

1996

## AICPA Professional Standards: Continuing professional education as of June 1, 1996

American Institute of Certified Public Accountants. Continuing Professional Education Division. CPE Standards Subcommittee

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# **AICPA PROFESSIONAL STANDARDS**

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## **Volume 2**

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**Accounting & Review Services**

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**Code of Professional Conduct**

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**Bylaws**

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**International Accounting**

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**Tax Practice**

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**Personal Financial Planning**

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**Continuing Professional Education**

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**As of June 1, 1996**

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American Institute of  
Certified Public Accountants

## CPE Section

# CONTINUING PROFESSIONAL EDUCATION

### TO AICPA MEMBERS

As part of the Plan to Restructure Professional Standards, effective January 1, 1990, all members of the AICPA, whether in public practice, industry, government, or education, have to complete continuing professional education (CPE) to maintain their membership in the AICPA. The only exceptions are members who are in the "retired" or "inactive" categories for paying AICPA dues.

Here are the policies that you need to follow in complying with the AICPA's CPE membership requirement. Remember that you have wide latitude in selecting subjects and programs that qualify for CPE credit.

When you receive your dues statement each year, you are asked to affirm that you are in compliance with the requirements. You do *not* have to send in a report of the CPE programs you have taken. However, some members will be selected at random to document the CPE programs they have completed. A blank form that can be used to organize your CPE information is included at the end of this section.

If you have any questions about the CPE policies, please submit them in writing to CPE Division, American Institute of Certified Public Accountants, Harborside Financial Center, 201 Plaza Three, Jersey City, NJ 07311-3881.

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## CPE Section 100

# ***Policies for the CPE Membership Requirement***

Revised July 1, 1995

### **I. GENERAL**

- A. **Purpose**—The purpose of the continuing professional education (CPE) requirement is to increase the professional competence of each member. Members are expected to maintain the high standards of the profession by selecting quality education programs to fulfill their continuing education requirements. Members will have wide latitude in selecting continuing education programs suitable to their professional activities. This policy contains the following sections:

General	I.
Basic Requirements	II.
Qualifying Programs	III.
Exceptions	IV.
Audits of CPE	V.

- B. **AICPA vs. State Requirements**—Members of the American Institute of Certified Public Accountants (AICPA) who are Certified Public Accountants licensed in specific states and/or who are members of their respective state CPA societies are cautioned that the AICPA's CPE policy, while similar in many respects to the state boards of accountancy and state CPA society policies, is not identical. For example, the AICPA's continuing education requirement covers a three-year period in contrast to the states' one-, two- or three-year periods, and some states may not award CPE credit for some subjects. Thus, complying with the AICPA's policy may not necessarily maintain membership in state CPA societies or provide for continued state licensing or certification. Individuals should carefully consult the relevant state boards of accountancy and/or state CPA society guidance to ensure compliance.
- C. **Effective Date**—These policies apply to all members and became effective as of January 1, 1990.
- D. **Failure to Meet CPE Requirements**—Failure to meet the CPE requirements will, unless the requirement is waived under section IV, result in a loss of membership in the AICPA.

### **II. BASIC REQUIREMENTS**

- A. **Members in Public Practice**—AICPA members in public practice shall complete acceptable continuing education as follows:
1. A member who complies with a state licensing or state society membership continuing education requirement, regardless of whether that requirement is for a calendar year, shall be deemed to be in compliance with this provision, provided such a requirement is for an average of 40 hours per year, at a minimum, and provided the member completes at least 20 hours each year.

A member who is in compliance with the AICPA Division for Firms' CPE requirements is deemed to be in compliance with this provision.

2. A member in public practice who has not complied with a state licensing or state society membership continuing education requirement or if such a requirement is for an average of less than 40 hours per year, at a minimum, shall, during each three-calendar-year reporting period, complete 120 hours with a minimum of 20 hours each year.

For purposes of the CPE requirement, "public practice" means a member is paying the AICPA dues established for a member in public practice.

