

Making a Career Change: Becoming a CPA

By Anita Pacelli, CPA

There were some states that had minimal requirements for becoming a CPA. New Hampshire CPA candidates had only to complete an associate degree and an additional 12 hours of accounting to sit for the exam.

It is not that way anymore. Over the past five years in order to punch your CPA ticket all but two states have the requirement of at least 150 semester hours in order to sit for the Uniform CPA exam. A mere two states continue to offer two tiers of CPA licensure. Massachusetts offers a non-reporting license, and Guam provides what is termed an inactive license.

There are still a few loopholes available in some states that a student or returning student can take advantage of in order to accelerate the process for non-traditional applicants.

- **Education:** Again, most states now require a minimum of a bachelor's degree (*but it does not need to be in accounting*), 150 semester hours of total college credit, and minimum semester hours of accounting and general business subjects.
- **Exam:** The Uniform CPA exam is a four-part beast of a test that all CPAs must pass. Fortunately, it is now offered more or less year-round at any Prometric testing center, and you don't have to take them in order or in one sitting.
- **Experience:** All states require either 1 or 2 years of full time "public accounting" experience. *In most states, the preparation of tax returns and representation of taxpayers in matters before the IRS is qualifying experience.* However, most states require that this work be conducted under a licensed CPA within a few years prior to your application for a CPA license — *but not all states.*

Experience

Whether you are an EA or an unenrolled preparer, chances are you already have the experience requirement met if you are a mid or late career tax pro. The trick is to document that experience and obtain your CPA license in a state that does not require a supervisor to be a CPA or does not require a direct supervisor to sign off on your experience.

The states of Arkansas, Indiana, Michigan, Montana, and Washington allow any CPA to verify your qualifying work experience even if you never worked for them. Literally any CPA that been licensed at least 5 years can review your life's work, interview you, and sign off. *This is another reason why everyone should get out and network!*

The states of Illinois, Ohio, Virginia, and Wisconsin allow non-CPAs to verify your work experience, but they had to have been your supervisor. This should be easy to arrange if you co-own your practice with another practitioner, or only recently went into private practice for yourself. You also do not have to be a resident of the state you obtain your CPA license in.

Education

Based on my research for this project, not a single state or territory requires you to have an accounting degree to sit for the CPA exam. They only require that you have the requisite bachelor's degree. Most of the EAs and late-career unenrolled preparers do have degrees. In fact many EAs have accounting degrees plus a Master's in Taxation. But if you do not it is possible to complete a bachelor's in six months with a minimal amount of investment online or in person.

Each state is different, as to what they require to sit for the exam. Alaska has the lowest requirement: Only 15 semester hours of actual accounting courses are required, on top of the bachelor's degree. However, Alaska also requires 2 full years of experience under direct supervision of a licensed CPA.

So, check on the educational requirements for the state you will get licensed in first. You will need to meet that state's educational requirement to sit for the CPA exam.

These days, we also have tons of online course opportunities. From MOOCs operated by the likes of MIT and Stanford, to classic "career colleges" and community colleges that have moved online, options are plentiful. Two organizations, ACE and NCCRS, evaluate these types of programs and provide recommendations on transfer credit. The education requirement is obviously the biggest obstacle to anybody attempting this late in life, but it can be done and open new opportunities and adventure.

Exam Requirements

Every state except Alabama, Louisiana, Hawaii and North Carolina requires you to be or become a US Citizen before you can take the exam. The CPA Exam is a US-based designation, and most candidates planning to take the exam will already be US citizens.

If you are an international candidate, you are still eligible to take the exam in the four states mentioned above: Alabama, Louisiana, Hawaii, and North Carolina. Since these states do not require US citizenship to take the exam, you're eligible to apply for and take the exam in each.

Most states require you have a social security number in order to apply and sit for the CPA Exam. This is not an issue for most candidates since the CPA is a US-based designation and most candidates who are applying to take the exam are already US citizens with a social security number.

If you want to apply for the CPA Exam but do not have a social security number the states of Wisconsin, Montana, Illinois, New York and South Dakota allow you to take the CPA Exam even if you don't have a social security number.

All 50 states and 5 jurisdictions require a candidate to be at least 18 years of age before sitting for the CPA Exam.

When it comes to CPA Exam eligibility, most people want to know about education requirements. Most candidates are US citizens, have a social security number and are over the age of 18, but there are requirements you have to meet according to your state in order to sit for the CPA Exam.

While specific education requirements vary from state to state there are a few constants. All states require at least a bachelor's degree or 120 semester hours from an accredited college or university to be eligible. Only a handful of states allow candidates to become CPAs without an accounting degree; these are Hawaii, Maine, Alaska, Massachusetts, and Georgia. In all other states, you'll have to have at least your bachelor of accounting degree.

All states require some specific number of semester hours in accounting courses, as well as a usually smaller number of semester hours in business courses. Some states now require 150 semester hours or a master's degree in order to take the exam, and many states have the 150-hour rule in place for licensure. Check with your state board of accountancy as early as possible to see what your educational requirements are.

You will want to view your state CPA Requirements and check your state board of accountancy's website for the following differences between states:

- Whether or not you have to be a US citizen
- Whether or not you need state residency
- Whether or not you need a social security number
- The number of education hours to sit for the CPA Exam
- The specific credit hour makeup of the required education hours
- The exam application process and prices
- Where to take the CPA Exam

Good luck making your dreams and aspirations come true for a fulfilling professional career.