

The Rules Committee of the Texas State Board of Public Accountancy is holding a meeting by online video conference call pursuant to §551.127 of the Open Meetings Act. The public may attend the meeting in-person at the office of the Board which is located at 505 E. Huntland Drive, Suite 370, Austin, Texas 78752. The Chair of the Rules Committee will be present at the 505 E. Huntland Drive location for the entirety of the meeting. In the alternative, the public may attend the meeting virtually using the following link.

Topic: Rules Committee Meeting

Time: May 9, 2023 01:30 PM Central Time (US and Canada)

<https://www.zoomgov.com/j/1609219162?pwd=MTI3VGhpVGZBQmIrNWZ6QVdIMFpBZz09>

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Agenda Item V
Rules Committee Agenda
May 9, 2023
1:30 p.m.

- A. Discussion, consideration, and possible action concerning Board *Rules* to implement the provisions of SB 951: *520.1 - Authority and Purpose, 520.2 – Definitions, 520.3 – Institutions, 520.4 - Eligible Students, 520.5 - Award Amounts and Uses, 520.6 – Allocations, 520.7 - Disbursements to Institutions, 520.8 - Retroactive Disbursements, and 520.10 - Recognition of Accounting Firms Hiring and Offering Internships.*

- B. Discussion, consideration, and possible action concerning Board *Rules* to implement the provisions of SB 159 as well as recommendations of the Educational Task Force of the Qualifications Committee: *511.52 – Recognized Institutions of Higher Education, 511.53 - Evaluation of International Education Documents, 511.54 – Recognized Texas Community Colleges, 511.56 - Educational Qualifications under the Act, 511.57 - Qualified Accounting Courses, 511.58 - Definitions of Related Business Subjects and Ethics Courses, 511.59 - Definition of 150 Semester Hours, 511.60 - Qualified Accounting Courses Prior to January 1, 2024, 511.161 - Qualifications for Issuance of a Certificate, and 511.164 - Definition of 150 Semester Hours to Qualify for Issuance of a Certificate.*

- C. Discussion, consideration, and possible action concerning the filing of the application of intent to take the UCPAE. *511.22 – Initial Filing of the Application of Intent, and 521.12 - Filing Fee.*

- D. Discussion, consideration, and possible action concerning Board *Rule 511.122 (Acceptable Work Experience).*

- E. Schedule next meeting.

Agenda Item V
Rules Committee Agenda
May 9, 2023
1:30 p.m.

- A. Discussion, consideration, and possible action concerning Board *Rules* to implement the provisions of SB 951: *520.1 - Authority and Purpose, 520.2 – Definitions, 520.3 – Institutions, 520.4 - Eligible Students, 520.5 - Award Amounts and Uses, 520.6 – Allocations, 520.7 - Disbursements to Institutions, 520.8 - Retroactive Disbursements, and 520.10 - Recognition of Accounting Firms Hiring and Offering Internships.*

DISCUSSION: HB 2504 and its companion bill SB 951 propose to eliminate the requirement that a student be in their fifth year of accounting studies to be eligible for a scholarship. The bill revisions will permit students with at least 15 hours of upper level accounting courses to be eligible for scholarship funding.

In anticipation of the passage of this legislation, the committee is asked to consider amendments to its rules to address the expected legislative changes. We are attempting to get ahead of the legislation so the Rule revision can be in effect on the effective date of the legislation. The Qualifications Committee will meet on April 28, 2023 and may recommend the following or similar revisions to the Rules Committee for the Board's approval. The Board's approval would permit the staff to have the proposed revisions published in the *Texas Register* for public comment.

RECOMMENDATION: The committee recommends to the Board that it authorize the executive director to publish the revisions as proposed in the *Texas Register* for public comment.

SUGGESTED MOTION: That the committee recommend that the Board authorize the executive director to publish the proposed revisions in the *Texas Register* for public comment as proposed.

1 CHAPTER 520 PROVISIONS FOR THE **FIFTH-YEAR** ACCOUNTING
2 STUDENTS SCHOLARSHIP PROGRAM
3 RULE §520.2 Definitions

4
5 The following words and terms, when used in this chapter, shall have the following
6 meanings, unless the context clearly indicates otherwise:

7 (1) Cost of attendance--An estimate of the expenses incurred by a typical financial aid
8 student in attending a particular college or university. It includes direct educational costs
9 (tuition, fees, books, and supplies) as well as indirect costs (room and board,
10 transportation, and personal expenses).

11 (2) Expected family contribution--The amount of discretionary income that should be
12 available to a student from his or her resources and that of his or her family, as
13 determined by the US Department of Education Definition of Expected Family
14 Contribution.

15 (3) Financial need--The cost of attendance at a particular public or private institution of
16 higher education less the expected family contribution. The cost of attendance and
17 family contribution are to be determined in accordance with board guidelines.

18 (4) Gift Aid--Educational funds from state, federal, and other sources, such as grants,
19 that do not require repayment from present or future earnings. Assistantships and work-
20 study programs are not considered to be gift aid.

21 (5) Half-time student--For undergraduates, not in their final semester, who are enrolled
22 or are expected to be enrolled for the equivalent of at least six but not more than nine
23 semester credit hours. For graduate students, not in their final semester, who are
24 enrolled or are expected to be enrolled for the equivalent of 4.5 but not more than six
25 semester credit hours.

26 (6) Institution--Public and private or independent institutions of higher education as
27 defined in Texas Education Code, §61.003.

28 (7) Period of enrollment--The term or terms within the current state fiscal year
29 (September 1 - August 31) for which the student was enrolled in an approved institution
30 and met all the eligibility requirements for an award through the program described in
31 this chapter.

32 (8) Program Officer--The individual named by each participating institution's chief
33 executive officer to serve as agent for the board. The program officer has primary

1 responsibility for all ministerial acts required by the program, including maintenance of
2 all records and preparation and submission of reports reflecting program transactions.
3 Unless otherwise indicated by the administration, the director of student financial aid
4 shall serve as program officer.

5 (9) Resident of Texas--A resident of the State of Texas as determined in accordance
6 with 19 TAC Part 1, Chapter 21, Subchapter B (relating to Determination of Resident
7 Status). Nonresident students who are eligible to pay resident tuition rates are not
8 residents of Texas.

1 CHAPTER 520 PROVISIONS FOR THE FIFTH-YEAR ACCOUNTING
2 STUDENTS SCHOLARSHIP PROGRAM
3 RULE §520.3 Institutions

4
5 (a) Eligibility.

6 (1) Any college or university defined as a public, private or independent institution of
7 higher education by Texas Education Code, §61.003 that offers the courses required by
8 §§511.57, 511.58 and 511.60 of this title (relating to Qualified Accounting Courses to
9 take the UCPAE, Definitions of Related Business Subjects to take the UCPAE and
10 Ethics Courses and Qualified Accounting Courses Prior to January 1, 2024 to take the
11 UCPAE), is eligible to participate in the fifth-year accounting students scholarship
12 program.

13 (2) No institution may, on the grounds of race, color, national origin, gender, religion,
14 age or disability exclude a student from participation in or deny the benefits of the
15 program described in this chapter.

16 (3) Each participating institution must follow the Civil Rights Act of 1964, Title VI
17 (Public Law 88-353) in avoiding discrimination in admissions.

18 (b) Approval.

19 (1) Each approved institution must enter into an agreement with the board, the terms
20 of which shall be prescribed by the executive director.

21 (2) An institution must be approved by April 1 in order for qualified students enrolled in
22 that institution to be eligible to receive scholarships in the following fiscal year beginning
23 September 1st.

24 (c) Responsibilities.

25 (1) Probation Notice. If the institution is placed on public probation by its accrediting
26 agency, it must immediately advise scholarship recipients of this condition and maintain
27 evidence in each student's file to demonstrate that the student was so informed.

28 (2) Disbursements to Students.

29 (A) The institution must maintain records to prove the disbursement of program funds
30 to the student or the crediting of such funds to the student's school account.

31 (B) If the executive director has reason to believe that an institution has disbursed
32 funds for unauthorized purposes, the institution will be notified and offered an
33 opportunity for a hearing pursuant to the applicable procedures outlined in Chapter 519

1 of this title (relating to Practice and Procedure) and the rules of procedure of SOAH.
2 Thereafter, if the board determines that funds have been improperly disbursed, the
3 institution shall become responsible for restoring the funds to the board. No further
4 disbursements of scholarship funds shall be permitted to students at that institution until
5 the funds have been repaid.

6 (d) Reporting.

7 (1) All institutions must meet board reporting requirements. Such reporting
8 requirements shall include reports specific to allocation of scholarship funds as well as
9 progress and year-end reports.

10 (2) Penalties for Late Reports.