- B. **Members Not in Public Practice**—AICPA members not in public practice, except those in the "retired" or "inactive" membership categories, shall complete acceptable continuing education as follows:
  1. A member who complies with a state licensing or state society membership continuing education requirement, regardless of whether that requirement is for a calendar year, shall be deemed to be in compliance with this provision, provided such a requirement is for an average of 30 hours per year, at a minimum, and provided the member completes at least 15 hours each year.
  2. A member not in public practice who has not complied with a state licensing or state society membership continuing education requirement or if such a requirement is for an average of less than 30 hours per year, at a minimum, shall, during each three-calendar-year reporting period, complete 90 hours with a minimum of 15 hours each year.
- C. **New Members**—For those individuals joining the AICPA on January 1, 1990, and thereafter ("new members"), the three-year reporting period and the CPE requirements begin in the calendar year following the year membership commences. For example, a new member in calendar year 1993 begins a three-year reporting period on January 1, 1994, which ends December 31, 1996, and is required, beginning for the calendar year 1994, to comply with the CPE requirements set forth above.
- D. **Reinstatement**—Individuals applying for reinstatement who have voluntarily or involuntarily lost their membership or come out of retirement or inactive status shall be treated as "new members." Their new three-year reporting period for CPE requirements begins in the calendar year following their reinstatement.
- E. **Changing Status**—Members changing from or to public practice do not begin a new three-year reporting period. However, the CPE requirement shall be adjusted to the following three-year totals:

	<i>Year of Change</i>		
	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>
To Public Practice	120	110	100
From Public Practice	100	110	120

- F. Grace Period**—Any member who has not completed the required number of hours during a reporting period will be allowed the two months immediately following the period to make up the deficiency. Hours credited toward a deficiency during this two-month period may not be counted toward the annual minimum requirement of the educational year in which they are taken. Furthermore, any continuing professional education hours claimed during the two-month period to make up any deficiency for the preceding three-year period may not be counted toward the requirement for the three-year reporting period in which they are taken.
- G. Reporting**—No separate reporting is required. By paying their dues each year, members affirm they are in compliance with the CPE membership requirements. Members should keep detailed records of the CPE they complete in the event they are selected to verify their compliance. See the next section for information that should be retained.
- H. Documentation and Records Retention**—Members of the AICPA bear the primary responsibility of documenting that they have complied with the CPE requirements. They should retain evidence of satisfactory completion for a period of five years after the completion of the educational programs. For each CPE program completed, members should be able to document the following:
1. Sponsor
  2. Title and description of content
  3. Date(s)
  4. Location
  5. Number of CPE contact hours.

### III. QUALIFYING PROGRAMS

Members have wide latitude in selecting continuing professional education suitable to their professional activities. The underlying principle is that all programs should contribute to a member's professional competence. Acceptable subjects include the fields of study set forth in the AICPA National CPE Curriculum: accounting and auditing, consulting services, specialized knowledge and applications, management, personal development, and taxation. Other subjects may also be acceptable if they maintain and/or increase the accounting professional's competence. Members have the option of selecting programs that relate to their specific jobs. For example, a member in industry who is engaged in marketing activities may fulfill the requirement by completing continuing education in marketing and a member who owns or operates a small business may complete CPE that relates to running that business.

Members may participate in CPE programs sponsored by a wide variety of organizations including, but not limited to, the AICPA, state societies of CPAs, other professional associations, colleges and universities, and their own firms. Service as an instructor at a CPE program may qualify when it increases the instructor's professional competence. Writing published articles, books or CPE programs may also qualify.

CPE credit should be measured in whole hours and claimed only for the time a group study program is actually attended. (CPE credit is measured in 50-minute "contact hours.") CPE credit for self-study programs is recom-

mended by the sponsor and must be documented by a certificate or other evidence of completion.

Ultimately the CPE credit claimed is the responsibility of the individual member. Each member must only claim credit for the formal programs of learning he or she actually completed that contributed to his or her professional competence.

For more detailed information about qualifying programs, please refer to the *Statement on Standards for Formal Continuing Professional Education (CPE) Programs* which is included here [section 200] as part of these policies. Members must comply with those standards that apply to individual accounting professionals—namely, the standards in these sections: General Standards, Standards for Formal CPE Program Measurement, and Standards for Formal CPE Program Reporting. The other two sections contain standards that apply to program developers and program sponsors. To the extent a member is in the role of a program developer or sponsor, he or she must also comply with the developer and sponsor standards. Members are not responsible to see that the program developers and sponsors of programs they attend are in compliance with the CPE standards.

#### IV. EXCEPTIONS

- A. **General**—Members may request a waiver if they are prohibited from fulfilling the CPE requirements for the reasons set forth below. Such requests must be submitted in writing to the CPE Division of the AICPA. When the status changes from the one for which the exception applies, the CPE requirement begins in the calendar year following the change.
1. **Foreign Residency**—The request should include the country of residence, the name of the employer, the principal duties and responsibilities performed, and the reasons foreign residency prohibits fulfilling the requirement.
  2. **Health**—The request should include the nature of the illness, the name and address of the attending physician, and the reason the illness prohibits fulfilling the requirement.
  3. **Military Service**—The request should include the principal duties performed, where stationed, the name and address of member's commanding officer, and the reason why military service prohibits fulfilling the requirement.
  4. **Other Similar Reasons**—The request should include the nature of the hardship and the reason why it prohibits fulfilling the CPE requirement.
- B. **Retired and Inactive Members**—For purposes of the CPE requirement, "retired" and "inactive" mean a member is in one of those categories for paying AICPA dues. Retired members and inactive members who are unemployed or have left the workforce to raise a family are exempt from the CPE requirement. Members who are retired or exempt for any part of the year are exempt for the full year.

