the courses taken are equivalent to those offered in the United States; and
- the courses taken and degrees earned meet the Board's educational qualifications to take the CPA exam.



***I attended a community college; will the Board accept these courses?***

The Board may accept general education courses taken at a community college under the following conditions:

- The school is accredited by one of the six accrediting associations recognized by the Board;
- Courses were completed prior to earning a baccalaureate degree;
- Courses taken are considered general education courses, not preparatory, remedial, or developmental; and,

- Courses are transferable to a four-year, degree-granting educational institution.

Information specific to accounting and related business courses taken at community colleges is addressed in other areas of this brochure.

*I attended a community college and took accounting and related business courses; will the Board accept these courses?*

The Board will accept only specific accounting and related business courses from community colleges that have received the Board's designation, *Qualifying Educational Credit for the CPA Examination*. A list of the community colleges that have received this designation may be accessed on the Board's website.

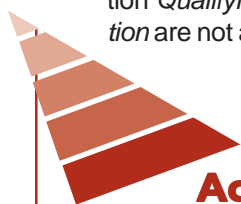
The applicant must hold a baccalaureate or higher degree from a recognized educational institution and, after obtaining the degree, complete not fewer than 30 semester hours of accounting courses defined by the Board from a four-year, degree-granting institution or accredited community college that has received the Board's designation mentioned above.

*Will the Board accept all the accounting and related business courses that I took at a community college?*

Specific accounting and related business courses offered at a community college that has received the Board designation *Qualifying Educational Credit for the CPA Examination* have been evaluated and identified as meeting the Board definition of accounting and related business courses. Not all courses are accepted by the Board.

Accounting and related business courses taken from any community college prior to the awarding of a baccalaureate or higher degree from a four-year, degree-granting institution are not accepted.

Accounting and related business courses taken from a community college that does not hold the Board designation *Qualifying Educational Credit for the CPA Examination* are not accepted.



## Recognized Accounting Courses

*What courses does the Board accept as satisfying the accounting course requirement?*

The Board's definition of acceptable accounting courses is spelled out in Board Rule 511.57:

- (a) An individual shall meet the Board's accounting course requirements in one of the following ways:
  - (1) Hold a baccalaureate or higher degree from a

recognized educational institution and present a valid transcript from that institution that shows degree credit for not fewer than 30 semester hours of accounting courses as defined in subsection (c) of this section; or

- (2) Hold a baccalaureate or higher degree from a recognized educational institution, and after obtaining the degree, complete not fewer than 30 semester hours of accounting courses, as defined in subsection (c) of this section, from four-year degree granting institutions, or accredited community colleges, provided that all such institutions are recognized by the Board, and that the accounting programs offered at the community colleges are reviewed and accepted by the Board.
- (b) Credit for hours taken at recognized colleges and universities using the quarter system shall be counted as 2/3 of a semester hour for each hour of credit received under the quarter system.
- (c) The Board will accept not fewer than 30 passing semester hours of accounting courses without repeat from the courses listed below. The courses must meet the Board's standards by containing sufficient business knowledge and application to be useful to candidates taking the Uniform CPA Examination. A recognized educational institution must have accepted the courses for purposes of obtaining a baccalaureate degree or its equivalent, and they must be shown on an official transcript. At least 15 of these hours must result from physical attendance at classes meeting regularly on the campus of the transcript-issuing institution.
  - (1) intermediate accounting, advanced accounting;
  - (2) cost accounting;
  - (3) auditing, internal accounting control and evaluation;
  - (4) report writing (principally writing financial reports, internal control reports, and management letters);
  - (5) financial statement analysis;
  - (6) accounting theory, standards, and analysis;
  - (7) up to twelve semester hours of income tax;
  - (8) accounting for governmental and/or other non-profit organizations;
  - (9) up to twelve semester hours of accounting systems, including management information systems ("MIS"), provided the MIS courses are listed or cross-listed as accounting courses, and the college or university accepts these courses as satisfying the accounting course requirements for graduation with a degree in accounting;
  - (10) fraud examination; and
  - (11) an accounting internship program (not to exceed 3 semester hours) which meets the following requirements:
    - (A) the accounting knowledge gained is equal

to or greater than the knowledge gained in a traditional accounting classroom setting;

- (B) the employing firm provides the faculty coordinator and the student with the objectives to be met during the internship;
- (C) the internship plan is approved in advance by the faculty coordinator;
- (D) the employing firm provides a significant accounting work experience with adequate training and supervision of the work performed by the student;
- (E) 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;
- (F) the student keeps a diary comprising a chronological list of all work experience gained in the internship;
- (G) the student writes a paper demonstrating the knowledge gained in the internship;
- (H) the student and/or faculty coordinator provides evidence of all items upon request by the Board;

- (I) the internship course shall not be taken until a minimum of 12 semester hours of upper division accounting coursework has been completed.



