



**House
Legislative
Analysis
Section**

Washington Square Building Suite 1025
Lansing, Michigan 48909
Phone 517/373-6466

CPA EXAMINATION ELIGIBILITY

**House Bill 5569 with committee amendments
First Analysis (6-8-88)**

RECEIVED

**Sponsor: Rep. Joanne G. Emmons
Committee: State Affairs**

Mich. State Law Library

THE APPARENT PROBLEM:

Michigan's law governing the licensing and regulation of certified public accountants (CPAs) specifies that those who wish to take the national Uniform CPA Examination must first have fulfilled a four year degree. This provision within the Occupational Code not only ensures that a person is more prepared to take the CPA exam, but also ensures that a person cannot become state certified without having fulfilled minimum educational requirements. Four year state colleges and universities on a quarter schedule usually do not graduate accounting seniors until well after the date of the exam, which is usually in the first week of May, while those programs on the semester system usually end classes early enough for graduates to sit in on the exam. Apparently, however, one Michigan school using the quarter system, Ferris State University, often ends classes near the third week of May, thereby excluding their students — who have, for the most part, fulfilled their educational requirements — from being able to sit in on the exam. Some have therefore requested amending the code so that those who expect to fulfill educational requirements within a short time after the regularly scheduled CPA examination date, can sit in on the exam as long as they do fulfill the specified educational requirements within a specified time after the exam.

THE CONTENT OF THE BILL:

The bill would amend the Occupational Code to specify that a person who applied for a certificate of examination as a CPA would be considered to have fulfilled the educational requirements of the code if he or she was scheduled to receive his or her baccalaureate degree, with a concentration in accounting or its equivalent, from an educational institution recognized by the State Board of Accountancy within 30 days after the date of the examination. The date for the fulfillment of an applicant's baccalaureate degree would have to be certified by the chief academic officer of the educational institution. If an applicant had failed to fulfill the educational requirements of the educational institution within the time specified in the bill, then the board could not credit the examination results to the applicant. The bill would take effect December 1, 1988.

MCL 339.704

FISCAL IMPLICATIONS:

According to the Department of Licensing and Regulation, the bill could have very minor fiscal implications to the department due to additional administrative paperwork for additional CPA applicants. (6-8-88)

ARGUMENTS:

For:

The bill would simply permit accounting seniors at some of Michigan's four year colleges or universities that are on

the quarter system to take the CPA examination before they have actually finished their final classes. Most four year semester programs in Michigan finish classes early enough to permit their graduating students to sit in on the early May examination. Ferris State, however, even though it is not on the semester system, usually ends classes in the third week of May — two or three weeks after the scheduled exam. (The same exam is also given in November, but Ferris, again, is let out too late for fall term graduates to participate.) Also, students who graduate in winter term (February) and wish to take the exam in May, must have their applications, complete with school transcripts, sent in by a certain date. Students at Ferris, however, are not finished early enough to send in transcripts on time, which puts a burden on school officials to complete certain extra amounts of paperwork to ensure that their graduates can sit in on the exam. The bill would remove this extra paperwork for school officials and extend the same privilege to graduates of Ferris and some other schools to take the exam as is enjoyed by most semester schools in the state. The bill, however, would ensure that students of these schools who had taken the exam before formally receiving their degrees would still have to finish school.

POSITIONS:

Ferris State University's Department of Accountancy supports the bill. (6-8-88)

HB. 5569 (6-8-88)