

FREQUENTLY ASKED QUESTIONS:

These are some of the most frequently asked questions we receive. If you have any additional questions, or need any additional information, please contact the Board office at 785-296-2162, by Fax at 785-291-3501, or via e-mail at info@ksoba.state.ks.us

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CPA EXAM QUESTIONS

1. What are the requirements to sit for the CPA Exam?

1. Successful completion of course work consisting of at least 150 semester hours, with a concentration in accounting, at a college or university recognized by the board, and the applicant is the holder of a baccalaureate or higher academic degree. **A candidate MUST meet the education requirements and be able to provide an official transcript or transcripts indicating such BEFORE making application to sit for the exam.**

2. Within the 150-hour education requirement, a candidate must complete 42 semester hours in business and general education courses, including the following:

Macro and microeconomics, plus one upper division economics course
At least two courses in the legal aspects of business or business law;
College algebra or higher-level course;
Statistics and Probability theory;
Computer systems and applications;
Finance;
Management and Administration;
Marketing; and
Production, Operations Research or applications of quantitative techniques to business problems.

At least 11 hours in written and oral communications; (this includes courses such as English Composition, Speech, Business Communications, it does not include Foreign Language, Poetry, Literature, Theatre, etc.)

At least 30 semester credit hours in accounting theory and practice including:

Financial Accounting;
Managerial Accounting beyond an introductory course;
Auditing;
Income tax; and
Accounting Information Systems beyond an introductory computer course.

3. Residency--have a place of business as a public accountant in, or be permanently employed by a public accounting firm in Kansas.

2. Is it true that the Board may waive some of the required courses?

Not to exceed a total of six hours, up to three hours of course requirements in each of the three categories listed above may be waived by the board, but only if the applicant has met the 150 hour education requirement and can provide satisfactory verification that he or she has otherwise met the course requirement.

3. Where do I get an application to sit for the CPA Exam?

By contacting CPA Examination Services at 1-800-CPA Exam (1-800-272-3926) ask for the Kansas Coordinator; or via the Internet at www.nasba.org.

4. Can I sit for the exam any time I want, and as often as I want?

The exam will be offered in "windows". A "window" is the equivalent of a quarter. The computerized exam will launch April 5, 2004. The exam will be open the first two months of each testing window, and will be closed the last month to refresh questions. Therefore, in 2004, a person can schedule to sit for the exam in the months of April May, July, August, October and November.

A candidate may not sit for a particular section more than once in a testing window. However, a candidate will be able to sit for a particular section 4 times in a year. (In 2004, since the exam is not launching until April, a candidate will only be able to sit 3 times for a particular section.)

5. What are the exam application deadlines?

Commencing with the computerized exam, there is no application deadline date. Applications will be taken and processed when submitted. However, once a candidate has been issued a "Notice to Schedule", the candidate will have six months from the issuance of the "Notice to Schedule" in which to sit for the approved exam sections.

6. Do I have to sit for all four parts of the exam at one time?

No. Candidates will be able to apply for one section of the examination at a time. Once the candidate is issued a "Notice to Schedule", the candidate will have six months from the date the "Notice to Schedule" is issued to sit for the approved sections. However, once a candidate has passed a section, the candidate will have 18 months from the date that part is passed to pass the remaining sections before losing credit for the passed part.

7. How much does it cost to sit for the CPA exam in Kansas?

SECTIONS OF THE EXAMINATION:

	<u>AUDITING</u>	<u>ACCOUNTING</u>	<u>REGULATION</u>	<u>BUSINESS E & C</u>
AICPA	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00
PROMETRIC:				
COMPUTER DELIVER	76.50	68.00	51.00	42.50
DIGITAL PHOTO	3.00	3.00	3.00	3.00
NASBA (DATABASE)	10.00	10.00	10.00	10.00
	\$134.50	\$126.00	\$109.00	\$100.50