11 (A) The executive director may penalize an institution by reducing its allocation of
12 funds in the following year by up to 10 percent for each progress report that is
13 postmarked or submitted electronically more than a week (seven (7) calendar days)
14 late.

15 (B) The executive director may assess more severe penalties against an institution if
16 any report is received by the board more than one month (thirty (30) calendar days)
17 after its due date. The maximum penalty for a single year is 30 percent of the school's
18 allocation. If penalties are invoked two consecutive years, the institution may be
19 penalized an additional 20 percent.

20 (3) If the executive director determines that a penalty is appropriate, the institution will
21 be notified by certified mail, addressed to the program officer. Within 21 days from the
22 date that the program officer receives the written notice, the institution must submit a
23 written response appealing the board's decision, or the penalty shall become final and
24 no longer subject to an appeal. An appeal under this section will be conducted in
25 accordance with the rules provided in the applicable sections of Chapter 519 of this title
26 and the procedural rules of SOAH.

27 (e) Program Reviews. If selected for such by the board, participating institutions must
28 submit to program reviews of activities related to the fifth-year accounting students
29 scholarship program.

1 CHAPTER 520 PROVISIONS FOR THE FIFTH-YEAR ACCOUNTING
2 STUDENTS SCHOLARSHIP PROGRAM
3 RULE §520.4 Eligible Students
4

5 (a) To receive funds, a student must:

6 **(1) an undergraduate student majoring in accounting must be enrolled on at**
7 **least a half-time a full-time basis at an approved institution in Texas that is**
8 **participating in the scholarship program, and attending consecutive semesters or**
9 **in the final semester of the degree; or**

10 **(2) a graduate student majoring in accounting must** be enrolled **on** at least **a** half-
11 time **basis** or in the final semester of the degree at an approved institution in Texas **that**
12 **is participating in the scholarship program.**

13 **(b) To receive funds, a student must:**

14 **(1) (2)** maintain satisfactory academic progress in the program of study as defined by
15 the institution;

16 **(2) (3)** have completed **at least 120 credit hours of college work, including** at least 15
17 **semester** hours of **upper-level** accounting **coursework**;

18 **(3) (4)** sign a written statement confirming the intent to take the examination conducted
19 by or pursuant to the authority of the board for the purpose of obtaining a certificate of
20 "certified public accountant" in Texas;

21 **(4) (5)** agree to pay on demand all scholarship funds received if the student does not
22 **take sit for** at least one part of the exam within three years of submitting the application
23 of intent, unless the executive director grants an extension of the three-year
24 requirement upon a showing of good cause;

25 **(5) (6)** agree that failure to comply with paragraph **(4) (5)** of this subsection may cause
26 the board to take measures necessary to enforce the repayment of the scholarship
27 including bringing a civil suit in state district court;

28 **(6) (7)** confirm that the **applicant submitted an** Application of Intent **and has not been**
29 **approved or that the applicant** has not **met the educational requirements for**
30 **certification** **been approved to take the CPA examination** in Texas **or another**
31 **jurisdiction**;

1 (7) ~~(8)~~ maintain a cumulative grade point average, as determined by the institution,
2 that is equal to or greater than the grade point average required by the institution for
3 graduation;

4 (8) ~~(9)~~ be a resident of Texas; and

5 (9) ~~(10)~~ have a statement on file with the institution of higher education indicating the
6 student is registered with the Selective Service System as required by federal law or is
7 exempt from Selective Service registration under federal law.

8 (c) ~~(b)~~ In selecting recipients the Program Officer shall consider at a minimum the
9 following factors relating to each applicant:

10 (1) the applicant's financial need, which may be based on but not limited to the cost of
11 the applicant attending school less family contribution and any gift aid (an award may
12 not exceed the applicant's need nor be less than the amount calculated in accordance
13 with the formula provided institutions in the application instructions);

14 (2) scholastic ability and performance as measured by the student's cumulative college
15 grade point average as determined by the institution in which the student is enrolled;

16 and

17 (3) ethnic or racial minority status.

1 CHAPTER 520 PROVISIONS FOR THE **FIFTH-YEAR** ACCOUNTING
2 STUDENTS SCHOLARSHIP PROGRAM
3 RULE §520.5 Award Amounts and Uses

4
5 (a) Funds awarded through this program may include any gifts, grants and donations of
6 real or personal property from any entity, subject to limitations or conditions set by law,
7 for the purposes of this chapter.

8 (b) Award Amount and Disbursements.

9 (1) The minimum and maximum annual award for a student through this program shall
10 be an amount established by the board and announced to institutions in the allocation
11 announcement sent out for the relevant year.

12 (2) An individual student's scholarship shall be paid out in the form of at least one
13 disbursement per semester.

14 (c) No scholarship disbursed to a student shall be used for any purpose other than for
15 meeting the cost of attending an approved institution.

16 **(d) The duration of the scholarship shall be a maximum of three years awarded by**
17 **semester or term. ~~four consecutive semesters or until the student graduates with~~**
18 **a baccalaureate degree. The duration of the scholarship for a student enrolled in**
19 **a graduate degree program shall be a maximum of two consecutive semesters or**
20 **until the graduate degree is conferred. The student may only receive a**
21 **scholarship as an undergraduate student or a graduate student.**

22 **(e)** ~~(d)~~ At the time an award is made to a student, it shall not exceed the student's need.

1 CHAPTER 520 PROVISIONS FOR THE FIFTH-YEAR ACCOUNTING
2 STUDENTS SCHOLARSHIP PROGRAM
3 RULE §520.8 Retroactive Disbursements

4
5 (a) A student may receive a disbursement after the end of his or her period of
6 enrollment if the student:

7 (1) owes funds to the institution for the period of enrollment for which the award is
8 being made; or

9 (2) received a student loan that is still outstanding for the period of enrollment for
10 which the award is being made.

11 (b) Funds that are disbursed retroactively shall either be used to pay the student's
12 outstanding balance, including interest, from his or her period of enrollment at the
13 institution or to make a payment against an outstanding loan received during that period
14 of enrollment. Under no circumstances shall funds be released to the student.

1 CHAPTER 520 PROVISIONS FOR THE ~~FIFTH-YEAR~~ ACCOUNTING
2 STUDENTS SCHOLARSHIP PROGRAM
3 RULE §520.10 Recognition of Accounting Firms Hiring and Offering Internships

4
5 Accounting firms shall be recognized by the board for their contribution to the training
6 and hiring of ~~minority or~~ disadvantaged accounting students. The board may publish in
7 its Board Report the names of accounting firms providing internships or hiring two or
8 more disadvantaged ~~or minority~~ students each calendar year.

Agenda Item V
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May 9, 2023
1:30 p.m.

- B. Discussion, consideration, and possible action concerning Board *Rules* to implement the provisions of SB 159 as well as recommendations of the Educational Task Force of the Qualifications Committee: 511.52 – *Recognized Institutions of Higher Education*, 511.53 - *Evaluation of International Education Documents*, 511.54 – *Recognized Texas Community Colleges*, 511.56 - *Educational Qualifications under the Act*, 511.57 - *Qualified Accounting Courses*, 511.58 - *Definitions of Related Business Subjects and Ethics Courses*, 511.59 - *Definition of 150 Semester Hours*, 511.60 - *Qualified Accounting Courses Prior to January 1, 2024*, 511.161 - *Qualifications for Issuance of a Certificate*, and 511.164 - *Definition of 150 Semester Hours to Qualify for Issuance of a Certificate*.

DISCUSSION: SB 159 or its companion bill HB 797 is expected to be passed during this legislative session. If passed, it would amend the *Public Accountancy Act* to permit accounting students with 120 semester hours of course work and 24 semester hours of accounting to sit for the exam. In anticipation of the passage of this legislation, the Qualifications Committee is asking the Rules Committee to consider recommending to the Board revisions to the Board’s rules to address the legislative revisions. Doing so allows the Board’s rules to be in effect on the same date the legislative revisions take effect.

Additional proposed revisions are from the Qualifications Committee’s Educational Task Force.

RECOMMENDATION: The committee recommends to the Board that it authorize the executive director to publish the proposed revisions in the *Texas Register* for public comment.

SUGGESTED MOTION: That the committee recommend that the Board authorize the executive director to publish the proposed revisions in the *Texas Register* for public comment as proposed.

1 CHAPTER 511 ELIGIBILITY
2 SUBCHAPTER C EDUCATIONAL REQUIREMENTS
3 RULE §511.52 Recognized Institutions of Higher Education

4
5 (a) The board recognizes institutions of higher education that offer a baccalaureate or
6 higher degree, that either:

7 (1) are accredited by one of the following organizations:

8 (A) Middle States Commission on Higher Education (MSCHE);

9 (B) Northwest Commission on Colleges and Universities (NWCCU);

10 (C) Higher Learning Commission (HLC);

11 (D) New England Commission of Higher Education (NECHE);

12 (E) Southern Association of Colleges and Schools, Commission on Colleges (SACS);

13 and

14 (F) WASC Senior College and University Commission; or

15 (2) provide evidence of meeting equivalent accreditation requirements of SACS.