#### V. AUDITS OF CPE

The AICPA will verify compliance on a test basis. The extent and scope of such examination will be determined and administered by the AICPA.

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[The next page is 22,031.]

## CPE Section 200

# ***Statement on Standards for Formal Continuing Professional Education (CPE) Programs***

Revised July 1, 1995

See section 9200 for interpretations of this section.

### **Preamble**

.01 The right to use the title "Certified Public Accountant" is granted and regulated in the public interest. The title imposes a duty to maintain public confidence and implies a responsibility to be current in knowledge, skills, and abilities in relevant areas so that quality, competent service is assured. This duty and this responsibility extend to all accounting professionals.

.02 The environment within which the accounting professional functions is more dynamic and demanding today than ever before. The profession is characterized by an explosion of relevant knowledge, a changing and expanding nature, and increasing complexity as a result of advancing technology, globalization of commerce, increasing specialization, proliferating regulations, and the complex nature of business transactions. These conditions require a renewed emphasis on the continuing development of competence among accounting professionals.

.03 Individuals, firms, and regulatory bodies have recognized that the continuing development of competence involves a program of lifelong educational activities. While both formal and informal learning activities are included in this program and both are necessary in order to achieve the goal of attaining and maintaining professional competence, the development of standards for *formal* Continuing Professional Education (CPE) activities has been recognized as important and necessary to satisfying the objective of achieving quality in such activities.

.04 The following standards have been broadly stated in recognition of the diversity of practice and experience among accounting professionals. They establish a framework for the development, presentation, measurement, and reporting of formal programs of CPE and thereby help to ensure that accounting professionals receive the quality continuing professional education necessary to satisfy their obligations to serve the public interest.

.05 The uniform adoption of these standards by professional regulatory bodies will assist in assuring consistent quality in an environment of high mobility of participants and great variability in program sponsors.

### **General Standards**

.06 **Standard No. 1.** Accounting professionals should participate in formal programs of learning that maintain or increase their professional competence or do both.

.07 **Commentary.** The fundamental purpose of CPE is to maintain or increase professional competence or do both. An accounting professional's field of employment does not limit the need for continuing professional education.

.08 A person performing services of a professional nature needs to have a broad range of knowledge, skills, and abilities. Thus, the concept of professional competence should be interpreted broadly. Accordingly, programs contributing to the development and maintenance of nontechnical professional skills should also be recognized as acceptable continuing education.

.09 Acceptable subjects include the fields of study set forth in the AICPA National CPE Curriculum: accounting and auditing, consulting services, specialized knowledge and applications, management, personal development, and taxation. Other subjects may also be acceptable if they maintain and/or increase the accounting professional's competence.

.10 While accounting professionals participate in a wide variety of learning activities, CPE credit is allowed only for formal programs of learning. Even though no CPE credit is allowed for informal learning activities, these learning activities are very important in attaining and maintaining professional competence, and they are a regular part of an accounting professional's continuing development.

.11 **Standard No. 2.** It is the responsibility of each accounting professional to comply with all applicable continuing professional education requirements.

.12 **Commentary.** An accounting professional may have to meet CPE requirements of a state licensing body, other governmental entities, a membership association, or other organizations or bodies. The professional must meet the highest applicable requirements. Exceptions to such requirements may be granted by the appropriate body for reasons of health, military service, foreign residency, retirement, or other good reason if such reason prohibits compliance with these requirements.

.13 **Standard No. 3.** CPE program sponsors have a responsibility to comply with all applicable standards.

.14 **Commentary.** Sound administration, adequate resources, competent supervision, and an effective and supportive organizational structure are necessary elements in the design, development, implementation, and monitoring of CPE programs. For each program sponsor, there should be an identifiable administrator charged with demonstrating compliance with these standards.

.15 When a sponsor works with others to develop, distribute, and/or present CPE programs, the responsibility for ensuring that all standards are met rests with the sponsor. The functions of each party should be identified and documented.

## **Standards for Formal CPE Program Development**

.16 **Standard No. 1.** Program developers should state learning objectives and specify the level of knowledge of the program.

