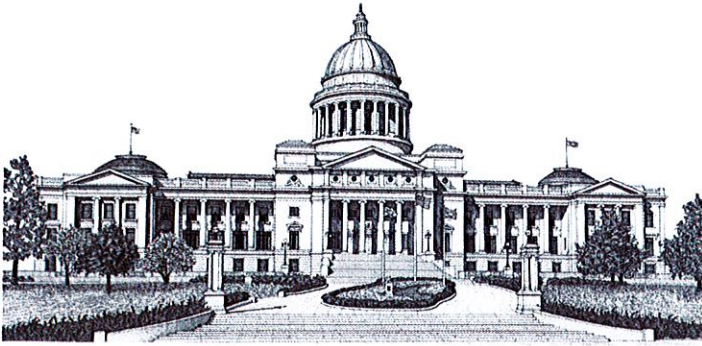


ARKANSAS REGISTER

Transmittal Sheet

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For Office

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Effective Date _____ Code Number _____

Name of Agency Arkansas Department of Labor and Licensing

Department Arkansas State Board of Public Accountancy

Contact Tim Montgomery E-mail tim.montgomery@arkansas.gov Phone 501.682.5533

Statutory Authority for Promulgating Rules A.C.A. 17-12-101, -102, -201

Rule Title: CPA Exam test section structure and credit window

Intended Effective Date

(Check One)

☐ Emergency (ACA 25-15-204)

☒ 10 Days After Filing (ACA 25-15-204)

☐ Other _____
(Must be more than 10 days after filing date.)

Legal Notice Published

Final Date for Public Comment

Reviewed by Legislative Council

Adopted by State Agency

Date

08/27/2023

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06/16/2023

Electronic Copy of Rule e-mailed from: (Required under ACA 25-15-218)

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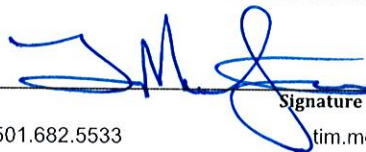
Contact Person

E-mail Address

Date

CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted
In Compliance with the Arkansas Administrative Act. (ACA 25-15-201 et. seq.)



Signature

501.682.5533

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E-mail Address

Executive Director

Title

02/01/2024

Date

RULE 3 EXAMINATIONS

3.1 SEMESTER HOUR; ACCREDITED COLLEGES, UNIVERSITIES, SCHOOLS AND PROGRAMS; CREDIT FOR COURSES

- (a) As used in these Rules, a "semester hour" means the conventional college semester hour. Quarter hours may be converted to semester hours by multiplying them by two-thirds.
- (b) As used in these Rules, "accreditation" refers to the process of quality control of the education process.

The applicant's degree must have been granted by a four-year degree-granting college or university that is accredited by one or more recognized accrediting agencies (including their predecessor or successor agencies). The Board recognizes the following six (6) accrediting agencies.

Middle States Commission on Higher Education;
New England Commission of Higher Education ;
Higher Learning Commission;
Northwest Commission on Colleges and Universities;
Southern Association of Colleges and Schools Commission on Colleges; and the WASC Senior College and University Commission.

Colleges and Universities accredited by these associations are listed on the Council of Higher Education Accreditation's website.

- (c) A candidate is considered as graduating from an accredited educational institution if at the time the educational institution grants the applicant's degree, it is accredited at the appropriate level as outlined in these Rules.
- (d) If an educational institution was not accredited at the time an applicant's degree was received but is so accredited at the time the application is filed with the Board, the institution will be deemed to be accredited for the purpose of subsection (c), provided;
 - (1) the educational institution certifies that the applicant's total educational program would qualify the applicant for graduation with a baccalaureate degree during the time the institution has been accredited; and
 - (2) the educational institution furnishes the Board satisfactory proof, including college catalogue course numbers and descriptions, that the pre-accrediting courses used to qualify the applicant as an accounting major are substantially equivalent to post-accrediting courses, and
 - (3) the applicant has met the educational requirements outlined in Section 3.2.
- (e) If an applicant's degree was received at an accredited educational institution pursuant to subsection (c) or (d), but the educational program which was used to qualify the applicant as an accounting major included courses taken at non-accredited institutions, either before or after graduation, such courses will be deemed to have been taken at the accredited institution from which applicant's degree was received, provided the accredited institution either -
 - (1) has accepted such courses by including them in its official transcript; or
 - (2) has certified to the Board that it will accept such courses for credit toward graduation.