16 **(b) The board is the final authority regarding the evaluation of an applicant's**
17 **education and may receive assistance from the reporting institution in the State**
18 **of Texas, the University of Texas at Austin, in evaluating:**

19 **(1) an institution of higher education;**

20 **(2) organizations that award credits for coursework taken outside of a traditional**
21 **academic environment and shown on a transcript from an institution of higher**
22 **education;**

23 **(3) assessment methods such as credit by examination, challenge exams,**
24 **portfolio assessment; and**

25 **(4) non-college education and training.**

26 **(5) The following organizations and assessment methods may not be used to**
27 **meet the requirements of this chapter:**

28 **(i) American Council on Education (ACE);**

29 **(ii) Prior Learning Assessment (PLA);**

30 **(iii) Defense Activity for Non-Traditional Education Support (DANTES); and**

31 **(iv) Defense Subject Standardized Test (DSST).**

32

1 ~~(b) The board may receive assistance from the reporting institution in the State of Texas~~
2 ~~in evaluating an institution of higher education **however credits awarded for**~~
3 ~~**coursework taken through the following organizations and shown on a transcript**~~
4 ~~**from an institution of higher education shall not be used to meet the**~~
5 ~~**requirements of this chapter:**~~

6 ~~**(1) American Council on College Education (ACE);**~~

7 ~~**(2) Prior Learning Assessment (PLA);**~~

8 ~~**(3) Defense Activity for Non-Traditional Education Support (DANTES); and**~~

9 ~~**(4) Defense Subject Standardized Test (DSST).**~~

10 (c) The board may accept courses completed through an extension school, a
11 correspondence school or continuing education program provided that the courses are
12 offered and accepted by the board approved educational institution for a business
13 baccalaureate or higher degree conferred by that educational institution.

14 (d) Except as provided in subsection (c) of this section, extension and correspondence
15 schools or programs and continuing education courses do not meet the criteria for
16 recognized institutions of higher education.

17 (e) The requirements related to recognized community colleges are provided in §511.54
18 of this chapter (relating to Recognized Texas Community Colleges).

19 (f) The board may recognize a community college that offers a baccalaureate degree in
20 accounting or business, provided that the applicant is admitted to a graduate program in
21 accounting or business offered at a recognized institution of higher education that offers
22 a graduate or higher degree.

1 CHAPTER 511 ELIGIBILITY
2 SUBCHAPTER C EDUCATIONAL REQUIREMENTS
3 RULE §511.53 Evaluation of International Education Documents

4
5 (a) It is the responsibility of the board to confirm that education obtained at colleges and
6 universities outside of the United States (international education) is equivalent to
7 education earned at board-recognized institutions of higher education in the U.S.

8 (b) The board shall use, at the expense of the applicant, the services of the University of
9 Texas at Austin, Graduate and International Admissions Center, to validate, review, and
10 evaluate international education documents submitted by an applicant to determine if
11 the courses taken and degrees earned are substantially equivalent to those offered by
12 the board-recognized institutions of higher education located in the U.S. The evaluation
13 shall provide the following information to the board:

14 (1) Degrees earned by the applicant that are substantially equivalent to those
15 conferred by a board-recognized institution of higher education in the U.S. that meets
16 §511.52 of this chapter (relating to Recognized Institutions of Higher Education);

17 (2) The total number of semester hours or quarter hour equivalents earned that are
18 substantially equivalent to those earned at U.S. institutions of higher education and that
19 meet §511.59 of this chapter (relating to Definition of **120 150** Semester Hours **to take**
20 **the UCPAE**);

21 (3) The total number of semester hours or quarter hour equivalents earned in
22 accounting coursework that meets §511.57 of this chapter (relating to Qualified
23 Accounting Courses **to take the UCPAE**) or §511.60 of this chapter (relating to
24 Qualified Accounting Courses Prior to January 1, 2024 **to take the UCPAE**);

25 (4) An analysis of the title and content of courses taken that are substantially
26 equivalent to courses listed in §511.57 or §511.60 of this chapter; and

27 (5) The total number of semester hours or quarter hour equivalents earned in business
28 coursework that meets §511.58 of this chapter (relating to Definitions of Related
29 Business Subjects **to take the UCPAE and Ethics Courses**).

30 (c) The University of Texas at Austin, Graduate and International Admissions Center,
31 may use the American Association of Collegiate Registrars and Admissions Officers
32 (AACRAO) material, including the Electronic Database for Global Education (EDGE), in
33 evaluating international education documents.

1 (d) Other evaluation or credentialing services of international education are not
2 accepted by the board.

3 **(e) Credits awarded for coursework taken through the following organizations**
4 **and shown on a transcript from an institution of higher education as referenced**
5 **in §511.52(b)(1)-(4) of this chapter (relating to Recognized Institutions of Higher**
6 **Education) may shall not be used to meet the requirements of this chapter.**

7 **(1) American College Education (ACE);**

8 **(2) Prior Learning Assessment (PLA);**

9 **(3) Defense Activity for Non-Traditional Education Support (DANTES); and**

10 **(4) Defense Subject Standardized Test (DSST).**

1 CHAPTER 511 ELIGIBILITY
2 SUBCHAPTER C EDUCATIONAL REQUIREMENTS
3 RULE §511.54 Recognized Texas Community Colleges

- 4
5 (a) An applicant who has completed a baccalaureate or higher degree from a board
6 recognized institution of higher education based on the requirements of §511.52 of this
7 chapter (relating to Recognized Institutions of Higher Education), may enter into a
8 course of study at a board recognized Texas community college to complete the
9 educational requirements of §§511.57, 511.58, and 511.60 of this chapter (relating to
10 Qualified Accounting Courses **to take the UCPAE**, Definitions of Related Business
11 Subjects **to take the UCPAE and Ethics Courses**, and Qualified Accounting Courses
12 Prior to January 1, 2024 **to take the UCPAE**).
- 13 (b) The board recognizes and accepts Texas community colleges that meet board
14 standards for a comprehensive academic program based on the educational
15 requirements of §§511.57, 511.58, and 511.60 of this chapter.
- 16 (c) Effective August 1, 2015, the standards include at a minimum all, but are not limited
17 to, the following:
- 18 (1) The Texas community college must be accredited by SACS.
- 19 (2) Academic accounting and business courses recognized as meeting §§511.57,
20 511.58, and 511.60 of this chapter are deemed by the board as equivalent to upper
21 level coursework at an institution of higher education and must contain a rigorous
22 curriculum that is similar to courses offered in a baccalaureate degree program at a
23 university. Accounting, business, and ethics courses must be developed by a group of
24 full time accounting faculty members and approved by the board prior to offering to
25 students. Modifications to an approved course must be reconsidered by the board prior
26 to offering to students.
- 27 (3) Academic courses meeting §§511.57, 511.58, and 511.60 of this chapter must be
28 taken after completing a baccalaureate degree.
- 29 (4) The Texas community college must offer **no fewer than**:
- 30 (A) **21 30** semester hours of academic accounting courses meeting §511.57 or
31 §511.60 of this chapter;
- 32 (B) 24 semester hours of academic business courses meeting §511.58 of this
33 chapter; and

1 (C) a board-approved three semester hour ethics course meeting ~~§511.164~~ §511.58
2 of this chapter **(relating to Definition of 150 Semester Hours to Qualify for Issuance**
3 **of a Certificate)**.

4 (5) The Texas community college designates an accounting faculty member(s) who is
5 responsible for:

6 (A) managing the comprehensive academic program at all campuses;

7 (B) selecting and training qualified faculty members to teach the program courses
8 and regularly evaluating their effectiveness in the classroom;

9 (C) establishing and maintaining a rigorous program curriculum;

10 (D) establishing and maintaining a process for advising and guiding students through
11 the program; and

12 (E) providing annual updates to the board on the status of the academic program.

13 (6) Faculty members at a community college recognized and accepted by the board
14 must have the following credentials to teach academic courses meeting §§511.57,
15 511.58, and 511.60 of this chapter:

16 (A) Doctorate or master's degree in the teaching discipline; or

17 (B) Master's degree with a concentration in the teaching discipline (a minimum of 18
18 graduate semester hours in the teaching discipline).

19 (7) At least three-fourths of the faculty members who are responsible to teach
20 academic courses meeting §511.57 or §511.60 of this chapter must hold a current CPA
21 license.

