CPA Exam and Licensure Information and FAQs
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Education and experience requirements to become a licensed CPA (Certified Public Accountant) in Colorado changed in a significant way, effective July 1, 2015. The information below describes the Colorado licensing requirements and addresses other frequently asked questions as of July 2016.

Why is obtaining a CPA license valuable?

A CPA license is required for accountants who work in auditing and assurance services. Moreover, the CPA credential is generally regarded as desirable and a credential of professional achievement by most accounting and finance professionals, Chief Financial Officers (CFOs), and Chief Executive Officers (CEOs) for accountants in industry. Many organizations insist their Controllers be licensed CPAs.

Even for accountants with solo accounting practices (4,000 of the 4,400 CPA firms in the U.S. are solo practices), the CPA credential is a valuable credential that helps prospective clients identify high quality accountants.

In addition, accountants who hold the CPA license are recognized globally as possessing expert credentials. Moreover, the general public hold CPAs in high regard.

What are the requirements to be a licensed CPA in Colorado?

There are four elements required for licensure as a CPA in Colorado:

1. An education requirement of 150 hours of relevant college-level coursework including two broad requirements, and a few specific courses.

   The education requirement is generally met by the equivalent of a bachelor's degree in Accounting from an accredited college or university, plus 30 additional hours of non-duplicative study. This must include:

   - a minimum of 33 semester hours of accounting courses of which 27 hours must be beyond principles of accounting; (this must include 6 hours in Auditing, of which 3 hours must address GAAS; 3 hours must address accounting ethics)
   - 27 semester hours in general business subjects, with no more than 6 hours in any subject (3 hours must be in business, technical, or accounting communications)

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1 This document is a revision of an earlier edition authored by Michael Roberts and also includes changes suggested by Jami Jhabvala.

2 See the relevant Colorado State Board Education Examination and Certification Rules, 2.4 and 2.5, at the end of this document.
2. Successfully pass the Uniform CPA **Examination**
3. Take and successfully pass the AICPA **Ethics** examination or its equivalent
4. Have one year of **experience** in accounting under the direct supervision of an actively licensed Certified Public Accountant, or experience that the Board deems to be equivalent. The experience must be gained five years before or after passing the Uniform CPA Examination.

**Can I meet the education requirement by completing a master’s of accounting?**

1. If you earn both your bachelor’s and master’s degrees in accounting at CU Denver, you will satisfy the new “150-hour education rule” as long as you take a second auditing class (e.g., *Auditing Practice*, ACCT 6025, *Seminar: Auditing and Other Assurance Services*, ACCT 6620; *Fraud Auditing*, ACCT 6330; *Internal Auditing*, 6470, etc.) and our accounting ethics course (*Accounting Ethics*, ACCT 6280).

2. If you have a bachelor’s degree in accounting from a different accredited college or university and earn your MS in Accounting at CU Denver, you should also meet all the required education requirements if you take a second auditing course and an accounting ethics course (see #1, above).

3. If you have a bachelor’s degree in a business field other than accounting (e.g., finance), and earn your MS in Accounting at CU Denver, you should also meet all the required education requirements if you take a second auditing course and an accounting ethics course (see #1, above).

4. If you have a bachelor’s degree in a non-business field, and earn your MS in Accounting at CU Denver, you will need 27 hours of business administration courses to meet the CPA education requirements. In this case, you should consider the joint MBA/MS Accounting degree option.

**What CU Denver Accounting courses should be taken to prepare for the CPA Exam?**

The accounting coursework required to sit for the CPA exam is 21 semester hours of accounting courses beyond principles of accounting. That is slightly less than the hours required at the time you apply for a CPA license (certificate). Most people choose to first take a conventional accounting curriculum such as:

- ACCT 2200 Financial Accounting (BUSN 6550 graduate level)
- ACCT 2220 Managerial Accounting and Professional Issues (BUSN 6550 graduate level)
- ACCT 3220 Intermediate Financial Accounting I (6031) graduate level
- ACCT 3230 Intermediate Financial Accounting II (6032) graduate level
- ACCT 3320 Intermediate Cost Accounting (6070 graduate level)
- ACCT 4054 Accounting Systems & Data Processing (6054 graduate level)
- ACCT 4410 Income Tax Accounting (6140 graduate level)
- ACCT 4620 Auditing Theory (6020 graduate level)
Some elective courses carry greater weight on the CPA exam. Additional accounting and business courses recommended for CPA Exam preparation:

