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## Educator's update on the new CPE requirements

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American Institute of  
Certified Public Accountants

# An Educator's Update on the New CPE Requirements

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To AICPA Members in Education:

The Plan to Restructure Professional Standards, recently approved by the AICPA membership, requires members to meet a Continuing Professional Education (CPE) requirement to maintain their AICPA membership. This provision went into effect in January, 1990.

You received a copy of the new AICPA Policies for Continuing Professional Education, as well as the "Standards for Formal Group and Formal Self-Study Programs," in the February 1990 edition of the *Journal of Accountancy*. This brochure is designed to clarify issues included in the new AICPA policies, and to focus on the needs of AICPA members in education.

Spring, 1990

**AICPA** "The Measure of Excellence"

American Institute of Certified Public Accountants

# An Educator's Update on the New CPE Requirements

Spring, 1990

In the first three-year reporting period (January 1, 1990—December 31, 1992), AICPA members in education who are not in public practice will be required to complete a total of 60 CPE hours, with a minimum of ten hours each year. In future three-year reporting periods, these members will need to complete 90 CPE hours, with a minimum of fifteen hours each year.

Members will show compliance with these requirements by checking off a box on the annual dues bill; compliance will be verified by the AICPA through an audit process. You should keep detailed records of continuing professional education activities for five years. The first check-off box will appear on the July 1991 dues bill, and will refer to the 1990 calendar year.

During the summer of 1989, a special task force surveyed 4,500 AICPA members not in public practice; of these, one-third were members in education. The purpose of the survey was to help the AICPA in developing new CPE programs. The questionnaire focused on the relative importance to members of various sources of CPE programs, delivery methods, course length, and the adequacy of current CPE activities. Survey participants also commented on the CPE requirement and continuing professional education in general.

The survey indicated overall support for the requirements and general satisfaction with current CPE offerings, both from AICPA and from other sources. However, members in education expressed some specific concerns having to do with the new requirements; these concerns are addressed by the following questions:

## 1. In general, what will qualify for CPE credit?

The policies governing the CPE requirement state that to qualify for CPE credit, a program of learning must be "formal," by which it is meant that specific objectives are set and met: program content is timely, effective, and evaluated by program participants; the instructor is trained and effective, and his/her performance is evaluated; and the facilities are appropriate to the type of program involved.

Members have a great deal of discretion in determining the type(s) of program(s) which they choose to pursue. These programs may be self-study in nature, or may involve group participation in a standard classroom setting.

The policies conclude that "Ultimately the CPE credit claimed is the responsibility of the individual member. Each member must only claim credit for the

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formal programs of learning he or she actually completed that increased his or her professional competence.”

## **2. What is or should be the value of teaching—course preparation, delivery, and student interaction—in terms of CPE credit?**

Current AICPA policy regarding continuing professional education recognizes the efforts of instructional personnel in course development, presentation and curriculum maintenance. According to the Statement on Standards for Formal Group and Formal Self-Study Programs,

“Instructors and discussion leaders should receive CPE credit for both preparation and presentation. For the first time they present a [course or] program, they should receive contact hour credit for actual preparation hours up to two times the class contact hours. If a course is rated as [36] contact hours, the instructor could receive up to [108] contact hours of CPE credit: [72] hours of preparation and [36] hours for presentations.”\*

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\*The bracketed material in this excerpt indicates material pertaining specifically to academic-type courses. The original section of the Statement refers only to preparation of CPE programs, which normally run for only one or two days, at the most. A recent interpretation of this section, however, has deemed it to include traditional academic courses, which may run for a full semester.

The standards go on to state that for repetitions of the same course or program, the instructor should receive no presentation or preparation credit “unless (s)he can demonstrate that the subject matter involved was changed sufficiently to require additional study or research.”

The statement also mandates that no more than 50% of the total CPE requirement for a given reporting period can be claimed for preparation and presentation of courses or programs, so under current requirements, no more than 30 CPE credits (45 after 1992) can be taken in any three-year period for course preparation and presentation.

## **3. What is or should be the value of scholarship—research and publication—in terms of CPE credit?**

The AICPA’s CPE standards are silent on the CPE value of research and publication, primarily because of the wide variety of types of publications and methods, and areas of research involved. The AICPA’s opinion, based on current interpretation of the standards, is that writing published books or articles will qualify for CPE credit in the year in which they are published, provided that they contribute to the professional competence of the author. Credit should be limited to 25% of the total hours reported (60 or 90) in a given three-year period.

If the writing involved is for a doctoral dissertation, the academic credit value of the dissertation supervision course may be taken for CPE credit. (See the following section.)

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#### 4. How does academic credit “translate” into CPE credit?

Academic credit may be converted to CPE based roughly on the actual number of contact hours involved. If your school operates on a trimester (three semesters per academic year) basis, one academic point or credit is valued at fifteen CPE credits; if your school works on a quarter system (four quarters per year), one academic credit is worth ten CPE credits.

No distinction in CPE value is made between graduate and undergraduate credit.

#### 5. How do accounting educators overcome a lack of support—financial or other—from the university or college for the development or pursuit of CPE?

A source of concern among most faculties is the traditional lack of support in academic institutions for teaching-related pursuits. Accounting faculties are no exception, and, facing the high cost of most CPE programs, many members express concern

about their ability to keep up with the requirements.

A possible solution, which would be of benefit both to members in education and their colleagues in practice, would be the development of new CPE programs by members in academe. These could be offered through the members’ schools (probably the continuing education department or division), the AICPA, or a state society of CPAs. Such programs could be drawn from timely curricular matters of interest to the profession at large. (Educators interested in developing CPE programs should contact the CPE division of the AICPA, or their state society.)

Another possibility would be the development of programs focusing on the pedagogy of accounting, i.e., teaching methods and practices of interest to other accounting educators. These approaches have the benefits of being financially and professionally rewarding while contributing to the AICPA’s goal of fostering the development of new and innovative instructional methods.

The accounting profession is changing rapidly, and members in education have an opportunity to take a leadership role in the development and practice of continuing career-long professional education. The new AICPA requirements for such continuing professional education form a framework—a set of guidelines—for the measurement and attainment of continuing education on a regular basis.

A final caution: each state licensing authority or state society has unique CPE requirements which may differ from AICPA requirements. If you are licensed in a state, be sure that you meet your state’s requirements for CPE in order to keep your license current.

As always, feel free to contact the AICPA Relations with Educators Division if you have any specific questions regarding the new CPE requirements.