22 (8) Faculty members will comply with the established educational definitions in
23 §511.51 of this chapter (relating to Educational Definitions).

24 (9) The Texas community college will provide ongoing professional development for its
25 faculty as teachers, scholars, and CPA practitioners.

26 (10) The Texas community college will make available to students a resource library
27 containing current online authoritative literature to support the academic courses
28 meeting §§511.57, 511.58, and 511.60 of this chapter, and will incorporate the online
29 authoritative literature in accounting courses.

30 (d) A community college recognized and accepted by the board under this provision
31 must be reconsidered by the board on the fifth-year anniversary of the approval.

- 1 Information brought to the attention of the board by a student or faculty member of the
- 2 Texas community college that indicates non-compliance with the standards may cause
- 3 the board to accelerate reconsideration.

1 CHAPTER 511 ELIGIBILITY
2 SUBCHAPTER C EDUCATIONAL REQUIREMENTS
3 RULE §511.56 Educational Qualifications under the Act to take the UCPAE

- 4
5 (a) An applicant for the UCPAE under the current Act shall meet the following
6 educational requirements at the time of filing the initial application to take the
7 examination and in order to qualify to take the examination:
- 8 (1) hold a baccalaureate or graduate degree conferred by an institution of higher
9 education as defined by §511.52 of this chapter (relating to Recognized Institutions of
10 Higher Education) recognized by the board; and
- 11 (2) complete no fewer than **120 150** semester hours or quarter-hour equivalents of
12 courses, as defined by §511.59 of this chapter (relating to Definition of **120 150**
13 Semester Hours to take the UCPAE) and consisting of:
- 14 (A) no fewer than **21 30** semester hours or quarter-hour equivalents of upper level
15 accounting courses as defined by §511.57 of this chapter (relating to Qualified
16 Accounting Courses to take the UCPAE) or §511.60 of this chapter (relating to
17 Qualified Accounting Courses Prior to January 1, 2024 to take the UCPAE); **and**
18 (B) no fewer than 24 semester hours or quarter-hour equivalents of upper level
19 related business courses, as defined by §511.58 of this chapter (relating to Definitions
20 of Related Business Subjects to take the UCPAE). **and Ethics Courses**); **and**
21 ~~(C) a 3-semester-hour board-approved ethics course as defined by §511.58 of this~~
22 ~~chapter.~~
- 23 (b) An applicant for the UCPAE who met the educational requirements of the Act that
24 were in effect at the time of taking the initial examination shall continue to be examined
25 under those requirements unless the applicant chooses to meet the current education
26 requirements of the Act.

1 CHAPTER 511 ELIGIBILITY
2 SUBCHAPTER C EDUCATIONAL REQUIREMENTS
3 RULE §511.57 Qualified Accounting Courses to take the UCPAE

- 4
5 (a) An applicant shall meet the board's accounting course requirements in one of the
6 following ways:
- 7 (1) Hold a baccalaureate or higher degree from a board-recognized institution of higher
8 education as defined by §511.52 of this chapter (relating to Recognized Institutions of
9 Higher Education) and present official transcript(s) from board-recognized institution(s)
10 that show degree credit for no fewer than 21 30 semester credit hours of upper division
11 accounting courses as defined in subsections (e), (f) and (g) of this section; or
- 12 (2) Hold a baccalaureate or higher degree from a board-recognized institution of higher
13 education as defined by §511.52 of this chapter, and after obtaining the degree,
14 complete the requisite 21 30 semester credit hours of upper division accounting
15 courses, as defined in subsections (e), (f) and (g) of this section, from four-year degree
16 granting institutions, or accredited community colleges, provided that all such
17 institutions are recognized by the board as defined by §511.52 or §511.54 of this
18 chapter (relating to Recognized Texas Community Colleges).
- 19 (b) Credit for hours taken at board-recognized institutions of higher education using the
20 quarter system shall be counted as 2/3 of a semester credit hour for each hour of credit
21 received under the quarter system.
- 22 (c) The board will accept no fewer than 21 30 semester credit hours of accounting
23 courses from the courses listed in subsections (e), (f) and (g) of this section. The hours
24 from a course that has been repeated will be counted only once toward the required 21
25 30 semester hours. The courses must meet the board's standards by containing
26 sufficient accounting knowledge and application to be useful to candidates taking the
27 UCPAE. A board-recognized institution of higher education must have accepted the
28 courses for purposes of obtaining a baccalaureate or higher degree or its equivalent,
29 and they must be shown on an official transcript.
- 30 (d) Upper level accounting coursework recognized by the board and in effect prior to
31 January 1, 2024, may be found in §511.60 of this chapter (relating to Qualified
32 Accounting Courses Prior to January 1, 2024 to take the UCPAE).

- 1 (e) Effective January 1, 2024, the subject-matter content should be derived from the
2 UCPEA Blueprint. A minimum of **12 15** semester hours with at least three semester
3 hours in each of the following accounting course content area is required:
- 4 (1) financial accounting and reporting for business organizations that may include:
 - 5 (A) intermediate accounting;
 - 6 (B) advanced accounting; and
 - 7 (C) accounting theory;
 - 8 (2) financial statement auditing;
 - 9 (3) taxation; and
 - 10 (4) accounting information systems.
- 11 (f) Effective January 1, 2024, a minimum of **9 15** hours in any of the following
12 accounting course content area is required:
- 13 (1) managerial or cost accounting (excluding introductory level courses);
 - 14 (2) auditing and attestation services;
 - 15 (3) internal accounting control and risk assessment;
 - 16 (4) financial statement analysis;
 - 17 (5) accounting research and analysis;
 - 18 (6) up to 9 semester credit hours of taxation (including tax research and analysis);
 - 19 (7) financial accounting and reporting for governmental and/or other nonprofit entities;
 - 20 (8) up to 9 semester credit hours of accounting information systems, including
21 management information systems ("MIS"), provided the MIS courses are listed or cross-
22 listed as accounting courses, and the institution of higher education accepts these
23 courses as satisfying the accounting course requirements for graduation with a degree
24 in accounting;
 - 25 (9) up to **9 12** semester credit hours of accounting data analytics, provided the
26 institution of higher education accepts these courses as satisfying the accounting
27 course requirements for graduation with a degree in accounting; business data analytics
28 may be considered provided the courses are listed or cross-listed as accounting
29 courses, and the institution of higher education accepts these courses as satisfying the
30 accounting course requirements for graduation with a degree in accounting; (while data

1 analytics tools may be taught in the courses, application of the tools should be the
2 primary objective of the courses);
3 (10) fraud examination;
4 (11) international accounting and financial reporting;
5 (12) mergers and acquisitions;
6 (13) financial planning;
7 ~~(14) an accounting internship program (not to exceed 3 semester credit hours) which~~
8 ~~meets the following requirements:~~
9 ~~(A) the accounting knowledge gained is equal to or greater than the knowledge gained~~
10 ~~in a traditional accounting classroom setting;~~
11 ~~(B) the employing firm provides the faculty coordinator and the student with the~~
12 ~~objectives to be met during the internship;~~
13 ~~(C) the internship plan is approved in advance by the faculty coordinator;~~
14 ~~(D) the employing firm provides significant accounting work experience with adequate~~
15 ~~training and supervision of the work performed by the student;~~
16 ~~(E) the employing firm provides the student with training, supervision, periodic feedback~~
17 ~~and a final evaluation at the conclusion of the internship, provides a letter describing the~~
18 ~~duties performed and the supervision to the student, and provides a copy of the~~
19 ~~documentation to the faculty coordinator and the student;~~
20 ~~(F) the student keeps a diary comprising a chronological list of all work experience~~
21 ~~gained in the internship;~~
22 ~~(G) the student writes a paper demonstrating the knowledge gained in the internship;~~
23 ~~(H) the student and/or faculty coordinator provides evidence of all items upon request~~
24 ~~by the board; and~~
25 ~~(I) the internship course shall not be taken until a minimum of 12 semester credit hours~~
26 ~~of upper division accounting course work has been completed;~~
27 **(14)** ~~(15)~~ at its discretion, the board may accept up to three semester hours of credit of
28 accounting course work with substantial merit in the context of a career in public
29 accounting, provided the course work is predominantly accounting or auditing in nature
30 but not included in paragraphs (1) - (13) of this subsection. For any course submitted

1 under this provision, the Accounting Faculty Head or Chair must affirm to the board in
2 writing the course's merit and content; and
3 **(15)** ~~(16)~~ at its discretion, the board may accept up to three semester credit hours of
4 independent study in accounting selected or designed by the student under faculty
5 supervision. The curriculum for the course shall not repeat the curriculum of another
6 accounting course that the student has completed.

