

Vermont CPA New Applicant Guide

Background:

The Vermont Accountancy Statutes and Rules were changed in 2009 to adopt the 150 semester hour education requirement for new licensure beginning in 2014. These changes made Vermont a “substantially equivalent” state allowing mobility and the ability to more easily practice across state lines. To date, 49 states have adopted licensing requirements meeting the “substantially equivalent” threshold.

The Vermont Board of Accountancy (the “Board”) also made changes to the administrative rules that became effective on February 20, 2013. Among other things, clarifying the administrative procedures as they related to the 150 semester hour change was a goal of the 2012-2013 rule revision. While the move to “substantial equivalency” was necessary to ensure acceptance of Vermont CPAs in other jurisdictions, we understand the impact on CPA Candidates currently on the path to becoming licensed. To assist students and advisors in better understanding the requirements for licensure the Board has partnered with the Vermont Society of CPAs to provide a summary of our current licensing requirements based upon the current Vermont Accountancy Statutes and Administrative Rules.

The requirements for initial licensure by examination as a Certified Public Accountant (“CPA”) in any state start with the “3 E’s” which include Education, Examination and Experience. The current requirements in Vermont are summarized as follows:

Education & Experience:

Vermont Title 26, the Vermont Accountancy Statute Section 71a, currently includes two paths to licensure. The requirements for each are summarized as follows:

Path A – Requires a baccalaureate degree, including a minimum of 30 semester hours of accounting, auditing and related subjects as determined by the Board, and 2 years of experience.

Path B – Requires 150 or more semester hours of college credit including a baccalaureate degree and a minimum of 42 semester hours of accounting, auditing and related subjects as determined by the Board and 1 year of experience.

However, effective July 1, 2014, Path A is **repealed** by statute leaving only, Path B, the 150 semester hour path. There is no grandfathering provision; the Board will not be able to license candidates without 150 semester hours after July 1, 2014. Additionally, candidates will need to have a fully completed application on file with the Board including successful completion of the examination, experience and education requirements prior to July 1, 2014, if they wish to gain licensure without 150 semester hours.

Timing of Examination:

A candidate who has not yet completed the requirements for licensure may sit for the exam upon the completion of 120 semester hours, including a minimum of 30 semester hours of accounting, auditing and related subject as determined by the Board (Title 26, Section 71a.(c)).

Timing of Experience:

The administrative rules require that work experience be attained within a period beginning 4 years prior to completing the examination and ending not more than 4 years after completing the examination (VT Administrative Rules Section 5.9(d)).

Timing of Education:

The administrative rules require that a candidate complete their application including any education and experience requirements within 4 years of passing the examination (VT Administrative Rules Section 5.1(b)).

Courses Acceptable to the Board:

Education requirements must be completed at a college or university in the United States which, at the time the applicant's credits were received, was regionally accredited by bodies approved by the Council on Postsecondary Accreditation and the United States Department of Education or in other countries, was accredited by the respective official organization having such authority (VT Administrative Rules Section 5.2).

Studies in accounting, auditing and business shall include accounting, auditing and business subjects at the college level, of not less than:

- Six semester hours in financial accounting (which shall not include introductory financial accounting courses),
- Three semester hours in auditing,
- Three semester hours in U.S. income tax, and
- Three semester hours in U.S. business law (VT Administrative Rules Section 5.3).

The Board intends to be flexible in its interpretation of "introductory financial accounting courses." Introductory accounting courses may not be used to satisfy the financial accounting requirements. Introductory accounting subjects may include principles of financial and managerial accounting courses which are typically 100's level courses taken in a student's first year, even if they are offered at the graduate level. The Board reserves the right to challenge and reject courses at its discretion.

Experience Acceptable to the Board:

The administrative rules permit public and non-public accounting experience which must be supervised by a current CPA and consist of a portfolio of experience of such non-routine accounting nature that continually requires independent thought and judgment on important accounting matters. Vermont Administrative Rules Section 5.9 provides additional detail regarding the types of accounting experience deemed acceptable by the Board.

How to Apply:

The Board has engaged CPA Examination Services (CPAES), a division of the National Association of State Boards of Accountancy, Inc. (NASBA) for application processing, credential evaluation, and score reporting and utilizes the Uniform Certified Public Accountant Examination. Additional information on how to apply can be found on the Board of Accountancy web page at <http://vtprofessionals.org/opr1/accountants/> under Examination Information.

Disclaimer and Further Questions:

This Vermont CPA New Applicant Guide is a non-authoritative summary of the current Statutes and Rules impacting initial licensure as a Vermont CPA. Candidates are encouraged to refer to the Vermont Accountancy Statutes and Rules to ensure a current understanding of the full context of the authoritative guidance. A copy of the current statutes, administrative rules and contact information for the Board are available on the Board's web page. Candidates with further questions are encouraged to submit them directly to the Board.