ePay Saves Time, Makes Eligibility Application Process More Efficient

Filing your Eligibility Application and paying fees just got easier with the introduction of the ePay system. By paying fees online with a credit card rather than going through a paper process, applicants avoid the delays inherent in the mail and check deposit process and cut about a week off the time it takes to complete the application, which can be important in scheduling your exam.

"When applicants use the online application, they can expect to get approval in 24 to 48 hours," says Qualifications Director **Donna Hiller.** Applicants can use MasterCard, Discover, American Express, or Visa to pay; print a receipt; and track the progress of the application online. Since launching the ePay system in May, the Board has seen a steady increase in its use, with 45% of the applications filed in July being submitted online. Although there is a cost to the Board for offering the ePay option, that cost is not passed on to the applicant because offering this option is important in streamlining the process for both the Board and the applicant.

The Eligibility Application is the logical second step in the examination process after approval of the Application of Intent, which the Board uses to evaluate education and character. With the Eligibility Application, candidates indicate which section or sections of the exam they wish to take within a particular two-month testing window. Since the launch of computer-based testing, candidates have been able to take 1, 2, 3, or all 4 sections of the exam during a testing window, but they have only 90 days in which to take all of the sections for which they have enrolled.

Once the Board approves an Eligibility Application, information is sent electronically to the National Association of State Boards of Accountancy (NASBA), which then sends the applicant an exam fee payment coupon for the section or sections requested. NASBA establishes fees for exam sections based on the computer time that must be allotted for each exam section, so fees vary somewhat (see chart below). When NASBA receives payment, they send the candidate a Notice to Schedule, and from there the candidate can proceed to schedule (by phone or online) the time, date, and location for the exam at a convenient Prometric testing center.

To use the electronic filing system, go to www.tsbpa.state.tx.us, click on "Check Your Status," and then on "CBT Eligibility Application." Step-by-step instructions will walk you through the process.

NASBA Sets New Fees for Testing

AUD	Auditing & Attestation	$187.00
BEC	Business Environment & Concepts	$140.78
FAR	Financial Accounting & Reporting	$175.44
REG	Regulation	$152.33

Focus Groups Are Part of Effort to Improve Diagnostic Reports

Computer-based testing (CBT) has been a reality for well over two years now, but the American Institute of CPAs (AICPA) continues to work at improving an already high-quality product. One area to which it has turned its attention is the diagnostic reports (also called performance reports) that go out to each candidate who tests.

The objective in providing reports for each section of the exam is to give information useful to the candidate in preparing to retake the section and, for those who passed, to identify areas in which the candidate can improve so that he or she might aim future Continuing Professional Education efforts in that direction.

The report format currently in use was developed prior to the launch of the computer-based exam, and feedback has suggested that it is not as helpful as it could be, so AICPA has been working to develop a format that is both beneficial and logical. To find a more user-friendly format, it has held focus groups over the past several months in Houston, St. Louis, and Boston. Focus group participants have included a mix of current candidates, those who have passed the exam within the past 5 years, and seasoned practitioners who work with entry-level accountants.

Examination developers have looked at over 30 sample materials from other testing programs and talked to prior candidates in its effort to develop a report format that is easy to interpret and useful as a study guide for retesting. Exam providers utilized various research methods, such as field test research, performance data and input from boards of accountancy, practitioners, and the academic community, in order to have a solid basis for making changes that were beneficial to candidates.

This research effort is being undertaken so that examination developers can identify the best combination of both substance and form: They hope to learn both what kind of information is useful and what form of presentation is most easily understood so that the information can be put to good use.

Diagnostic reports compare a candidate's performance in each content area of the exam with that of passing candidates. Beginning with the October-November testing window, candidates will be provided performance reports along with scores. Efforts are underway to also make performance reports available on the Board's website.

Upgrades to Examination Software Improve Simulation Functionality

Candidates taking the CPA examination need to have basic computer skills, with knowledge of basic spreadsheet and word processing functions. For a demonstration of exam software, go to www.cpa-exam.org and review the tutorial, then take the sample tests.