7 (g) The board requires that a minimum of two semester credit hours in research and
8 analysis relevant to the course content described in subsection (f) of this section be
9 completed. The semester credit hours may be obtained through a standalone course or
10 offered through an integrated approach. If the course content is offered through
11 integration, the institution of higher education must advise the board of the course(s)
12 that contain the research and analysis content. The course may be used toward the **9**
13 **15** semester credit hours of upper level accounting courses identified in subsection
14 (f)(5) of this section.

15 (h) The following types of introductory courses do not meet the accounting course
16 definition in subsections (e) and (f) of this section:

- 17 (1) elementary accounting;
- 18 (2) principles of accounting;
- 19 (3) financial and managerial accounting;
- 20 (4) introductory accounting courses; and
- 21 (5) accounting software courses.

22 (i) Any CPA review course offered by an institution of higher education or a proprietary
23 organization shall not be used to meet the accounting course definition.

24 (j) CPE courses shall not be used to meet the accounting course definition.

25 (k) An ethics course required in §511.58(d) of this chapter (relating to Definitions of
26 Related Business Subjects **to take the UCPAE and Ethics Courses**) shall not be used
27 to meet the accounting course definition in subsections (e) and (f) of this section.

28 (l) Accounting courses completed through an extension school of a board recognized
29 educational institution may be accepted by the board provided that the courses are
30 accepted for a business baccalaureate or higher degree conferred by that educational
31 institution.

1 (m) The board may review the content of accounting courses and determine if they
2 meet the requirements of this section.

3 **(n) Credits awarded for coursework taken through the following organizations**
4 **and shown on a transcript from an institution of higher education as referenced**
5 **in §511.52(b)(1)-(4) of this chapter (relating to Recognized Institutions of Higher**
6 **Education) may shall not be used to meet the requirements of this chapter.**

7 **(1) American College Education (ACE);**

8 **(2) Prior Learning Assessment (PLA);**

9 **(3) Defense Activity for Non-Traditional Education Support (DANTES); and**

10 **(4) Defense Subject Standardized Test (DSST).**

1 CHAPTER 511 ELIGIBILITY
2 SUBCHAPTER C EDUCATIONAL REQUIREMENTS
3 RULE §511.58 Definitions of Related Business Subjects to take the UCPAE
4 and Ethics Courses

5
6 (a) Related business courses are those business courses that a board recognized
7 institution of higher education accepts for a business baccalaureate or higher degree by
8 that educational institution.

9 (b) An individual who holds a baccalaureate or higher degree from a recognized
10 educational institution as defined by §511.52 of this chapter (relating to Recognized
11 Institutions of Higher Education) may take related business courses from four-year
12 degree granting institutions, or recognized community colleges, provided that all such
13 institutions are recognized by the board as defined by §511.52 or §511.54 of this
14 chapter (relating to Recognized Texas Community Colleges). Related business courses
15 taken at a recognized community college are only the courses that the board has
16 reviewed and approved to meet this section.

17 (c) The board will accept no fewer than 24 semester credit hours of upper level courses
18 (for the purposes of this subsection, economics and statistics at any college level will
19 count as upper division courses) as related business subjects (without repeat), taken at
20 a recognized educational institution shown on official transcripts or accepted by a
21 recognized educational institution for purposes of obtaining a baccalaureate degree or
22 its equivalent, in the following areas.

23 (1) No more than 6 credit semester hours taken in any of the following subject areas
24 may be used to meet the minimum hour requirement:

- 25 (A) business law, including study of the Uniform Commercial Code;
- 26 (B) economics;
- 27 (C) management;
- 28 (D) marketing;
- 29 (E) business communications;
- 30 (F) statistics and quantitative methods;
- 31 (G) information systems or technology; and
- 32 (H) other areas related to accounting.

1 (2) No more than 9 credit semester hours taken in any of the following subject areas
2 may be used to meet the minimum hour requirement:

3 (A) finance and financial planning; and

4 (B) data analytics, data interrogation techniques, cyber security and/or digital acumen in
5 the accounting context, whether taken in the business school or in another college or
6 university program, such as the engineering, computer science, information systems, or
7 math programs (while data analytic tools may be used in the course, application of the
8 tools should be the primary objective of the course.

9 ~~(d) In addition to the 24 hours required in subsection (c) of this section, the board
10 requires that 3 passing semester hours be earned as a result of taking a standalone
11 course in accounting or business ethics. The course must be taken at a recognized
12 educational institution and should provide students with a framework of ethical
13 reasoning, professional values, and attitudes for exercising professional skepticism and
14 other behavior in the best interest of the public and profession. The ethics course shall:
15 (1) include the ethics rules of the AICPA, the SEC, and the board;
16 (2) provide a foundation for ethical reasoning, including the core values of integrity,
17 objectivity, and independence; and
18 (3) be taught by an instructor who has not been disciplined by the board for a violation
19 of the board's rules of professional conduct, unless that violation has been waived by
20 the board.~~

21 ~~(d)~~ **(e)** The board requires that a minimum of 2 upper level semester credit hours in
22 accounting communications or business communications with an intensive writing
23 curriculum be completed. The semester hours may be obtained through a standalone
24 course or offered through an integrated approach. If the course content is offered
25 through integration, the university must advise the board of the course(s) that contain
26 the accounting communications or business communications content. The course may
27 be used toward the 24 semester credit hours of upper level business courses listed in
28 subsection (c)(1) of this section.

29 ~~(e)~~ **(f)** Credit for hours taken at recognized institutions of higher education using the
30 quarter system shall be counted as 2/3 of a semester hour for each hour of credit
31 received under the quarter system.

1 **(f)** ~~(g)~~ Related business courses completed through and offered by an extension school,
2 correspondence school, or continuing education program of a board recognized
3 educational institution may be accepted by the board, provided that the courses are
4 accepted for a business baccalaureate or higher degree conferred by that educational
5 institution.

6 **(g)** ~~(h)~~ The board may review the content of business and ethics courses and determine
7 if they meet the requirements of this section.

8 **(h) Credits awarded for coursework taken through ~~the following~~ organizations**
9 **~~and shown on a transcript from an institution of higher education as referenced~~**
10 **~~in §511.52(b)(1)-(4) of this chapter (relating to Recognized Institutions of Higher~~**
11 **~~Education) may shall not be used to meet the requirements of this chapter.~~**

12 **~~(1) American College Education (ACE);~~**

13 **~~(2) Prior Learning Assessment (PLA);~~**

14 **~~(3) Defense Activity for Non-Traditional Education Support (DANTES); and~~**

15 **~~(4) Defense Subject Standardized Test (DSST).~~**

1 CHAPTER 511 ELIGIBILITY
2 SUBCHAPTER C EDUCATIONAL REQUIREMENTS
3 RULE §511.59 Definition of 120 150 Semester Hours to take the UCPAE

5 (a) To be eligible to take the UCPAE, an applicant must hold at a minimum a
6 baccalaureate degree, conferred by a board-recognized institution of higher education
7 as defined by §511.52 of this chapter (relating to Recognized Institutions of Higher
8 Education), and have completed the board-recognized coursework identified in this
9 section:

10 (1) no fewer than 21 30 semester hours or quarter-hour equivalents of upper level
11 accounting courses as defined by §511.57 of this chapter (relating to Qualified
12 Accounting Courses) or §511.60 of this chapter (relating to Qualified Accounting
13 Courses Prior to January 1, 2024 to take the UCPAE);

14 (2) no fewer than 24 semester hours or quarter-hour equivalents of upper level related
15 business courses, as defined by §511.58 of this chapter (relating to Definitions of
16 Related Business Subjects to take the UCPAE and Ethics Courses); and

17 ~~(3) a 3-semester-hour board-approved ethics course as defined by §511.58 of this~~
18 ~~chapter; and~~

19 (3) (4) academic coursework at an institution of higher education as defined by
20 §511.52 of this chapter, when combined with paragraphs (1) – (2) (3) of this subsection
21 meets or exceeds 120 150 semester hours. A maximum of 3 9 total semester-credit
22 hours of undergraduate or graduate independent study courses internships, as defined
23 in §511.51(b)(4) or §511.51(b)(5) of this chapter (relating to Educational Definitions)
24 respectively, may be considered as academic coursework to meet this paragraph. The

25 120 semester hours are subject to the following:

26 (A) A maximum of three semester credit hours of undergraduate or graduate
27 independent study courses;

28 (B) A maximum of three semester credit hours of business course internships
29 subject to paragraph (2) of this subsection;

30 (C) Independent study courses and internships, as defined in §511.51(b)(4) or
31 §511.51(b)(5) of this chapter (relating to Educational Definitions); and

1 **(D) Accounting internships may not be used to meet the 120 semester credit**
2 **hours.**