IN ADDITION, CPA EXAMINATION SERVICES WILL CHARGE THE FOLLOWING ADMINISTRATIVE FEES FOR ITS SERVICES:

FIRST-TIME COMPUTERIZED CANDIDATES (REGARDLESS OF THE NUMBER OF SECTIONS FOR WHICH THE CANDIDATE APPLIES): **\$ 145.00**

ONCE A CANDIDATE HAS SAT FOR ONE OR MORE PARTS OF THE COMPUTERIZED EXAM, THE ADMINISTRATIVE FEES WILL BE AS FOLLOWS:

REEXAMINATION CANDIDATES:

FOUR SUBJECTS	\$ 110.00
THREE SUBJECTS	80.00
ONE SUBJECT	65.00

ALL FEES MUST BE PAID AT THE TIME APPLICATION IS MADE.

8. Where is the CPA Examination held?

In Kansas, there are two Prometric (Sylvan) sites:

Topeka: 2800 Wanamaker Road	785-272-7500
Wichita: 2020 N. Woodlawn, Ste. 20	316-651-5350

It is up to the candidate to schedule his/her dates and times to sit for the exam. However, when a person has been sent a "Notice to Schedule", the candidate may schedule to sit for the exam at any Prometric site in the US that provides testing for the CPA exam. Go to www.prometric.com for site information.

9. When are the results of the exam released?

For the first year, it is anticipated that the grades will be released to the candidates at the beginning of the window following the window in which they took the exam.

10. I am from a foreign country, what requirements must I meet to sit for the CPA Exam in Kansas:

An individual with a foreign degree must have their foreign degree evaluated to substantiate that the foreign degree is equivalent to a baccalaureate degree from a U.S. institution and must satisfy the 150-semester credit hour requirement. Any organization listed as a member of NACES (National Association of Credential Evaluation Services) is approved by the Board. The evaluation must be a specific course-by-course comparison to Kansas requirements, not a general evaluation.

11. I passed the exam; can I call myself a CPA?

Once you have passed the CPA exam, you are required to pass the AICPA's Professional Ethics course. Once a candidate has successfully completed the ethics course, and has been issued a Kansas CPA certificate, a person may use the CPA as a credential only. (In other words, CPA may appear after a person's name if they are working in an industry that is not related to the practice of public accountancy.) The CPA Certificate allows a person to use the designation as a credential, not hold out or sign reports for the public as a CPA. If a person wants to reflect this

information on a resume, then we strongly suggest that the CPA designation is explained by saying, "not licensed to practice in Kansas".

12. What if I sat for the exam before the education requirement changed, do I now have to meet the 150-hour education requirement to sit for the exam in the future?

If you sat for the CPA Exam in Kansas as a Kansas candidate prior to July of 1997, you do not have to meet the 150 hour education requirement to sit for the exam in Kansas in the future.

NOTE: KANSAS IS A TWO-TIERED STATE, WHICH MEANS A PERSON MUST APPLY FIRST FOR A CPA CERTIFICATE AND THEN A PERMIT (LICENSE) TO PRACTICE AFTER MEETING AN EXPERIENCE REQUIREMENT. ONLY AFTER OBTAINING A PERMIT TO PRACTICE, MAY A PERSON HOLD OUT OR SIGN REPORTS FOR THE PUBLIC AS A CPA. SEE PERMIT QUESTIONS FOR INFORMATION ON OBTAINING A PERMIT.

1. How do I obtain a CPA certificate by exam in Kansas?

A Kansas exam candidate need only complete the Application for Certificate by Passing Examination in Kansas, and pay a \$25.00 application fee, after the candidate has successfully completed the CPA exam and the AICPA ethics exam.

2. How do I obtain a CPA certificate by reciprocity in Kansas?

B. A person whose original certificate is from another state and who now wants a certificate by reciprocity in Kansas complete the Application for Certificate by Reciprocity, submit an Application for Interstate Exchange Authorization from the Board of Accountancy in their principal office state and their original state (if different from one another), and pay a one-time \$250.00 application fee. Evidence of successful completion of the AICPA ethics exam or another state's ethics exam recognized by the Board also is required.