.17 **Commentary.** Learning objectives should specify what participants will be able to perform upon completing a program. A program may have more than one objective, but each objective should be written to be consistent with the program's specified level of knowledge. Levels of knowledge could be described as basic, intermediate, advanced, or update.

.18 **Standard No. 2.** Program developers should state the prerequisites for education, experience, or both for all programs.

.19 **Commentary.** All programs should clearly identify prerequisites, if any. Prerequisites should be written in precise language so that potential

participants can readily ascertain whether they qualify for the program or whether the program's specified level of knowledge is appropriate for them.

**.20 Standard No. 3.** Program developers should be qualified in the subject matter and be knowledgeable in instructional design.

**.21 Commentary.** Qualification in subject matter and a knowledge of instructional design may be obtained through appropriate practical experience or education or both. The level of technical competence and instructional design skills that the developer(s) should possess will vary depending on certain characteristics of the program, such as the number of times it will be presented, the length of the program, the complexity of the subject matter, and the number of participants.

**.22 Standard No. 4.** Program materials should be technically accurate, current, and sufficient to meet the program's learning objectives.

**.23 Commentary.** Program materials should be reviewed periodically to ensure compliance with this standard.

**.24 Standard No. 5.** Program materials should be reviewed to the extent necessary, before the materials are used, by a qualified person or persons other than the person(s) who developed them, in order to assure the program's technical accuracy, currency, and sufficiency to achieve the learning objectives.

**.25 Commentary.** In order to meet this standard, the program materials must be prepared in advance of presentation. The nature and extent of review will vary depending on characteristics of programs. If a review is considered appropriate, the level of technical competence and instructional design knowledge of a reviewer should be at least equal to those of the program developer.

## **Standards for Formal CPE Program Presentation**

**.26 Standard No. 1.** Program sponsors should inform participants in advance of learning objectives, prerequisites, level of knowledge of the program, program content, nature and extent of advance preparation, teaching method(s) to be used, recommended CPE credit, and relevant administrative policies.

**.27 Commentary.** In order for potential participants to effectively plan their CPE, the significant features of the program should be disclosed in advance in brochures or other announcements. When CPE programs are offered in conjunction with noneducational activities, or when several CPE programs are offered concurrently, an appropriate schedule of events indicating those components that are recommended for CPE credit should be made available to participants. The sponsor's registration policies and procedures should be formalized, published, and made available to participants.

**.28 Standard No. 2.** Program sponsors should encourage participation only by individuals with appropriate education, experience, or both.

**.29 Commentary.** Sponsors should comply with the spirit of this standard by encouraging (1) enrollment only by eligible participants, (2) timely distribution of materials, and (3) completion of any advance preparation by participants.

**.30 Standard No. 3.** Program sponsors should select instructors qualified with respect to both program content and teaching methods used.

**.31 Commentary.** The instructor is a key ingredient in the learning process in any group program. Therefore, it is imperative that sponsors exercise great care in selecting qualified instructors for all group programs.

Qualified instructors are those who are capable, through background, training, education, and/or experience, of communicating effectively and providing an environment conducive to learning. They should be competent in the subject matter, skilled in the use of the appropriate teaching method(s), and prepared in advance. Instructors are responsible for informing participants of any changes necessary to make the program current.

.32 Sponsors should evaluate instructors' performance at the conclusion of each program to determine their suitability to continue to serve as instructors.

**.33 Standard No. 4.** Program sponsors should ensure that the number of participants and physical facilities are appropriate for the teaching method(s) specified by the developer.

**.34 Commentary.** The number of participants, quality of facilities, and seating arrangements are integral and important aspects of the educational environment and should be carefully controlled.

**.35 Standard No. 5.** Program sponsors should provide an effective means for evaluating the quality of the program.

**.36 Commentary.** The objective of evaluations is to increase program effectiveness. Evaluations should be solicited from both participants and instructors. At a minimum, programs should be evaluated to determine whether—

- Learning objectives have been met.
- Prerequisites were necessary or desirable.
- Program materials contributed to the achievement of the learning objectives.
- The program content was timely and relevant.

In addition, for group programs, programs should be evaluated to determine whether—

- The instructor's knowledge and presentation skills were effective.
- Facilities were satisfactory.

For example, evaluations might include questionnaires completed after a program, oral feedback from participants, or tests for the effectiveness of a program.

.37 Sponsors should periodically review the evaluation process to ensure its effectiveness.

## **Standards for Formal CPE Program Measurement**

**.38 Standard No. 1.** Continuing professional education credit should be recommended only for formal programs of learning that maintain or increase the professional competence of the individual.