3 ~~Of the 9 total semester credit hours of undergraduate or graduate independent study~~
4 ~~and/or internships courses, a maximum of 3 semester credit hours may apply to~~
5 ~~accounting content subject to paragraph (1) of this subsection and a maximum of 3~~
6 ~~semester credit hours may apply to business courses subject to paragraph (2) of this~~
7 ~~subsection. Semester credit hours may not be applied to both accounting content as~~
8 ~~found in paragraph (1) of this subsection and business courses as found in paragraph~~
9 ~~(2) of this subsection concurrently.~~

10 (b) An individual holding a baccalaureate degree conferred by a board-recognized
11 institution of higher education, as defined by §511.52 of this chapter, and who has not
12 completed the requirements of this section shall meet the requirements by taking
13 coursework in one of the following ways:

14 (1) complete upper level or graduate courses at a board recognized institution of
15 higher education as defined in §511.52 of this chapter that meets the requirements of
16 subsection (a)(1) – ~~(2)~~ ~~(3)~~ of this section; or

17 (2) enroll in a board recognized community college as defined in §511.54 of this
18 chapter (relating to Recognized Texas Community Colleges) and complete board
19 approved accounting or business courses that meet the requirements of subsection
20 (a)(1) – ~~(2)~~ ~~(3)~~ of this section. Only specified accounting and business courses that are
21 approved by the board will be accepted as not all courses offered at a community
22 college are accepted.

23 (c) The following courses, courses of study, certificates, and programs may not be used
24 to meet the ~~120-semester~~ ~~150-semester~~ hour requirement:

25 (1) any CPA review course offered by an institution of higher education or a proprietary
26 organization; and

27 (2) remedial or developmental courses offered at an educational institution.

28 **(3) Credits awarded for coursework taken through the following organizations**
29 **and shown on a transcript from an institution of higher education as referenced**
30 **in §511.52(b)(1)-(4) of this chapter (relating to Recognized Institutions of Higher**
31 **Education) may shall not be used to meet the requirements of this chapter.**

- 1 **(1) American College Education (ACE);**
- 2 **(2) Prior Learning Assessment (PLA);**
- 3 **(3) Defense Activity for Non-Traditional Education Support (DANTES); and**
- 4 **(4) Defense Subject Standardized Test (DSST).**
- 5 (d) The hours from a course that has been repeated will be counted only once toward
- 6 the required **120** **150** semester hours.

1 CHAPTER 511 ELIGIBILITY
2 SUBCHAPTER C EDUCATIONAL REQUIREMENTS
3 RULE §511.60 Qualified Accounting Courses Prior to January 1, 2024 to take
4 the UCPAE

6 (a) An applicant shall meet the board's accounting course requirements in one of the
7 following ways:

8 (1) Hold a baccalaureate or higher degree from a board-recognized institution of higher
9 education as defined by §511.52 of this chapter (relating to Recognized Institutions of
10 Higher Education) and present valid transcript(s) from board-recognized institution(s)
11 that show degree credit for no fewer than 21 30 semester credit hours of upper division
12 accounting courses as defined in subsection (e) of this section; or

13 (2) Hold a baccalaureate or higher degree from a board-recognized institution of higher
14 education as defined by §511.52 of this chapter, and after obtaining the degree,
15 complete the requisite 21 30 semester credit hours of upper division accounting
16 courses, as defined in subsection (e) of this section, from four-year degree granting
17 institutions, or accredited community colleges, provided that all such institutions are
18 recognized by the board as defined by §511.52 of this chapter, and that the accounting
19 programs offered at the community colleges are reviewed and accepted by the board.

20 (b) Credit for hours taken at board-recognized institutions of higher education using the
21 quarter system shall be counted as 2/3 of a semester credit hour for each hour of credit
22 received under the quarter system.

23 (c) The board will accept no fewer than 21 30 semester credit hours of accounting
24 courses from the courses listed in subsection (e)(1) - (15) of this section. The hours
25 from a course that has been repeated will be counted only once toward the required 21
26 30 semester hours. The courses must meet the board's standards by containing
27 sufficient business knowledge and application to be useful to candidates taking the
28 UCPAE. A board-recognized institution of higher education must have accepted the
29 courses for purposes of obtaining a baccalaureate degree or its equivalent, and they
30 must be shown on an official transcript.

31 (d) A non-traditionally-delivered course meeting the requirements of this section must
32 have been reviewed and approved through a formal, institutional faculty review process
33 that evaluates the course and its learning outcomes and determines that the course

1 does, in fact, have equivalent learning outcomes to an equivalent, traditionally delivered
2 course.

3 (e) The subject-matter content should be derived from the UCPAE Blueprints and cover
4 some or all of the following:

5 (1) financial accounting and reporting for business organizations that may include:

6 (A) up to nine semester credit hours of intermediate accounting;

7 (B) advanced accounting; or

8 (C) accounting theory;

9 (2) managerial or cost accounting (excluding introductory level courses);

10 (3) auditing and attestation services;

11 (4) internal accounting control and risk assessment;

12 (5) financial statement analysis;

13 (6) accounting research and analysis;

14 (7) up to 12 semester credit hours of taxation (including tax research and analysis);

15 (8) financial accounting and reporting for governmental and/or other nonprofit entities;

16 (9) up to 12 semester credit hours of accounting information systems, including
17 management information systems ("MIS"), provided the MIS courses are listed or cross-
18 listed as accounting courses, and the institution of higher education accepts these
19 courses as satisfying the accounting course requirements for graduation with a degree
20 in accounting;

21 (10) up to 12 semester credit hours of accounting data analytics, provided the
22 institution of higher education accepts these courses as satisfying the accounting
23 course requirements for graduation with a degree in accounting (while data analytics
24 tools may be taught in the courses, application of the tools should be the primary
25 objective of the courses);

26 (11) fraud examination;

27 (12) international accounting and financial reporting;

28 ~~(13) an accounting internship program (not to exceed three semester credit hours)~~
29 ~~which meets the following requirements:~~

30 ~~—(A) the accounting knowledge gained is equal to or greater than the knowledge~~
31 ~~gained in a traditional accounting classroom setting;~~

1 ~~—(B) the employing firm provides the faculty coordinator and the student with the~~
2 ~~objectives to be met during the internship;~~

3 ~~—(C) the internship plan is approved in advance by the faculty coordinator;~~

4 ~~—(D) the employing firm provides significant accounting work experience with adequate~~
5 ~~training and supervision of the work performed by the student;~~

6 ~~—(E) the employing firm provides an evaluation of the student at the conclusion of the~~
7 ~~internship, provides a letter describing the duties performed and the supervision to the~~
8 ~~student, and provides a copy of the documentation to the faculty coordinator and the~~
9 ~~student;~~

10 ~~—(F) the student keeps a diary comprising a chronological list of all work experience~~
11 ~~gained in the internship;~~

12 ~~—(G) the student writes a paper demonstrating the knowledge gained in the internship;~~

13 ~~—(H) the student and/or faculty coordinator provides evidence of all items upon request~~
14 ~~by the board;~~

15 ~~—(I) the internship course shall not be taken until a minimum of 12 semester credit~~
16 ~~hours of upper division accounting course work has been completed; and~~

17 ~~—(J) the internship course shall be the equivalent of a traditional course;~~

18 **(13)** **(14)** at its discretion, the board may accept up to three semester credit hours of
19 accounting course work with substantial merit in the context of a career in public
20 accounting, provided the course work is predominantly accounting or auditing in nature
21 but not included in paragraphs (1) - (12) of this subsection (for any course submitted
22 under this provision, the Accounting Faculty Head or Chair must affirm to the board in
23 writing the course's merit and content); and

24 **(14)** **(15)** at its discretion, the board may accept up to three semester credit hours of
25 independent study in accounting selected or designed by the student under faculty
26 supervision (the curriculum for the course shall not repeat the curriculum of another
27 accounting course that the student has completed).

28 (f) The board requires that a minimum of two semester credit hours in research and
29 analysis relevant to the course content described in subsection (e)(6) or (7) of this
30 section be completed. The semester credit hours may be obtained through a discrete
31 course or offered through an integrated approach. If the course content is offered

1 through integration, the institution of higher education must advise the board of the
2 course(s) that contain the research and analysis content.

3 (g) The following types of introductory courses do not meet the accounting course
4 definition in subsection (e) of this section:

- 5 (1) elementary accounting;
- 6 (2) principles of accounting;
- 7 (3) financial and managerial accounting;
- 8 (4) introductory accounting courses; and
- 9 (5) accounting software courses.

10 (h) Any CPA review course offered by an institution of higher education or a proprietary
11 organization shall not be used to meet the accounting course definition.

12 (i) CPE courses shall not be used to meet the accounting course definition.