- (f) A graduate of a four-year degree-granting college or university not accredited at the time applicant's degree was received or at the time the application was filed will be deemed to be a graduate of an accredited educational institution if -
 - (1) a credentials evaluation service that is a member of the National Association of Credential Evaluation Services or one approved by the Board certifies that the applicant's degree is equivalent to a degree from an accredited educational institution defined in subsection (b); or
 - (2) (A) an accredited educational institution as defined by subsection (b) accepts applicant's non-accredited baccalaureate degree for admission to a graduate business degree program;
(B) the applicant satisfactorily completes at least fifteen semester hours, or the equivalent, in post-baccalaureate education at the accredited institution, of which at least nine semester hours, or the equivalent, shall be in accounting; and
(C) the accredited educational institution certifies that the applicant is in good standing for the continuation in the graduate program, or has maintained a grade point average in these courses that is necessary for graduation.
- (g) The advanced subjects completed to qualify under subsection (f)(2) may not be used to satisfy the requirements of section (h).
- (h) The accounting and business concentration or equivalent shall consist of the semester hours specified in Rule 3.2 below.

3.2 EDUCATION REQUIREMENT

- (a) An applicant will be deemed to have met the education requirement if the applicant has earned a graduate or an undergraduate degree, either of which includes at least 30 hours in business as listed in Section 3.2(c) and at least 30 upper-level or 20 graduate hours in accounting (or a combination thereof) as listed in Section 3.2(b), from a college or university that meets the criteria for accreditation defined in Section 3.1(b). Applicants must meet the accounting education requirements defined in Section 3.2(b) and the business education requirements defined in Section 3.2(d).
- (b) The accounting component of the applicant's educational program must include at least 30 semester credit hours (SCH) of undergraduate accounting courses above the principles level or 20 SCH of graduate-level accounting courses, or a combination thereof. The accounting component must include coverage of financial accounting, management accounting, governmental and not-for-profit accounting, federal taxation, auditing and attestation, and accounting information systems. The applicant must earn a grade of "C" or better in each course included in the accounting component.
- (c) The business component of the applicant's educational program must include at least 30 SCH of undergraduate courses in business, other than accounting, or 20 SCH of graduate business courses other than accounting (or a combination thereof). The applicant must earn a grade of "C" or better in each course included in the business component.
- (d) The Board recognizes the essential need to include coverage of ethics and written communication in the accounting component and, therefore, encourages institutions to integrate coverage of both topics appropriately in the accounting component.

- (e) Content areas specified in the accounting component may be covered in stand alone courses at some institutions or may be integrated or embedded within related courses at other institutions. Institutions that use an integrated approach that covers multiple subjects will be responsible for providing the Board with documentation to establish the courses within which each content area is covered.
- (f) Internship credit: The accounting or business component (but not both) may include a maximum of 3 SCH earned for an accounting internship. Internship credit may not be used to fulfill the subject matter requirements listed in 3.2(b). The business component may include a maximum of 3 SCH earned for a business internship, other than in accounting.
- (g) Independent study: The accounting or business component (but not both) may include a maximum of 3 SCH earned for an independent study. When appropriately documented by the institution, these hours may be used to fulfill part of the subject matter requirements listed in 3.2(b).

3.3 APPLICATIONS FOR EXAMINATION

- (a) Applications to take the Certified Public Accountant Examination must be made on a form provided by the Board and received by the Board on or before a date specified by the Board in the application form. See Rule 3.8
- (b) An application will not be considered filed until the applicable fees required by these Rules and all required supporting documents have been received, including proof of identity as determined by the Board, official transcripts, proof the educational requirement has been satisfied, and proof that the Candidate has received the applicable degree, or certification from the school on a form prescribed by the Board that the degree has, in fact, been earned, but will be conferred at a later date. In the case where the degree is to be conferred at a later date, the Applicant shall not be credited with any score(s) until the official transcript showing that the degree has been conferred is received by the Board. All transcripts and verification of receipt of degree must be sent from the appropriate school officials directly to the Board.
- (c) The candidate must cause official transcripts documenting the degree conferred to be received by the Board office within 30 days after the degree is conferred.
- (d) The Board or its designee will forward notification of eligibility for the computer-based examination to NASBA's National Candidate Database.