In order to respond to examination questions, candidates may need to (1) select a response from available options by clicking on a button; (2) perform standard financial calculations, utilizing a spreadsheet or four-function online calculator; (3) use an authoritative literature search in the research portion of simulations; (4) copy text; (5) use scrollbars; (6) split the screen; (7) resize windows.

One significant change since the launch of the computer-based exam is an improvement in the simulation functionality to make navigation within simulations more intuitive. Simulation version 1.5 replaces the copy-and-paste functions in authoritative literature with a new one-step text transfer process, provides a "back" button, and includes several other changes that simplify the process and address concerns from earlier candidates.

• "Transfer to Answer Option." This function allows candidates to move highlighted text into the response areas simply by clicking a button. This option will exist only within authoritative literature; copy and paste functions will remain active in other simulation tabs.

• Split Screens. The split-screen options allow candidates to split a screen either vertically or horizontally and still have access to all other tabs; however, candidates will not be able to view the same tab in both windows at the same time. This function is needed in authoritative literature tasks so the research tab is displayed in one window and the standards or code tab is displayed in the other.

• Other Improvements: (1) a "back" button available in authoritative literature; (2) new "help" screens with more detailed information about examination features and functions; and (3) in written communication, a line showing candidates exactly where to position the cursor.

Ethics Course a Must for CPA Exam Candidates

Board *Rule* 511.58(c) requires candidates who graduated from college after July 1, 2005, to have taken an approved three-hour ethics class to qualify to take the CPA examination. Those who graduated before that date can test without having taken such a course, but they have to complete the course to become certified.

Until recently these courses were required to be traditional, on-campus, classroom courses, with the instructor present in order to gain Board approval, but after a successful pilot project, the Board has approved the concept of delivery by distance learning for courses that meet appropriate Board guidelines. In July, the Board notified Texas colleges and universities of its decision to consider courses delivered by nontraditional methods and advised them of the requirements that would have to be met for Board consideration.

Delivery options include interactive web-based applications, live video streaming, and interactive video conferencing. In addition, the Board approved several delivery methods to be used with a *blended curriculum* encompassing one or more delivery modes. A blended curriculum would include a minimum of 51% class time in a traditional setting and 49% in a nontraditional mode.

A Board-approved distance-learning course must meet a number of other standards in addition to those required of courses presented in a traditional setting. These include also being offered in a traditional on-campus setting with the same faculty members teaching both courses; adhering to the same academic rigor as the classroom course; covering the same topics as the traditional course; and having at least two monitored tests/assignments to determine a student's grade.

On the Educator's Page of the Board's website, www.tsbpa.state.tx.us, is a list of traditional classroom courses that have already secured Board approval, as well as a distance-learning matrix and other information colleges and universities will use to construct proposals seeking Board approval for courses offered in a distance-learning platform. Distance-learning ethics courses will be approved initially for 18 months.

Exam candidates should consult the Board list before enrolling in an ethics course, but note that courses listed under the heading "List of Board Approved Ethics Courses" are continuing education courses for CPAs already licensed, not qualifying courses for the exam.

Exam FAQs

Q

What do I do if I arrive at the Prometric site at the designated time for my exam and find that, for some reason (flooding, broken AC, power outage, etc.), it is closed?

A

Contact the Qualifications Division of the Board and explain what happened. They will contact NASBA to initiate the rescheduling process. It is important that the Board be your first point of contact when you encounter a problem.

Q

What if the computer crashes in the middle of my exam?

A

In the best-case scenario, Prometric can resolve the problem onsite with minimal disruption of your exam. However, if that is not possible, again the appropriate course is to contact the Qualifications Division of the Board and explain what happened.

Q

What computer skills will I need to complete the exam?

A

You will need basic skills like the ability to use a mouse and keyboard and perform basic spreadsheet and word processing functions. You must also use an online four-function calculator.

Q

Will I be using Word and Excel to take the exam?