**.39 Commentary.** While informal learning is essential to overall professional development, continuing professional education credit is granted only for formal programs. A formal program of learning is a process that is designed and intended primarily as an educational activity and that complies with the *AICPA Statement on Standards for Formal Continuing Professional Education (CPE) Programs*. All other competence-building and learning activities are considered to be informal.

**.40 Standard No. 2.** All programs should be measured in fifty-minute contact hours. The shortest program for CPE credit purposes should consist of one contact hour.

**.41 Commentary.** The purpose of this standard is to develop uniformity in the measurement of formal CPE programs. A contact hour is fifty minutes of participation in a group program. Under this standard, credit is granted only for full contact hours. For example, a group program lasting one hundred minutes would count for two contact hours; however, one lasting between fifty and one hundred minutes would count for one contact hour. For programs in which individual segments are less than fifty minutes, the sum of the segments should be considered one total program. For example, five thirty-minute presentations would equal one hundred fifty minutes and should be counted as three contact hours.

**.42 Sponsors** are encouraged to monitor group programs in order to accurately record the appropriate number of contact hours for participants who arrive late or leave before a program is completed.

**.43 Self-study programs** should be pretested to determine average completion time. Interactive self-study programs should receive CPE credit equal to the average completion time. Non-interactive self-study programs should receive CPE credit equal to one-half of the average completion time. For example, an interactive self-study program that takes an average of eight hundred minutes to complete should be recommended for sixteen contact hours of CPE credit. A non-interactive self-study program that takes an average of eight hundred minutes to complete should be recommended for eight contact hours of CPE credit.

**.44 Developers** should keep appropriate records of how the average completion time was determined.

**.45 For university or college courses** that meet these CPE Standards, each unit of credit shall equal the following CPE contact hours:

Semester System	15 hours
Quarter System	10 hours

**.46 Standard No. 3.** Instructors or discussion leaders should be given CPE credit for their preparation and presentation time if the programs increase their professional competence and qualify for CPE credit for participants. Credit for instructors or discussion leaders should be measured in contact hours.

**.47 Commentary.** Instructors and discussion leaders should receive CPE credit for both preparation and presentation. The first time they present a program, they should receive credit for actual preparation hours up to two times the number of presentation hours. For example, if a program is presented for eight contact hours, the instructors could receive up to twenty-four contact hours of credit (sixteen contact hours for preparation and eight contact hours for presentation). For repeat presentations, instructors should receive no credit unless they can demonstrate that the program content involved was substantially changed and such change required significant additional study or research.

**.48 In addition,** the maximum credit for preparation and presentation should not exceed 50 percent of the total CPE credit required in a reporting period. For example, if an instructor's requirement is one hundred twenty contact hours of CPE every three years, the maximum credit that could be claimed would be sixty contact hours even if twenty-four contact hours of presentation and up to forty-eight contact hours of preparation were earned during that period.

**.49 Standard No. 4.** Writers of published articles, books, or CPE programs should be given CPE credit for their research and writing time if this

time increases their professional competence. Credit for writers should be measured in contact hours.

**.50 Commentary.** Writing articles, books, or CPE programs for publication is a structured activity that involves a formal process of learning. For the writer to receive CPE credit, the article, book, or CPE program must be formally reviewed and published by a publisher not under the control of the writer. CPE credit from this activity should be limited to 25 percent of the CPE credit required in a reporting period.

## Standards for Formal CPE Program Reporting

**.51 Standard No. 1.** Participants in formal programs of learning should document their participation, including: (1) sponsor, (2) title and description of content, (3) date(s), (4) location, and (5) number of CPE contact hours. *Appropriate evidence of completion should be retained.*

**.52 Commentary.** This standard is designed to require participants to document their claim of continuing professional education credit. Acceptable evidence of completion includes—

- For group programs, a certificate or other verification supplied by the sponsor.
- For self-study programs, a certificate supplied by the sponsor after satisfactory completion of a workbook or examination.
- For a university or college course that is successfully completed for credit, a record of the grade the person received.
- For instruction credit, evidence obtained from the sponsor of having been the instructor or discussion leader at a program.
- For published articles, books, or CPE programs, evidence of publication.

In the absence of legal requirements, a reasonable policy would be to retain documentation for five years from the date the program is completed.

**.53 Standard No. 2.** In order to support the reports that may be required of participants, the sponsors should retain the following for an appropriate period: (1) record of participation, (2) copy of the program materials, (3) date(s), (4) location, (5) instructor(s), (6) number of CPE contact hours, (7) summary of program evaluations, and (8) evidence of compliance with responsibilities set out under these standards.