3.4 TIME AND PLACE OF EXAMINATION

A Notice to Schedule (NTS) will be sent to eligible candidates via the address indicated on the application form. The candidate will have six months from the date the NTS is issued to schedule and take the approved examination sections. Utilizing the NTS, candidates are required to contact the test delivery provider identified by the Board to schedule the time and place for the examination at an approved test site. If a candidate requires rescheduling, the candidate must contact the test delivery provider. Scheduling reexaminations must be made in accordance with Rule 3.7 below.

3.5 EXAMINATION CONTENT

The examination required by A.C.A. § 17-12-301 shall test the knowledge and skills required for performance as an entry-level certified public accountant. The examination shall include the subject areas of accounting and auditing and related knowledge and skills as the Board may require.

3.6 DETERMINING AND REPORTING EXAMINATION GRADES

A Candidate shall be required to pass all Test Sections of the Certified Public Accountant Examination in order to qualify for a certificate. The Candidate must attain the uniform passing grade established through a psychometrically acceptable standard-setting procedure and approved by the Board. Upon receipt of grades reported by the examination provider, the Board will review and may adopt the examination grades and will report the adopted grades to the qualified Candidate (one who has met all requirements of Rules 3.2 and 3.3 above).

3.7 RETAKE AND GRANTING OF CREDIT REQUIREMENTS

- (a) A Candidate shall be required to pass all Test Sections of the Certified Public Accountant Examination in order to qualify for a certificate. A Candidate may take the required Test Sections individually and in any order. Credit for any Test Section(s) passed shall be valid for thirty months from the date that the score was released, without having to attain a minimum score on any failed Test Section(s) and without regard to whether the Candidate has taken other Test Sections.
 - (1) Candidates must pass all three Core Test Sections and one of the three Discipline Test Sections of the Uniform CPA Examination within a rolling thirty-month period, which begins on the date that the score of the first Test Section(s) passed is released.
 - (2) Candidates cannot retake a failed Test Section(s) in the same examination window. An examination window refers to a three-month period in which Candidates have an opportunity to take the CPA examination (comprised of two months in which the examination is available to be taken and one month in which the examination will not be offered while routine maintenance is performed and the item bank is refreshed). Thus, Candidates will be able to test two out of the three months within an examination window.
 - (3) If the Board determines that the examination system changes necessary to eliminate the test window limitations have been implemented, subsection (2) will no longer be effective, and a candidate can retake a test section once their grade for any previous attempt of that same test section has been released.
 - (4) In the event that all three Core Test Sections and one of the Discipline Test sections of the Uniform CPA Examination are not passed within the rolling thirty-month period, credit for any Test Section(s) passed outside the thirty-month period will expire and that Test Section(s) must be retaken. If a Discipline Test section loses credit, then any one of the three Discipline Test sections may be taken.
- (b) The Board may, in particular cases, extend the term of conditional credit validity notwithstanding the requirements of subsection (a) upon a showing that the credit was lost by reason of circumstances beyond the Candidate's control.
- (c) A Candidate shall be deemed to have passed the Uniform CPA Examination once the Candidate holds at the same time official credit for passing all of the three Core Test Sections and one of the three Discipline Test sections of the examination.

3.8 CANDIDATE TESTING FEE

- (a) The Candidate shall, for each applicable Test Section pay to the Board or its designee fees charged by the AICPA, NASBA, and the Test Delivery Provider, as well as the application and section fees established by the State Board. The application and section fees are nonrefundable and nontransferable. The fees for AICPA, NASBA, and the Test Delivery Provider are collected by the Board and held for transfer to the entities. Those fees are nontransferable but may be partially refunded if extreme hardship precludes the applicant from scheduling or taking the exam. Extreme hardship is defined as medical emergency of candidate or candidate's immediate family, or death in immediate family.

Any other extreme hardship situation will be reviewed on a case-by-case basis by the Board. Documentation of such circumstances must be submitted along with written request as soon as possible, but no later than 30 days from the date the candidate was scheduled for the applicable section(s) or 30 days from the expiration of the NTS whichever occurs first. The fees to sit for the examination are enumerated in Rule 12.