13 ~~(j) An ethics course required in §511.58(d) of this chapter (relating to Definitions of~~
14 ~~Related Business Subjects and Ethics Courses) shall not be used to meet the~~
15 ~~accounting course definition in subsection (e) of this section.~~

16 ~~(i)~~ ~~(k)~~ Accounting courses completed through an extension school of a board
17 recognized educational institution may be accepted by the board provided that the
18 courses are accepted for a business baccalaureate or higher degree conferred by that
19 educational institution.

20 **(k) Credits awarded for coursework taken through the following organizations**
21 **and shown on a transcript from an institution of higher education as referenced**
22 **in §511.52(b)(1)-(4) of this chapter (relating to Recognized Institutions of Higher**
23 **Education) may shall not be used to meet the requirements of this chapter.**

24 **(1) American College Education (ACE);**

25 **(2) Prior Learning Assessment (PLA);**

26 **(3) Defense Activity for Non-Traditional Education Support (DANTES); and**

27 **(4) Defense Subject Standardized Test (DSST).**

1 CHAPTER 511 ELIGIBILITY
2 SUBCHAPTER H CERTIFICATION
3 RULE §511.161 Qualifications for Issuance of a Certificate

4
5 The certificate of a CPA shall be granted by the board to an applicant who qualifies
6 under the current Act and has met the following qualifications:

7 (1) successfully completed the UCPAE;

8 (2) met the education requirements **in §511.56 of this chapter (relating to**

9 **Educational Qualifications under the Act)**;

10 **(3) successfully completed a 3-semester hour board-approved ethics course as**
11 **defined by §511.164 of this chapter (relating to Definition of 150 Semester Hours**
12 **to Qualify for Issuance of a Certificate)**;

13 **(4)** ~~(3)~~ submitted an application prescribed by the board;

14 **(5)** ~~(4)~~ submitted the requisite fee, set by the board, for issuance of the certificate;

15 **(6)** ~~(5)~~ provided evidence of a lack of a history of dishonest or felonious acts or any
16 criminal activity that might be relevant to the applicant's qualifications;

17 **(7)** ~~(6)~~ completed the fingerprint process that accesses the Federal Bureau of
18 Investigation (FBI) and the Texas Department of Public Safety - Crime records division
19 files;

20 **(8)** ~~(7)~~ submitted, on a form prescribed by the board, evidence of completion of the
21 work experience requirements commensurate with the education requirements;

22 **(9)** ~~(8)~~ executed an oath of office stating support of the Constitution of the United States
23 and of this state and the laws thereof, and compliance with the board's Rules of
24 Professional Conduct;

25 **(10)** ~~(9)~~ an applicant who has completed a board-approved ethics course more than
26 two years prior to the date of submitting an application for issuance of a CPA certificate
27 must complete a board-approved four-hour ethics course of comprehensive study on
28 the board's Rules of Professional Conduct;

29 **(11)** ~~(10)~~ successfully completed the examination on the board's Rules of Professional
30 Conduct; and

31 **(12)** ~~(11)~~ provided any other information requested by the board.
32

1 **CHAPTER 511** **ELIGIBILITY**
2 **SUBCHAPTER C** **EDUCATIONAL REQUIREMENTS**
3 **RULE §511.164** **Definition of 150 Semester Hours to Qualify for Issuance of**
4 **a Certificate**

6 **(a) To qualify for the issuance of a CPA certificate, an applicant must hold at a**
7 **minimum a baccalaureate degree, conferred by a board-recognized institution of**
8 **higher education as defined by §511.52 of this chapter (relating to Recognized**
9 **Institutions of Higher Education), and have completed the board-recognized**
10 **coursework identified in this section:**

11 **(1) no fewer than 21 semester hours or quarter-hour equivalents of upper level**
12 **accounting courses as defined by §511.57 of this chapter (relating to Qualified**
13 **Accounting Courses to take the UCPAE) or §511.60 of this chapter (relating to**
14 **Qualified Accounting Courses Prior to January 1, 2024 to take the UCPAE);**

15 **(2) no fewer than 24 semester hours or quarter-hour equivalents of upper level**
16 **related business courses, as defined by §511.58 of this chapter (relating to**
17 **Definitions of Related Business Subjects to take the UCPAE);**

18 **(3) a 3-semester-hour board-approved standalone course in accounting or**
19 **business ethics. The course must be taken at a recognized educational institution**
20 **and should provide students with a framework of ethical reasoning, professional**
21 **values, and attitudes for exercising professional skepticism and other behavior in**
22 **the best interest of the public and profession. The ethics course shall:**

23 **(i) include the ethics rules of the AICPA, the SEC, and the board;**

24 **(ii) provide a foundation for ethical reasoning, including the core values of**
25 **integrity, objectivity, and independence; and**

26 **(iii) be taught by an instructor who has not been disciplined by the board for a**
27 **violation of the board's rules of professional conduct, unless that violation has**
28 **been waived by the board; and**

29 **(4) academic coursework at an institution of higher education as defined by**
30 **§511.52 of this chapter, when combined with paragraphs (1) – (3) of this**
31 **subsection meets or exceeds 150 semester hours, of which 120 semester hours**
32 **meets the education requirements defined by §511.59 of this chapter (relating to**
33 **Definition of 120 Semester Hours to take the UCPAE).**

1 (b) The following courses, courses of study, certificates, and programs may not
2 be used to meet the 150-semester hour requirement:
3 (1) any CPA review course offered by an institution of higher education or a
4 proprietary organization; and
5 (2) remedial or developmental courses offered at an educational institution.
6 (3) Credits awarded for coursework taken through the following organizations
7 and shown on a transcript from an institution of higher education as referenced
8 in §511.52(b)(1)-(4) of this chapter (relating to Recognized Institutions of Higher
9 Education) may shall not be used to meet the requirements of this chapter.
10 (1) American College Education (ACE);
11 (2) Prior Learning Assessment (PLA);
12 (3) Defense Activity for Non-Traditional Education Support (DANTES); and
13 (4) Defense Subject Standardized Test (DSST).
14 (c) The hours from a course that has been repeated will be counted only once
15 toward the required semester hours.

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- C. Discussion, consideration, and possible action concerning the filing of the application of intent to take the UCPAE. *511.22 – Initial Filing of the Application of Intent*, and *521.12 - Filing Fee*.

DISCUSSION: Some of the exam candidates who have already filed an application of intent to take the UCPAE, (approximately 2,000 pending), may prefer to take the exam upon completion of 120 semester hours. Beginning September 1, 2023 we anticipate them becoming eligible.

Staff intends to advise the candidates of the change in the law effective September 1, 2023 upon the passage of SB 159. Should they elect to do so they may withdraw their pending application of intent and reapply on or after September 1, 2023 in order to take advantage of the revisions to the *Act* to sit with 120 hours.

Current Board *Rules* state that the \$20 application of intent fee is non-refundable. If the Board wishes to waive the fee for those choosing to withdraw their application so that they can sit at 120 hours Board *Rule 511.22* would need to be revised.

The Rules Committee will be advised of the recommendation of the Qualifications Committee following its meeting scheduled for April 28, 2023.

RECOMMENDATION: None by staff at this time. If the Board feels comfortable with waiving the \$20 application fee to sit for the exam staff would recommend the rule change provided below.

SUGGESTED MOTION: None by staff at this time.

1 CHAPTER 511 ELIGIBILITY
2 SUBCHAPTER B CERTIFICATION BY EXAMINATION
3 RULE §511.22 Initial Filing of the Application of Intent

4
5 (a) The initial filing of the application of intent shall be made on forms prescribed by the
6 board and shall also be in compliance with board rules and with all applicable laws. The
7 application of intent may be submitted at any time and will be used to determine
8 compliance and eligibility for an applicant to take the UCPAE. The application of intent
9 will remain active until:

10 (1) an applicant takes at least one section of the UCPAE within two years from the
11 date of submission of the application; or

12 (2) the second anniversary of the submission of the application has lapsed.

13 (b) Each applicant who submits an application of intent to determine eligibility for the
14 UCPAE must pay a nonrefundable filing fee in accordance with §521.12 of this title
15 (relating to Filing Fee). **The filing fee shall be applied towards a reapplication of**
16 **intent to determine eligibility for the UCPAE for those applicants applying prior to**
17 **September 1, 2023 and reapplying following that date in order to qualify to take**
18 **the UCPAE with 120 hours of acceptable coursework.** An application of intent not
19 accompanied by the proper fee or required documents shall not be considered
20 complete. The withholding of information, a misrepresentation, or any untrue statement
21 on the application or supplemental documents will be cause for rejection of the
22 application.

23 (c) Each applicant must provide official educational documents to be used in
24 determining compliance with the applicable education requirements of the Act.