A PERSON HOLDING OUT OR PERFORMING SERVICES FOR KANSAS CLIENTS MUST HAVE A VALID KANSAS PERMIT TO PRACTICE.

1. What is the experience requirement for a permit to practice?

One year of accounting experience obtained through employment in government, industry, academia or public practice, providing any type of service or advice involving the use of attest or nonattest skills, all of which was verified by a CPA holding an active license to practice.

2. Does the person verifying my experience have to be a supervisor?

The experience no longer has to be under the direct supervision of a licensed CPA; however, a licensed CPA must verify that a person has the experience necessary to obtain a permit to practice.

3. What is the cost for a permit to practice?

The fee for a permit to practice is predicated off of whether the CPA certificate has an odd or even number and whether the application for a permit to practice is made in an odd or even year. For instance, if a person has an odd-numbered CPA certificate such as 0003, and is making application for a permit to practice in an odd-year such as 2003, then the fee will be \$150.00. If the odd-numbered certificate holder makes application for a permit to practice in an even-year such as 2004, then the fee for the permit would be \$75.00.

4. Do I have to have proof of completion of CPE to obtain my initial permit to practice?

No. Once you have obtained your first permit to practice, you will be assigned a number of pro-rated CPE hours to obtain before the next renewal.

5. Oops! I didn't renew my permit because I didn't think I needed it, but circumstances changed and now I do. How do I go about "reinstating" my permit?

If a person decides within 1 year after the permit expired that he or she wants the permit, then the permit is considered to be a late renewal, which requires proof of completion of the 80 hours required to renew (plus an additional 8 hours penalty if the 80 hours were not completed within the permit period, or a person did not meet the minimum 20 hours required in each year of the renewal period), plus payment of a late fee of \$225.00.

If a person has been without a permit for longer than 1 year, then the process is deemed to be a "reinstatement of permit". This requires proof of completion of 40 hours of CPE within the previous 12 months from the date of application for reinstatement, plus payment of a higher fee.

PRACTICE BY NOTIFICATION

1. I understand that the Board now allows for an out of state person to practice in the state by notification. What is that, and how does it work?

Practice by notification applies to the following persons:

Persons who do not have a principal place of business in Kansas;
Do not have a Kansas CPA certificate;
Has an active CPA license issued by a state other than the state of Kansas, and whose permit is issued by a state whose qualifications for CPA licensure are substantially equivalent to the education, examination and experience requirements for the Uniform Accountancy Act;
If the State's qualifications are not substantially equivalent to the UAA, the applicant can verify that his or her qualifications are substantially equivalent to the UAA requirements.

If a person meets these requirements, then the process is to complete a Practice by Notification form, providing a letter of good standing from the Board of Accountancy in their principal office state; provide proof of completion of Peer Review, if the applicant is performing attest services in the State of Kansas; and a \$150.00 fee. The practice by notification is valid for 2 years from the date of issuance.

FIRM QUESTIONS

1. Must I register my firm?

Firms or incorporated sole practitioners who have an office in Kansas must register with the Board.

Unincorporated sole practitioners subject to Peer Review must register with the Board.

Out of state firms who do not have an office in Kansas are NOT required to register with the Board; however, any persons eligible to obtain a permit to practice who work for the firm and who are performing services for Kansas clients, must be individually licensed with the Board.

2. How often do I renew my firm registration?

Annually, by December 31. The Board sends out renewal forms the middle of November.

3. What's the fee for registering/renewing my firm?

Registration is \$40.00. Annual renewal is \$40.00 if renewed on or before December 31 of each year. Late renewals are \$60.00.