**.54 Commentary.** Because participants may come from any state or jurisdiction, the appropriate amount of time for retention of this information is not dependent solely on the location of the program or sponsor. Therefore, sponsors should retain this information for a period of five years from the date the program is completed.

**.55** Sponsors may wish to provide a certificate or other verification to participants; in any event, sponsors should be prepared to furnish, upon request, a record of participation to participants. The record should reflect the CPE credit hours earned by each participant, including those who arrived late or left early.

## Glossary

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**Accounting Professional.** One who provides accounting or consulting services under circumstances where there is an expectation of public confidence in such practice. Thus, those practicing accounting either in firms or as individual Certified Public Accountants, or those accountants employed in industry, government, and education, would generally be considered accounting professionals. With respect to firms of CPAs, the term *accounting professional* may extend to other persons employed to provide client services, including but not limited to noncertified accountants, auditors, actuaries, engineers, and other management consultant professionals.

**AICPA National CPE Curriculum.** A curriculum developed by the AICPA that offers a framework of knowledge and skill areas to assist accounting professionals in planning their CPE. The *Curriculum* is subdivided into *fields of study*, including Accounting and Auditing, Consulting Services, Management, Personal Development, Specialized Knowledge and Applications, and Taxation.

**Contact Hour.** Fifty minutes of participation in a group program.

**Continuing Professional Education (CPE).** An integral part of the lifelong learning required to provide competent service to the public; the formal set of activities that enables accounting professionals to maintain and increase their professional competence.

**Fields of Study.** The primary knowledge and skill areas needed by accounting professionals to perform professional services in all fields of employment. Please see *AICPA National CPE Curriculum*.

**Formal Program of Learning.** A process that is designed and intended primarily as an educational activity and that complies with the applicable standards in the *AICPA Statement on Standards for Formal Continuing Professional Education (CPE) Programs*.

**Group Program.** An educational process designed to permit a participant to learn a given subject through interaction with an instructor and other participants.

**Informal Learning.** A process that is not designed and intended primarily as an educational activity and that does not comply with the *AICPA Statement on Standards for Formal Continuing Professional Education (CPE) Programs* is considered to be informal. Informal activities include on-the-job training, reading professional publications, and serving on committees.

**Instructional Design.** A plan that specifies the learning objectives of the program; the content of the program; the methods of presentation (such as case studies, lectures, work groups, programmed instruction, use of audio or visual aids, or group participation); and, if practical, the manner of evaluating whether the learning objectives were achieved.

**Knowledge, Skills, and Abilities.** The proficiency areas or human attributes, or both, required for maintaining or increasing professional competence. These proficiencies entail the understanding of technical accounting information, the ability to apply technical information to work situations, and an awareness of the limitations of technical information problem solving.

**Learning Objectives.** Specifications of what participants are expected to be able to perform as a result of completing a CPE program. They also help

program developers decide on the appropriate instructional methods and determine how much time to devote to certain subjects in the program.

**Level of Knowledge.** Nature and depth of knowledge, skill, and ability in a particular subject. These levels could be described as:

- *Basic*—Covers fundamental principles and skills. This level is for individuals with *limited or no* exposure to the subject(s).
- *Intermediate*—Builds on the basic level or upon fundamental principles and skills and focuses on their application. This level is for individuals with *some* exposure to the subject(s).
- *Advanced*—Focuses on the development of in-depth knowledge, a variety of skills, and/or a broader range of applications. This level is for individuals with *significant* exposure to the subject(s).
- *Update*—Provides a general overview of new developments. It is for individuals with a background in the subject(s) who wish to be kept up-to-date.

**Professional Competence.** Having requisite ability and qualities as defined by the technical and ethical standards of a profession.

**Program Developer.** The individual or organization responsible for setting learning objectives and creating program materials to achieve such objectives.

**Program Sponsor.** The organization responsible for presenting a program to the final user(s).

**Self-Study Program.** An educational process designed to permit a participant to learn a given subject without major involvement of an instructor.

- A. **Interactive Self-Study Program.** A program designed to use interactive learning methodologies that simulate a classroom learning process by employing software, other courseware, or administrative systems that provide significant ongoing, interactive feedback to the learner regarding his or her learning progress. Evidence of satisfactory completion of each program segment by the learner is often built into such programs.

These programs clearly define lesson objectives and manage the student through the learning process by (1) requiring frequent student response to questions that test for understanding of the material presented, (2) providing evaluative feedback to incorrectly answered questions, and (3) providing reinforcement feedback to correctly answered questions. Therefore, capabilities are used that, based on student response, provide appropriate ongoing feedback to the student regarding his or her learning progress through the program.