- ACCT 4625/6025 Auditing Practice
- ACCT 4240/6024 Advanced Financial Accounting
- ACCT 4800/6080 Accounting for Government and Non Profit Organizations
- ACCT 6150: Taxation of Business Entities
- ACCT 6900: Professional Certification in Accounting
- BLAW 3050 Business Law and Ethics (BUSN 6540 graduate level)

Also note that the business coursework required to sit for the CPA exam is 21 semester hours of general business courses. That is slightly less than the business hours required at the time you apply for a CPA license (certificate).

It is also worth noting that you do not need to complete 150 hours of coursework before you sit for the exam. That is different than the 150-hour requirement to obtain your CPA license. This means that one could sit for the exam in connection with completing an undergraduate degree (or equivalent) in accounting, and before completing a masters of accounting degree, etc.

Finally, note that this information is based on currently available information. For the most current information on the education requirements and other board rules, visit: [https://www.colorado.gov/pacific/dora/Accountancy_Laws](https://www.colorado.gov/pacific/dora/Accountancy_Laws)

What are the work experience requirements to become a licensed CPA in Colorado?

Have one year of experience in accounting under the direct supervision of an actively licensed Certified Public Accountant, or experience that the Board deems to be equivalent. The experience must be gained five years before or after passing the Uniform CPA Examination.

What is the CPA Exam?

The CPA exam consists of 4 parts or tests: FAR (Financial Accounting and Reporting), REG (Regulation), AUD (Auditing and Attestation), and BEC (Business Environment and Concepts). In addition to these tests, there is an Ethics exam to be taken. The format of the Ethics exam is different as it is a self-study test taken outside of a testing facility. It can be taken as a paper test and submitted through the mail or online.
What are the CPA Exam pass rates?

Pass rates vary slightly from year-to-year and across sections of the exam.
Per http://www.aicpa.org/, for 2015, the most recent full-year pass rates are:

<table>
<thead>
<tr>
<th>Section</th>
<th>Cumulative</th>
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<tbody>
<tr>
<td>AUD</td>
<td>47.28%</td>
</tr>
<tr>
<td>BEC</td>
<td>56.48%</td>
</tr>
<tr>
<td>FAR</td>
<td>46.75%</td>
</tr>
<tr>
<td>REG</td>
<td>49.43%</td>
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How much does it cost to take the CPA Exam?

All first-time applicants are required to pay both an application fee and an examination fee upon submission of the first-time application. All re-examination candidates are required to pay both a registration fee and an examination fee at the time of registration.

You are able to apply for one or more sections of the examination at a time; however, you are advised to only apply for a section of the examination if you are ready to take it within the next six months.

<table>
<thead>
<tr>
<th>Application fee</th>
<th>$150.00</th>
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<tr>
<td>Examination Fees</td>
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<tr>
<td>Auditing and Attestation (AUD)</td>
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<tr>
<td>Business Environment and Concepts (BEC)</td>
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<tr>
<td>Financial Accounting and Reporting (FAR)</td>
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<tr>
<td>Regulation (REG)</td>
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Additionally, the fee for the CPA Ethics Exam administered through the AICPA is $131.25.
As you might expect, the above fee information is subject to change.

November 3, 2016
Should I take a CPA Exam review or prep course? If so, which one?

CPA Exam review courses are helpful for candidates preparing for the Exam. These courses have compiled all of the relevant information needed to master each part of the exam. The cost can range from $30-$3000 so there is a lot to consider when purchasing a review/prep course.

Here are some helpful links in comparing various review courses:
http://ipassthecpaexam.com/cpa-exam-review-courses/
http://crushthecpaexam.com/best-cpa-review-courses/
http://www.cpaarmy.com/cpa-review-comparison/

CU Denver has partnered with Wiley/CPAexcel to offer an online CPA Review Course at a discounted price for CU Denver students and alumni.

See this link for information:  http://www.efficientlearning.com/wileycpaexcel/partners/ucd

What are annual CPE requirements to remain a licensed CPA?

Colorado State Board of Accountancy Rule 6.7 ACTIVE CERTIFICATE

An Active Certificate expires and must be renewed according to the schedule established by the Division of Professions and Occupations pursuant to Section 24-34-102, C.R.S. in order to maintain the Certificate in Active status.