4. Are there any restrictions on the use of a firm name?

Yes. Although the Board allows fictitious firm names, the firm name must not be misleading to the public and must not reflect ownership or size that doesn't exist. Restrictions are in place for the use of the terms "& Associate", "& Associates", "Group", "Company", etc. Contact the Executive Director for more information.

1. Is proof of completion of Peer Review required in Kansas?

Yes. Proof of completion of Peer Review every three years is required for registered firms and unincorporated Kansas sole practitioners who are subject to Peer Review. Proof of completion is provided with firm registration.

Out of state CPAs who do not have an office in Kansas, but who are performing services subject to Peer Review in Kansas, are required to provide proof of completion of Peer Review with their permit renewal applications.

2. What is considered “proof of completion” of Peer Review?

The Board requires that a Peer Review letter of completion be provided. This is the letter issued by the administering entity that states the firm has completed the Peer Review process and issues a due date for the next Review.

3. How long is my Peer Review Letter of Completion valid?

Beginning with Peer Reviews accepted by the Report Acceptance Body after November 15, 2002, the Letter of Completion is valid until the next Peer Review is due. Peer Reviews accepted prior to that date are valid for three years from the date of the letter of completion.

4. What if I can’t provide a letter of completion, will the Board accept anything else?

The Board will accept, in lieu of a letter of completion, a letter from the administering entity that the Peer Review is “in process”. This letter can only be issued if the Peer Review is completed by the Team Captain, the Report, letter of comments and letter of response (if applicable) have been provided to the administering entity.

If an “in process” letter is submitted, the Board will issue a “conditional” firm registration or “conditional” permit renewal, whichever is applicable, subject to providing the necessary letter of completion by a specified date.

5. Can the Board obtain the results of my Peer Review?

Yes. Beginning with Peer Reviews accepted by the administering entity’s Report Acceptance Body after December 31, 2001, the Board may inquire as to the type of Peer Review Report issued; i.e., unmodified, modified, or adverse. If a firm has received a modified or adverse opinion on their Peer Review Report, then the Board may request a copy of the Peer Review Report, letter of comments, letter of response and any follow-up requirement letters issued in connection with the Peer Review.

6. Can the Board take disciplinary action over the outcome of my Peer Review?

Yes. Beginning with Peer Review Reports accepted by Report Acceptance Bodies after December 31, 2001, if a firm receives an Adverse Report, or if a firm has received 2 modified Peer Review Reports during 12 consecutive years, the Board may limit the scope of practice of attest services of a firm or permit holder if the Board determines that the firm or person failed to comply with GAAP, GAAAS and other recognized authoritative technical standards.

The Board may also take action if a firm has failed to abide by remedial measures required by a Peer Review Committee or the Board.

CPE QUESTIONS

ONLY PERSONS HOLDING ACTIVE PERMITS TO PRACTICE ARE REQUIRED TO OBTAIN CPE.

1. What are the CPE requirements?

For active permit holders, the CPE requirement is 80 hours every 2 years, with a minimum requirement of 20 hours in each year. Certificates of completion of all self-study CPE is required with the renewal form.

2. What is the CPE reporting period?

July 1 to June 30

3. Does Kansas have a specific CPE requirement in the areas of accounting and attest?

No.

4. Does Kansas has an ethics requirement for CPE?

Commencing with permit renewals issued July 1, 2006 and thereafter, a person will have to provide proof of completion of 2 hours of ethics.

5. What requirements must be met by the CPE program?

It is a formal program of learning that maintains or improves the professional competence of a permit holder and requires attendance.

An outline of the program is prepared in advance and provided to the permit holder.

The program is at least 50 minutes in length.

The program is conducted by a person qualified in the subject area.

A record of registration and attendance is retained.

6. What types of programs qualify as acceptable CPE?

Professional development programs of the AICPA, State Societies, and local chapters of CPAs;

Technical sessions at meetings of the AICPA, State Societies and local chapters of CPAs;

University or college credit courses.