- B. **Non-Interactive Self-Study Program.** Any self-study program that does not meet the above criteria for interactive self-study programs.

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[The next page is 22,051.]

## CPE Section 9200

# ***Statement on Standards for Formal Continuing Professional Education (CPE) Programs: CPE Interpretations of Section 200***

Revised July 1, 1995

These interpretations have been developed by the CPE Standards Subcommittee to offer guidance to users of the CPE standards. The Subcommittee plans to issue additional interpretations from time to time as the need arises.

### **1. Committee or Staff Meetings**

**.01 Question**—Do committee or staff meetings qualify for CPE credit?

**.02 Answer**—Generally, CPE credit should not be allowed for attending committee or staff meetings. A meeting qualifies for CPE credit only if it meets the characteristics included in the definition of a *Formal Program of Learning*.

**.03** Many meetings are designed to accomplish a variety of objectives, such as setting company or group policy, establishing standards, handling management or operational problems, planning, and educating participants. At meetings at which disparate activities are conducted, only that portion of the meeting that is a formal program of learning qualifies for CPE credit.

### **2. Reading Professional Publications**

**.04 Question**—Does a self-study program that involves the reading of a professional publication and the successful passing of an examination on the reading material qualify as a formal program of learning?

**.05 Answer**—A program that involves the reading of a professional publication and requires the passing of a test on the content of the publication would not be a formal program of learning. However, a program that includes the reading of professional publications could be designed to qualify as a formal program of learning by complying with each of the CPE standards.

**.06** Without limiting a developer or sponsor's responsibilities for compliance with all of the CPE standards, generally the program should—

- Be designed and intended primarily as an educational activity.
- Be developed by individual(s) qualified in the subject matter and knowledgeable in instructional design.
- State the learning objectives and specify the level of knowledge of the program.
- State the prerequisites for education or experience or both.
- Be technically accurate, current, and sufficient to meet the program's learning objectives.
- Be reviewed by a qualified person(s) other than the person(s) who developed it.
- Include an evaluation to determine whether learning objectives were met, prerequisites were necessary or desirable, program materials

contributed to the achievement of the learning objectives, and program content was timely and relevant.

- Provide evidence of satisfactory completion.
- Be pretested to determine the average completion time. Since such programs would generally be non-interactive, one-half of the average completion time should be the recommended CPE credit.

### 3. Interactive and Non-Interactive Self-Study Programs

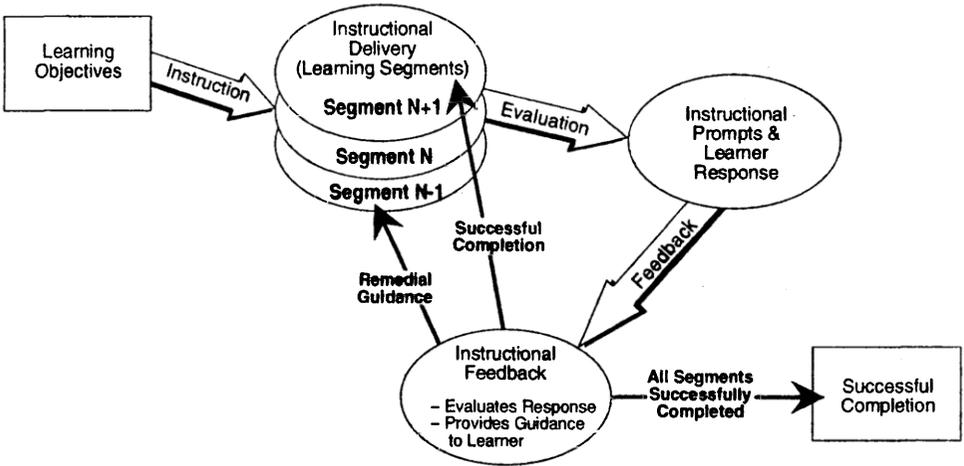
**.07 Question**—What differentiates interactive from non-interactive self-study programs?

**.08 Answer**—The primary difference is that interactive self-study programs simulate a classroom learning process by providing significant ongoing feedback to the learner regarding his or her learning progress. As the glossary [section 200.56] indicates, these programs manage the learner through the learning process by “(1) requiring frequent student response to questions that test for understanding of the material presented, (2) providing evaluative feedback to incorrectly answered questions, and (3) providing reinforcement feedback to correctly answered questions.”