- (12) At its discretion, the Board may accept up to three semester hours of credit as accounting for coursework with substantial merit in the context of a career in public accounting, provided the coursework is predominantly accounting or auditing in nature but not included in paragraph (1) – (11) of this subsection. For any course submitted under this provision, the Accounting Faculty Head or Chair must affirm to the Board in writing its merit and content.

- (d) The following types of courses do not meet the accounting course definition in subsection (c) of this section:

- (1) elementary accounting;
- (2) principles of accounting;
- (3) financial and managerial accounting;
- (4) introductory accounting courses;
- (5) accounting software courses; and,
- (6) any CPA review course offered by an educational institution or of a proprietary nature may

not be considered in meeting the requirements under this rule.

#### *Will the Board consider accounting courses taken through distance learning?*

Yes. However, the following stringent guidelines are imposed for the acceptance of distance learning courses:

- the college or university offering the course must be accredited by one of the six recognized accrediting associations;
- the course must be the same with respect to course description, syllabus, and curriculum, learning objectives, and grading policies as a course offered in a traditional classroom setting;
- the course must be upper division; and
- the course must be reflected on an official transcript and indicate the number of semester or quarter-hour credits awarded.

#### *Is there a limit to the number of semester hours of distance learning accounting courses that the Board will accept?*

Yes. The Board will approve no more than 15 semester hours or quarter-hour equivalents of upper-division distance learning accounting courses.

#### *Will the Board recognize “blended courses”?*

Yes. Accounting courses taught in a blended course format are considered as distance learning and subject to the 15-hour accounting limitation.

#### *Will the Board consider a non-accounting course in meeting the accounting course requirement?*

The Board may consider a course offered in a business discipline, provided that:

- the course was cross-listed as an accounting course;
- the course contains significant accounting concepts which are traditionally taught in upper division accounting courses; and
- a course description and syllabus are provided.

The Board makes the final determination on all non-accounting courses.

#### *Will the Board accept a grade of “D” on an accounting course?*

Yes. The Board will accept a “D”, provided the official transcript reflects that semester or quarter-hour credit was awarded for the course. If the applicant repeated the course, the course will count only once.

#### *Will the Board accept an accounting course with a pass/fail grade?*

Yes. The Board will accept an accounting course taken on a pass/fail basis, provided the official transcript reflects that semester or quarter-hour credit was awarded for the course.



## Recognized Related Business Courses

*What courses does the Board accept in satisfying the related business course requirement?*

- (a) An individual who holds a baccalaureate degree from a recognized educational institution may take related business courses offered at an accredited community college, provided they are recognized as upper division courses for a four-year BBA degree from an institution recognized by the Board.
- (b) The Board will accept not fewer than 24 passing semester hours of upper division courses (for the purposes of this subsection, economics and statistics at any college level will count as upper division courses) as related business subjects (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, in the following areas. Not more than 6 semester hours taken in any subject area may be used to meet the minimum hour requirement.



- (1) business law, including study of the Uniform Commercial Code;
  - (2) economics;
  - (3) management;
  - (4) marketing;
  - (5) business communications;
  - (6) statistics;
  - (7) technical writing (covering subjects such as opinions, tax planning reports, and management advisory services reports and management letters);
  - (8) finance;
  - (9) information systems or technology; and
  - (10) other areas related to accounting.
- (c) In addition to the 24 hours required in subsection (b) of this section, the Board requires that 3 passing semester hours be earned as a result of taking a course in ethics. The course must be taken at a recognized educational institution and should include core values such as ethical reasoning, integrity, objectivity and independence.
  - (d) Credit for hours taken at recognized colleges and universities using the quarter system shall be counted as 2/3 of a semester hour for each hour of credit received under the quarter system.

*Will the Board accept a grade of "D" on a related business course?*

Yes. The Board will accept a "D," provided the official transcript reflects that semester or quarter-hour credit was awarded for the course. If the applicant repeated the course, it will be counted only once.

*Will the Board accept a related business course with a pass/fail grade?*

Yes, provided the official transcript reflects that semester or quarter-hour credit was awarded for the course.

## Public Accountancy Act

The Texas Legislature passed the *Public Accountancy Act* (the *Act*) codified as *Chapter 901* of the *Texas Occupations Code* (Vernon's 2003). The *Act* grants authority to the Texas State Board of Public Accountancy (the Board) to determine the eligibility of persons to take the Uniform CPA Examination. The *Act* also gives the Board authority to promulgate rules to effectuate the *Act*. A copy of the *Act* and the *Rules* may be found on the Board's website, [www.tsbpa.state.tx.us](http://www.tsbpa.state.tx.us).

## Americans with Disabilities Act Accommodations

*How should I request special testing accommodations?*

The Board has a separate process for requesting testing accommodations. Please refer to information on the Board's website ([www.tsbpa.state.tx.us](http://www.tsbpa.state.tx.us)).

## Conclusion

The information contained in this brochure is of a general nature and is intended to answer questions about various aspects of the *Application of Intent* process. The Board's Qualifications Team members are available to answer specific questions about material contained in this brochure, as well as questions specific to your situation.

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**You may also personally meet  
with a Qualifications Team member  
at the Board office.**