University or college non-credit courses.

Formal organized, in-firm or interfirm education programs;

Programs in accounting, auditing, consulting services, specialized knowledge and applications, taxation, management, or ethics; and

Programs in personal development, which may include communications, managing group processes, dealing effectively with others, interviewing, counseling and career planning.

7. What about self-study programs, what types are acceptable?

Individual self-study programs may be eligible, if all of the following conditions are met:

The program sponsor has been approved by either the National Association of State Boards of Accountancy (NASBA) Registry or a State Society of CPAs;

The program requires registration;

The program includes a final examination;

The participant scores at least 70 % on the final examination;
The participant provides certificates of satisfactory completion.

Independent self-study programs may be eligible, if all of the following conditions are met:

The program sponsor has been approved by either NASBA's Registry or a State Society of CPAs

The participant has a written learning contract with a program sponsor that contains a recommendation of the number of credit hours to be awarded upon successful completion of the program;

The sponsor reviews and signs a report indicating that all of the requirements of the independent study program, as outlined in the learning contract, are satisfied;

The program is completed in 15 weeks or less.

8. How are CPE credits computed?

Beginning November 15, 2002, CPE credit of 1 hour (or 1 credit) for each full 50 minutes, and ½ hour, or .5 credit for each full 25 minutes after the first hour of credit has been earned for attended and self-study courses.

For instance, if a course lasts 75 minutes, then 1.5 hours, or 1.5 credits, will be awarded for that course.

A course must, however, reach a full 50 minutes to be counted for 1 hour, and a full 25 minutes to be counted as ½ hour. If a course lasts only 45 minutes, it may not be claimed. If a course lasts 70 minutes, then only 1 hour may be claimed, because the full 25 minutes were not attained to count for the ½ hour credit.

9. Is there any limit on the amount of self-study hours I can claim?

Beginning November 15, 2002, there is no longer a limit on the amount of self-study hours.

10. What about instructor/preparation hours—may they be claimed, and if so, how much?

Hours devoted to actual preparation time by an instructor, discussion leader, or speaker for formal programs shall be computed at a maximum of up to twice the number of CPE credits that a participant would be entitled to receive, in addition to the time for presentation, AS LONG AS THE HOURS SERVED CONTRIBUTE TO THE PROFESSIONAL COMPETENCE OF THE APPLICANT.

Repeated presentations of the same course SHALL NOT BE COUNTED unless it is demonstrated that the program content involved was substantially changed and the change required significant additional study or research.

11. What about carry-forward hours—are they allowed?

Up to 20 hours of CPE earned over the required amount of CPE for permit renewal in the 12-month period preceding July 1 of the permit holder's renewal year may be carried over to the next renewal period. There are no carry-forward hours from the first year to the second year of the renewal period.

Carry forward hours may be used to satisfy the minimum 20-hour requirement in the first year of the renewal period.

GENERAL QUESTIONS

1. I've moved or I've changed employers. How do I notify the Board?

In writing, either by mail, by fax, or via e-mail. Our fax number is 785-291-3501. Our e-mail address is info@ksboa.state.ks.us

The change of address should include your certificate number, your social security number, old and new address, and indication of your preferred mailing address (office or home).

2. How do I change my name on my records?

In order to change a name, proof is required in the form of a copy of a marriage certificate or divorce decree, whichever is applicable.

3. Are faxed copies of application, renewal or registration forms acceptable?

No. The Board requires an original signature on all forms.

4. I want to make a complaint against a CPA or a CPA firm. How do I do this?

There is a link to a complaint form found on our web page. Complete the form, attach all supporting documents, and mail to the Board office at 900 SW Jackson, Ste. 556, Topeka, KS 66612.

5. How can I find out if the Board has taken disciplinary action against a CPA?

Our web page lists disciplinary action taken by the Board, or you may call the Board office, at 785-296-2162, and ask for the Executive Director.