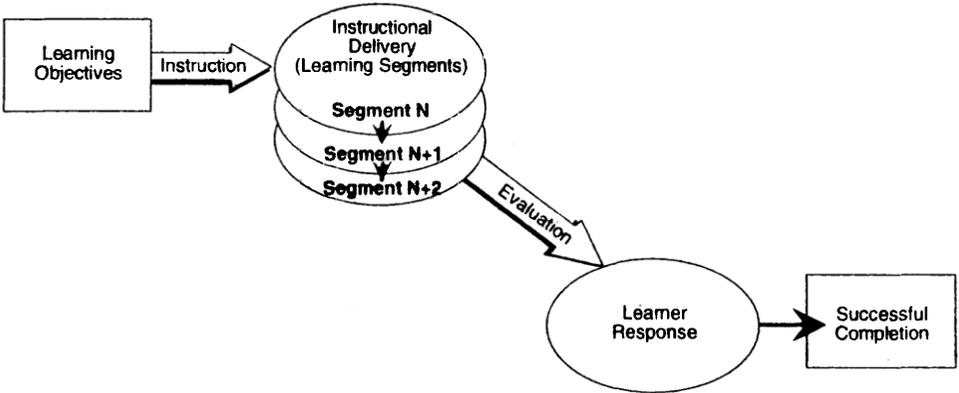
**.09 “Significant ongoing feedback”** communicates the appropriateness of a learner’s response to a prompt or question. Feedback must be frequent and provide guidance or direction for continued learning throughout the program (e.g., clarify or explain assessment of inappropriate response, provide reinforcement for appropriate response, direct learner to move ahead or review relevant material, etc.). Thus, it is the learner’s response that primarily guides the learning process in an interactive self-study program.

**.10 Technology-based self-study programs** do not constitute interactive programs per se; they must meet the criteria set forth in the definition of interactive self-study programs, as must other self-study programs developed using different modes of delivery (e.g., paper-based programmed instruction). The following diagrams contrast the management of the learner through the learning process in an interactive self-study program vs. a non-interactive self-study program.

### Interactive Self-Study Programs



### Non-Interactive Self-Study Programs



#### 4. Writing for Publication

**.11 Question**—Does the fact that an accounting professional's job responsibilities include writing for publication affect that individual's eligibility to obtain CPE credit for writing?

**.12 Answer**—No. The following requirements set forth in the CPE standards should be met by any accounting professional seeking CPE credit for any writing activity.

- The writing activity increased the individual's professional competence. There is a presumption that the writer has level of knowledge about the subject on which he or she is writing. Accordingly, he or she may obtain CPE credit only to the extent that the time he or she spent increased that level of knowledge.
- The written article, book or CPE program is formally reviewed and published by a publisher not under the control of the writer.
- CPE credit is claimed for the writer's actual research and writing time to the extent that such time increased that individual's professional competence.
- Such CPE credit should be limited to 25 percent of the CPE credit required of the individual in a reporting period.
- The writer can document his or her claim for CPE credit, generally by:
  - a copy of the publication (or in the case of a CPE program, course development documentation) that names him or her as the author or contributor, and
  - a statement supporting the number of CPE credit hours claimed.

#### 5. Pretests of Self-Study Programs

**.13 Question**—How should self-study programs be pretested to determine average completion time? What records should developers maintain to document how the average completion time was determined?

**.14 Answer**—For purposes of the standards, the term "pretest" is used to measure the average completion time from which the recommended CPE credit is determined. The average completion time is determined in order to enable program sponsors to inform participants of the recommended CPE credit.

**.15** A sample of the targeted participant population should be selected for pretesting the program materials. Care should be taken to ensure that the sample group has the appropriate level of knowledge (see glossary [section 200.56]) prior to taking the program. The sample group selected should be independent of the program development group.

**.16** The sample size should be sufficient to obtain consistency and reliability of observations. However, it does not have to be a statistically valid sample.

**.17** The pretest should simulate the environment and manner in which the program is expected to be completed by participants.

**.18** Prior to the pretest, the program materials should be reviewed for technical accuracy, currency, and sufficiency to achieve the learning objectives. If substantive changes are subsequently made to the program materials, consideration should be given to further pretests of the revised program

materials to affirm or amend, as appropriate, the average completion time. Further, program evaluations obtained from participants to assess the quality of the program should address the reasonableness of the program completion time.

.19 Program developers should keep appropriate records to document the following:

- When the pretest was conducted,
  - The target participant population,
  - How the sample was determined,
  - Names and profiles of sample participants,
  - A summary of participants' actual completion time, and
  - The calculation of the recommended CPE credit, taking into account whether the program is interactive or non-interactive.
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