A. Upon initial certification, the Certificate Holder must complete 2 hours of CR&R within 6 months after the date the Board grants the initial Certificate.

   1. CR&R completed within the 6 months immediately preceding the date the Board grants the initial Certification will satisfy this requirement. CR&R that is not completed within the 6 months preceding or after that date will not satisfy this requirement, but may count towards general CPE credit if it otherwise satisfies the requirements of this Rule 6.7.

   2. CR&R courses completed under this requirement may satisfy the CR&R requirement under paragraph C.2 of this Rule 6.7.

B. CPE hours completed prior to certification, but within the CPE Reporting Period, may be eligible for CPE credit upon Renewal of the initial Certificate if the hours were not used to meet the education requirements for initial certification or taken in preparation for the Examination.

C. A Certificate Holder, including the holder of an initial Certificate, must complete 10 hours of CPE for each full quarter in which the Certificate Holder is actively licensed during a CPE Reporting Period for a total of 80 hours over a 2-year reporting period.

November 3, 2016
1. No more than 20 percent of CPE can be in Personal Development, as defined by the Fields of Study.

2. Four hours of CPE must be in Ethics, of which 2 hours may be in CR&R.

3. As of January 1, 2014, no more than 50 percent of CPE can be in any combination of teaching or publishing an article or book.

D. As a condition of Renewal, Certificate Holders shall attest that they have complied with the requirements of this Rule 6.7.

E. The Board cannot renew the Certificate of a Certificate Holder who issues attest or compilation reports unless he attests to having Undergone a Peer Review as provided in Chapter 8.

F. As a condition of Renewal, a Certificate Holder shall attest that he has complied with the requirements of Rule 9.11.
Relevant Colorado State Board Education Rules, 2.4 and 2.5:

Colorado State Board of Accountancy Rule 2.4:

2.4 EDUCATION REQUIREMENTS FOR EXAMINATION ON AND AFTER JULY 1, 2015

A person who has a Baccalaureate Degree or higher degree who has obtained not less than 120 credit hours of higher education, and who has fulfilled the requirements described in this Rule 2.4, has met the education requirements necessary to sit for the Examination on and after July 1, 2015.

Notwithstanding the above, a person who does not have a Baccalaureate Degree has met the education requirements necessary to sit for the Examination on and after July 1, 2015, if he has obtained not less than 120 credit hours of higher education and fulfilled the requirements described in this Rule 2.4, and he demonstrates that he is currently enrolled in a degree program at a college or university that: (1) requires a minimum 150 hours for graduation; and (2) does not offer a Baccalaureate Degree, but instead confers a Masters or higher degree, or offers a Baccalaureate Degree upon completion of a combined degree program.

A. An Applicant must have completed at least 27 semester hours of non-duplicative accounting coursework at the undergraduate or graduate level with course grades of C (or equivalent) or greater. The transcripts must indicate an accounting program code or the Applicant must otherwise demonstrate that the coursework was in accounting. The 27 semester hours must include the following:

1. 21 semester hours of accounting courses, excluding introductory accounting courses, covering subject areas such as:
   - Accounting Ethics
   - Accounting Information Systems
   - Accounting Research and Analysis
   - Accounting Theory
   - Auditing and Attestation Services
   - Financial Accounting and Reporting of Business Organizations
   - Financial Accounting and Reporting for Government and Not-for-Profit Entities
   - Financial Statement Analysis
   - Fraud Examination
   - Internal Controls and Risk Assessment
   - Managerial or Cost Accounting
   - Taxation
   - Tax Research and Analysis
   - Other areas as approved by the Board

2. The 21 semester hours must include a 3 semester hour, or more, auditing course concentrating on U.S. GAAS. “Concentrating on U.S. GAAS” means that any course content referencing non-U.S. standards is incidental to the course.

3. Introductory accounting courses means courses such as principles of accounting, accounting and tax software courses, payroll accounting, and other basic accounting courses as determined by the Board. Such courses will not count towards the 21-hour requirement.
B. An Applicant must successfully complete at least 21 semester hours of non-duplicative coursework in business administration at the undergraduate or graduate level that addresses subject areas such as:

- Behavior of Organizations, Groups, and Persons
- Business Communications
- Business Ethics
- Business Law
- Computer Information Systems
- Economics
- Finance
- Legal and Social Environment of Business
- Management
- Marketing
- Quantitative Applications in Business
- Statistics
- Other areas as approved by the Board

1. Of the 21 semester hours, no more than 6 semester hours can be in any single subject area. But semester hours in excess of the 6-hour maximum may count toward the total 120 semester hour requirement.