- (b) A first-time applicant is defined as an applicant who has never sat for any section of the CPA examination as an Arkansas applicant, or has never received official scores as an Arkansas candidate.
- (c) A re-exam applicant is defined as an applicant taking any section of the CPA examination after sitting as a first-time Arkansas applicant.

3.9 CHEATING

- (a) Cheating by a Candidate in applying for, taking or subsequent to the examination will be deemed to invalidate any grade otherwise earned by a Candidate on any Test Section of the examination, and may warrant summary expulsion from the test site and disqualification from taking the examination for a specified period of time.
- (b) For purposes of this Rule, the following actions or attempted activities, among others, may be considered cheating:
 - (1) Falsifying or misrepresenting educational credentials or other information required for admission to the examination; 3rule
 - (2) Communication between Candidates inside or outside the test site or copying another Candidate's answers while the examination is in progress;
 - (3) Communication with others inside or outside the test site while the examination is in progress;
 - (4) Substitution of another person to sit in the test site in the stead of a Candidate;
 - (5) Reference to crib sheets, textbooks or other material or electronic media (other than that provided to the Candidate as part of the examination) inside or outside the test site while the examination is in progress.
 - (6) Violating the nondisclosure prohibitions of the examination or aiding or abetting another in doing so.
 - (7) Retaking or attempting to retake a Test Section by an individual holding a valid Certificate or by a Candidate who has unexpired credit for having already passed the same Test Section, unless the individual has been directed to retake a Test Section pursuant to Board order or unless the individual has been expressly authorized by the Board to participate in a "secret shopper" program.
- (c) In any case where it appears that cheating has occurred or is occurring, the Board or its representatives may either summarily expel the Candidate involved from the examination or move the Candidate to a position in the Test Center away from other examinees where the Candidate can be watched more closely.
- (d) In any case where the Board believes that it has evidence that a Candidate has cheated on the examination, including those cases where the Candidate has been expelled from the examination, the Board shall conduct an investigation and may conduct a hearing consistent with the requirements of the state's Administrative Procedures Act following the examination session for the purpose of determining whether or not there was cheating, and if so what remedy should be applied. In such proceedings, the Board shall decide:
 - (1) Whether the Candidate shall be given credit for any portion of the examination completed in that session; and
 - (2) Whether the Candidate shall be barred from taking the examination and if so, for what period of time.

- (e) In any case where the Board or its representative permits a Candidate to continue taking the examination, it may, depending on the circumstances:
 - (1) Admonish the Candidate;
 - (2) Seat the Candidate in a segregated location for the rest of the examination;
 - (3) Keep a record of the Candidate's seat location and identifying information, and the names and identifying information of the Candidates in close proximity of the Candidate; and/or
 - (4) Notify the National Candidate Database and the AICPA and/or the Test Center of the circumstances, so that the Candidate may be more closely monitored in future examination sessions.
- (f) In any case in which a Candidate is refused credit for any Test Section of an examination taken, disqualified from taking any Test Section, or barred from taking the examination in the future, the Board will provide to the Board of Accountancy of any other state to which the Candidate may apply for the examination information as to the Board's findings and actions taken.

3.10 SECURITY AND IRREGULARITIES

Notwithstanding any other provisions under these rules, the Board may postpone scheduled examinations, the release of grades, or the issuance of certificates due to a breach of examination security; unauthorized acquisition or disclosure of the contents of an examination; suspected or actual negligence, errors, omissions, or irregularities in conducting an examination; or for any other reasonable cause or unforeseen circumstance.

3.11 EDUCATION REQUIREMENT FOR LICENSURE

Any candidate who successfully completes the CPA examination must also complete 150 SCH of education in order to be licensed. Successful candidates must complete this education requirement within 3 years of the date the last CPA exam section was passed. Candidates who are unable to complete this education requirement within 3 years due to extreme hardship (medical or other) may apply to the Board for an extension.

3.12 REQUIREMENTS FOR RELICENSURE

Anyone applying for relicensure who meets the conditions established in ACA 17-1-107(b)(1) and can demonstrate that he or she passed the Certified Public Accountants (CPA) exam with scores sufficient for licensure at the time the individual's initial license was issued:

- A) Shall not be required to re-take the CPA exam in order to be re-licensed;
- B) Shall not be required to take additional college courses to meet current standards for licensure, as long as the education standards were met at the time of initial licensure.