A

No, the examination uses applications that are similar but not identical to Word and Excel. For a demonstration of the exam software, review the tutorial and sample tests on the exam website: www.cpa-exam.org. The tutorial demonstrates the kind of questions on the exam and the tools and other resources you will have to work with, as well as how to navigate through the exam. Sample tests provide a preview of the real exam experience.

Q

What does the exam consist of?

A

The exam consists of objective questions and case studies (simulations) that test the knowledge and skills required of entry-level CPAs.

Q

Where does written communication figure into the exam?

A

A case study simulation may require the candidate to draft an appropriate "constructed response" relating to the situation. That response, which might be a letter or memo, will be graded for organization, development, and expression. For more information, see www.cpa-exam.org.

Q

What kind of work experience fulfills the one-year requirement for certification?

A

Qualifying work experience is nonroutine entry-level accounting work performed under direct supervision of a licensed CPA.

Two Texans Among 2005 Sells Award Recipients

William Harris Leder of Sugar Land and **Mark Raymond Danielson Jr**. of Richardson were among the 10 candidates named recipients of 2005 Elijah Watt Sells Awards by the American Institute of CPAs (AICPA). AICPA began its Sells Award program in 1923 to honor Elijah Watt Sells, a founding partner in Haskins & Sells, a predecessor to Deloitte & Touche. In 1896, Sells was one of the first to qualify as a CPA in the state of New York, and he was instrumental in the creation of AICPA.

The Award has changed over the years from a single award given to the candidate who received the highest combined scores in passing all four sections of the Uniform CPA Examination to a medal program that recognized the top two, and later, the top three, scorers.

In its present form, the program awards plaques to the 10 candidates with the highest combined scores in a given year. Candidates who pass sections of the exam in two different calendar years are considered in the year they complete testing. Award winners have to pass each section of the exam on their first try. Historically, Texas candidates have been frequent award recipients. They receive recognition during the Board's swearing-in ceremonies.

Latisha Flowers Receives Accounting Scholarship

The National Conference of CPA Practitioners and the American Institute of CPAs has awarded one of twelve $1,000 scholarships to Texan **Latisha Flowers,** a graduate of Trenton High School. She will major in accounting at Texas A&M, Commerce.

Uniform CPA Examination Passing Rates by Section

In general, candidates have performed better on the computerized CPA exam than on the earlier paper and pencil version, presumably because the computer-based exam does not have to be taken all at one time. Below are results from recent testing windows.

	July-Aug. 2005	Oct.-Nov. 2005	Jan.-Feb. 2006	Apr.-May 2006	Cumulative % Passing 4/04 thru 6/06
AUD	44.92%	42.94%	46.4%	50.8%	45.78%
BEC	48.57%	41.82%	41.8%	51.6%	46.34%
FAR	48.05%	42.17%	47.8%	49.5%	46.30%
REG	43.47%	39.93%	47.7%	50.1%	44.39%

TSBPA and AICPA Websites Offer Help for Candidates

No matter what you want to know about the examination and licensing process, the answers can more than likely be found on either the TSBPA website, www.tsbpa.state.tx.us, or the AICPA's exam website, www.cpa-exam.org.
Here's a sample of what you can learn online from the Board:

- The steps to the application and examination process
- What to expect at the testing center
- What you can bring to the testing center
- What is involved in the Board's criminal background check

Also available are brochures that cover many aspects of the process in detail. These may be downloaded and printed out, or you may request hard copies from the Board. The topics covered include the following:

- Application of Intent Process
- Eligibility Application Process
- Transfer of Credit Process
- Exam Process
- Testing Accommodation Process
- FAQs Regarding the Uniform CPA Examination
- Test Tips for Candidates
- Tips for Taking the Exam
- Board-Approved Ethics Courses
- Requirements for Taking the Exam

Among the many topics covered on the AICPA's exam website are these:
- How to prepare for the examination
- Tutorials and sample tests
- Explanation of how the exam is structured
- Information on how the exam is scored
- What you need to know to prepare for the exam.

Because rules and requirements change often, these websites are your best source for up-to-date information. Preparation is the key to success in the application and examination process.