2. Of the 21 semester hours, 12 semester hours must be in courses above the introductory level in business administration.

3. All coursework must address subject areas as provided in paragraph B of this Rule 2.4, but the coursework need not be taken within the business or accounting department.

C. The courses required in this Rule 2.4 must be taken at an Accredited Baccalaureate Granting College or: (1) such a college must accept the courses by including them in its official transcript or verify to the Board that it would accept the courses for credit towards graduation; (2) the courses must be acceptable for transfer to such a college pursuant to a transfer articulation agreement approved or accepted by the Colorado Department of Higher Education or what the Board determines to be an equivalent regulatory agency of another jurisdiction; or (3) the Board may accept the findings of an academic credential evaluation provided pursuant to Rule 2.2.

**Colorado State Board of Accountancy Rule 2.5:**

**EDUCATION REQUIREMENTS FOR CERTIFICATION ON AND AFTER JULY 1, 2015**

An Individual who has a Baccalaureate Degree or higher degree and who has fulfilled the requirements described in this Rule 2.5 has met the education requirements necessary for certification on and after July 1, 2015.

A. An Applicant must have successfully completed a total of 150 semester hours of non-duplicative coursework at the undergraduate or graduate level.

November 3, 2016
B. The Applicant must have completed at least 33 semester hours of non-duplicative accounting coursework at the undergraduate or graduate level with course grades of C (or equivalent) or greater, as follows:

1. All courses must be designated by an accounting program code or the Applicant must otherwise demonstrate that the coursework was in accounting;
2. The 33 semester hours must include 27 semester hours of accounting courses, excluding introductory accounting courses, covering the subject areas described in Rule 2.4.A.1;
3. Of the 27 semester hours required in paragraph 2, a total of 6 semester hours must be in auditing, which must include a 3 semester hour, or more, course concentrating on U.S. GAAS. “Concentrating on U.S. GAAS” means that any course content referencing non-U.S. standards is incidental to the course. The remaining semester hours may be in advanced auditing or a subset of basic auditing such as fraud or information technology auditing;
4. Introductory accounting courses means courses such as principles of accounting, accounting and tax software courses, payroll accounting, and other basic accounting courses as determined by the Board. Such courses will not count towards the 27-hour requirement.
5. The 27 hours required in paragraph 2 must include a 3 semester hour, or more, course concentrating on accounting ethics.

C. The Applicant must have successfully completed at least 27 semester hours of non-duplicative coursework in business administration at the undergraduate or graduate level, which must include:

1. At least 18 semester hours of courses above the introductory level in business administration as described in Rule 2.4.B.; and
   a. At least 3 of the 18 semester hours must be in business, technical, or accounting communications.
2. Of the 27 semester hours, no more than 9 semester hours can be in any single subject area. But semester hours in excess of the 9-hour maximum may count toward the total 150 semester hour requirement.
3. All coursework must address subject areas as provided in Rule 2.4.B, but the coursework need not be taken within the business or accounting department.

D. The courses required in this Rule 2.5 must be taken at an Accredited Baccalaureate Granting College or: (1) such a college must accept the courses by including them in its official transcript or verify to the Board that it would accept the courses for credit towards graduation; (2) the courses must be acceptable for transfer to such a college pursuant to a transfer articulation agreement approved or accepted by the Colorado Department of Higher Education or what the Board determines to be an equivalent regulatory agency of another jurisdiction; or (3) the Board may accept the findings of an academic credential evaluation provided pursuant to Rule 2.2.
Additional Links:

Colorado Board of Accountancy main page:  
http://www.dora.state.co.us/accountants/

Basic licensing requirements:  
http://www.dora.state.co.us/accountants/requirements.htm

CPA exam info from the AICPA:  
http://www.aicpa.org/BecomeACPA/CPAExam/Pages/CPAExam.aspx

To apply for the CPA exam, visit the NASBA website at:  
http://nasba.org/exams/cpaexam/colorado/