25 (d) Each applicant must comply with the board's fingerprinting process that accesses
26 the Federal Bureau of Investigation (FBI) database and the Texas Department of Public
27 Safety-Crime Records division files. This is necessary to ensure an applicant to take the
28 uniform CPA examination or to receive a certificate lacks a history of dishonest or
29 felonious acts and the board is aware of any criminal activity that might be relevant to
30 the applicant's qualifications to take the UCPAE.

1 (e) Each applicant will be notified when all requirements have been met to apply to take
2 the UCPAE, and with the notification, an examination application will be made available
3 to the applicant.

4 (f) Each applicant must provide a copy of the following documents:

5 (1) Unexpired driver's license issued by a state of the United States provided it
6 contains a photograph and information such as name, date of birth, sex, height, eye
7 color, and address; or an unexpired United States passport; and

8 (2) social security card. Such information shall be considered confidential and can only
9 be disclosed under the provisions of the Act.

10 (g) Applicants who are citizens of a foreign country and who cannot meet the
11 requirements of subsection (f) of this section shall comply by providing evidence of a
12 non-expired F-1 Visa issued to students attending a university or college. The board
13 may consider an F-1 Visa with a Certificate of Eligibility for Nonimmigrant Student
14 Status. Form I-20 shall be approved by the designated school official at the educational
15 institution where the applicant is currently attending.

16 (h) Applicants who cannot meet the requirements of subsection (f) or (g) of this section
17 may be eligible to take the UCPAE by providing evidence of both identity and
18 employment authorization by submitting a copy of one of the following unexpired
19 documents:

20 (1) An Alien Registration Receipt Card or Permanent Resident Card (Form I-551); or

21 (2) A foreign passport that contains a temporary I-551 stamp, or temporary I-551
22 printed notation on a machine-readable immigrant visa; or

23 (3) An Employment Authorization Document which contains a photograph (Form I-
24 766).

25 (i) Applicants who do not have or do not submit a social security card will be required to
26 pay an additional fee to NASBA each time they make application for the UCPAE to
27 verify their legal entry into the U.S.

1 CHAPTER 521 FEE SCHEDULE
2 RULE §521.12 Filing Fee

- 3
4 (a) The filing fee for the initial filing of the application of intent to take the UCPAE will be
5 established by the board. This is a non-refundable fee.
6 (b) A military service member or military veteran, who qualifies to take the UCPAE, is
7 exempt from the initial filing of the application of intent fee.
8 (c) A military service member, military veteran, or military spouse who holds a current
9 license by a substantially equivalent jurisdiction is exempt from the initial filing fee.
10 (d) The exemption from the initial filing fee must be evidenced by an active ID,
11 dependent ID, state-issued driver's license with a veteran designation or DD214.

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- D. Discussion, consideration, and possible action concerning Board *Rule 511.122* (*Acceptable Work Experience*).

DISCUSSION: The Qualifications Committee believes the CPA candidate should be permitted to apply the internship earned toward the work experience requirement as well as the 21 hours required to be eligible to take the UCPAE.

RECOMMENDATION: The committee recommends to the Board that it authorize the executive director to publish the revision as proposed in the *Texas Register* for public comment.

SUGGESTED MOTION: That the committee recommend that the Board authorize the executive director to publish the proposed revision in the *Texas Register* for public comment as proposed.

1 CHAPTER 511 ELIGIBILITY
2 SUBCHAPTER F EXPERIENCE REQUIREMENTS
3 RULE §511.122 Acceptable Work Experience
4

5 (a) Work experience shall be gained under the supervision of CPAs who are currently
6 licensed and in good standing with this board or with another state board of
7 accountancy as defined in §511.124 of this chapter (relating to Acceptable Supervision),
8 and who is experienced in the non-routine accounting area assigned to the applicant.

9 (b) Non-routine accounting involves attest services as defined in §501.52(4) of this title
10 (relating to Definitions), or professional accounting services or professional accounting
11 work as defined in §501.52(22) of this title, and the use of independent judgment,
12 applying professional accounting knowledge and skills to select, correct, organize,
13 interpret, and present real-world data as accounting entries, reports, statements, and
14 analyses extending over a diverse range of tax, accounting, assurance, and control
15 situations.

16 (c) Acceptable work experience shall be gained in the following categories or in any
17 combination of these:

18 (1) Client practice of public accountancy. All client practice of public accountancy
19 experience shall be of a non-routine accounting nature which continually requires
20 independent thought and judgment on important accounting matters and the applicant is
21 supervised, evaluated and reviewed by a CPA who is currently licensed and in good
22 standing in a properly licensed CPA firm that is in good standing with the firm's licensing
23 board.

24 (2) Unlicensed business entity. Work experience gained in an unlicensed business
25 entity shall be of a non-routine accounting nature which continually requires
26 independent thought and judgment on important accounting matters and the applicant is
27 supervised, evaluated and reviewed by a CPA who is currently licensed and in good
28 standing. Unlicensed business entity experience may include, but is not limited to:

- 29 (A) providing management or financial advisory or consulting services;
- 30 (B) preparing tax returns;
- 31 (C) providing advice in tax matters;
- 32 (D) providing forensic accounting services;

1 (E) providing internal auditing services; and
2 (F) business valuation services.

3 (3) Industry practice. All work experience gained in industry shall be internal to the
4 organization and of a non-routine accounting nature which continually requires
5 independent thought and judgment on important accounting matters and may include:
6 providing management or financial advisory internal services; preparing tax returns;
7 providing advice in tax matters; providing forensic accounting services; and providing
8 internal auditing services.

9 (A) Examples of industries may include, but are not limited to:

- 10 (i) commercial business enterprise;
- 11 (ii) non-profit/charitable organization;
- 12 (iii) financial institution; and
- 13 (iv) health care entity.

14 (B) Acceptable industry work experience positions may include, but are not limited to:

- 15 (i) internal auditor;
- 16 (ii) staff, senior, fund or tax accountant;
- 17 (iii) accounting, financial or accounting systems analyst; and
- 18 (iv) controller.

19 (4) Government practice. All work experience gained in government shall be of a non-
20 routine accounting nature which continually requires independent thought and judgment
21 on important accounting matters and which meets the criteria in subparagraphs (A) - (E)
22 of this paragraph. The board will review on a case-by-case basis experience which does
23 not clearly meet the criteria identified in subparagraphs (A) - (E) of this paragraph.

24 Acceptable government work experience includes, but is not limited to:

25 (A) employment in state government as an accountant or auditor at Salary
26 Classification B14 or above, or a comparable rating;

27 (B) employment in federal government as an accountant, auditor or IRS revenue
28 agent;

29 (C) employment as a special agent accountant with the Federal Bureau of
30 Investigation or equivalent position at a governmental entity;

1 (D) military service, as an accountant or auditor as a Second Lieutenant or above;
2 and

3 (E) employment with other governmental entities as an accountant or auditor.

4 (5) Law firm practice. All work experience gained in a law firm shall be of a non-routine
5 accounting nature which continually requires independent thought and judgment on
6 important accounting matters comparable to the experience ordinarily found in a CPA
7 firm, shall be under the supervision of a CPA or an attorney, and shall be in one or more
8 of the following areas:

9 (A) tax-planning, compliance and litigation; and

10 (B) estate planning.

11 (6) Education.

12 (A) Internal work experience gained at an educational institution shall be of a non-
13 routine accounting nature which continually requires independent thought and judgment
14 on important accounting matters and may include: providing management or financial
15 advisory internal services; preparing tax returns; providing advice in tax matters;
16 providing forensic accounting services; and providing internal auditing services without
17 an opinion.

18 (B) Work experience gained as an instructor at an educational institution may qualify
19 if evidence is presented showing independent thought and judgment was used on non-
20 routine accounting matters. Only the teaching of upper division courses on a full-time
21 basis may be considered. All experience shall be supervised by the department chair or
22 a faculty member who is a CPA.

23 (7) Internship. The board will consider, on a case-by-case basis, experience acquired
24 through an approved accounting internship program, provided that the experience was
25 non-routine accounting as defined by subsection (b) of this section. ~~If an accounting
26 internship course is counted toward fulfilling the education requirement to take the
27 UCPAE, the internship may not be used to fulfill the work experience requirement.~~

28 (8) Other. Work experience gained in other positions may be approved by the board as
29 experience comparable to that gained in the practice of public accountancy under the
30 supervision of a CPA upon certification by the person or persons supervising the

- 1 applicant that the experience was of a non-routine accounting nature which continually
- 2 required independent thought and judgment on important accounting matters.
- 3 (9) Self-employment may not be used to satisfy the work experience requirement
- 4 unless approved by the board.

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E. Schedule next meeting.