

Statement on Standards for Continuing Professional Education (CPE) Programs

The following standards are issued jointly by the AICPA and NASBA.

Section 100

Preamble

01. The right to use the title "Certified Public Accountant" is regulated in the public interest, and imposes a duty to maintain public confidence and current knowledge, skills, and abilities in all areas of service. CPAs must accept and fulfill their ethical responsibilities to the public and the profession regardless of their fields of employment.¹

02. An explosion of relevant knowledge, a changing and expanding nature, and increasing complexity characterize the profession of accountancy. Advancing technology, globalization of commerce, increasing specialization, proliferating regulations, and the complex nature of business transactions have created a dynamic environment that requires CPAs to continuously maintain and enhance their knowledge, skills and abilities.

03. The continuing development of professional competence involves a program of lifelong educational activities. Continuing Professional Education (CPE) is the term used in these standards to describe the educational activities that assist CPAs in achieving and maintaining quality in professional services.

04. The following standards have been broadly stated in recognition of the diversity of practice and experience among CPAs. They establish a framework for the development, presentation, measurement, and reporting of CPE programs and thereby help to ensure that accounting professionals receive the quality continuing professional education necessary to satisfy their obligations to serve the public interest.

Section 200

Standards for CPAs

General Standards

01. Standard No. 1. All CPAs should participate in learning activities that maintain or increase their professional competence or do both.²

02. Commentary. Selection of learning activities should be a thoughtful, reflective process addressing the individual CPA's current work and future work plans, current knowledge and skills level, and desired or needed additional competencies to meet future opportunities and/or professional responsibilities.

03. An accounting professional's field of employment does not limit the need for continuing professional education. A person performing services of a professional nature needs to have a broad range of knowledge, skills, and abilities. Thus, the concept of professional competence should be interpreted broadly. Accordingly, programs contributing to the development and maintenance of both technical and nontechnical professional skills should be recognized as acceptable continuing education.

04. Acceptable subjects include accounting, auditing, consulting services, specialized knowledge and

¹ The term "CPAs" is used in these standards to identify all persons who are licensed and/or regulated by boards of accountancy.

² The term "should" is used in professional standards to convey that CPAs are expected to follow standards as written and are required to justify any departures from standards when unusual circumstances warrant such departures. CPE program sponsors are not permitted any departures from this Joint AICPA/NASBA Statement on Standards for Continuing Professional Education Programs. For this reason, these standards employ the term "should" in the standards that are addressed to CPAs and the term "must" in the standards for CPE program sponsors.

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applications, management, taxation and ethics. Other subjects, including personal development, may also be acceptable if they maintain and/or increase the CPA's competence.

05. To help guide their professional development, individuals may find it useful to develop a learning plan (see definition in glossary.) The learning plan can be used to evaluate learning and competency development. It should be reviewed periodically and modified as competency needs change.

06. Standard No. 2. CPAs should comply with all applicable continuing professional education requirements.

07. Commentary. CPAs are responsible for compliance with all applicable continuing professional education requirements, rules and regulations of state licensing bodies, other governmental entities, membership associations, and other organizations or bodies. CPAs should only participate in CPE programs for which CPE program sponsors have complied with the Standards for CPE Program Presentation and CPE Program Reporting. CPAs should contact each appropriate entity to which they report to determine its specific requirements or any exceptions it may have to the standards presented herein.

08. Standard No. 3. CPAs are responsible for accurate reporting of the appropriate number of CPE credits earned and should retain appropriate documentation of their participation in learning activities.

09. Commentary. CPAs must demonstrate to regulators and to others that learning has occurred and that the type and quality of learning is appropriate for their professional responsibilities. To protect the public interest, regulators require evidence through periodic reporting of CPE. For convenience, measurement is expressed in CPE credits. However, the objective of CPE must always be maintenance/enhancement of competence, not attainment of credits. Compliance with regulatory and other requirements mandates that CPAs maintain documentation of their participation in activities designed to maintain and/or improve competence. In the absence of legal or other requirements, a reasonable policy is to retain documentation for a minimum of five years from the end of the year in which the learning activities were completed.

10. Standard No. 4. CPAs who complete sponsored learning activities that maintain or improve their competencies should claim the CPE credits recommended by CPE program sponsors.

11. Commentary. CPAs may participate in a variety of sponsored learning activities, such as workshops, seminars and conferences, self-study courses, Internet-based programs, and independent study. While CPE program sponsors make a determination of credits, CPAs are obligated to claim credit only for activities through which they maintained or improved their competencies. CPAs who participate in only part of a program should claim CPE credit only for the portion they attended or completed.

12. Standard No. 5. CPAs engaged in sponsored learning activities should retain documentation of their participation, including: (1) name of CPE program sponsor, (2) title and description of content, (3) date(s) of program, (4) location, and (5) number of CPE credits.

13. Commentary. Participants must document their claims of continuing professional education credit. Examples of acceptable evidence of completion include:

- For group study, self-study and independent study programs, a certificate or other verification supplied by the CPE program sponsor.
- For a university or college course that is successfully completed for credit, a record of the grade the participant received.

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- For instruction credit, evidence obtained from the CPE program sponsor of having been the instructor or discussion leader at a program
- For published articles, books, or CPE programs, evidence of publication.

14. Standard No. 6. CPAs may engage in independent study under the direction of a CPE program sponsor who has met the applicable standards for CPE program sponsors when the subject matter and level of study maintains or increases their competency.

15. Commentary: Independent study is an educational process designed to permit a participant to learn a given subject under the guidance of a CPE program sponsor. Participants in an independent study program should:

- Submit a proposal, including the inputs and outcomes desired, to a willing and able CPE program sponsor who must comply with the applicable standards for CPE program sponsors.
- Accept the recommendation of the CPE program sponsor as to the number of credits to be earned by completion of the proposed learning activities.
- Sign a learning contract with the CPE program sponsor that outlines the expected inputs and outcomes on the part of the participant as well as the number of credits to be recommended by the CPE program sponsor at the conclusion of the program.
- Retain the necessary documentation to satisfy regulatory requirements as to the content, inputs and outcomes of the independent study.
- Complete the program of independent study in a time period not to exceed 12 weeks.

Section 300

Standards for CPE Program Sponsors

General Standards

01. Standard No. 1. CPE program sponsors are responsible for compliance with all applicable standards and other CPE requirements.

02. Commentary. CPE program sponsors may have to meet specific CPE requirements of a state licensing body, other governmental entities, a membership association, and/or other organizations. Professional guidance for CPE program sponsors is available from the AICPA and NASBA; state-specific guidance is available from the state boards of accountancy. CPE program sponsors should contact the appropriate entity to determine requirements.

Standards for CPE Program Development

03. Standard No. 2. Sponsored learning activities must be based on relevant learning objectives and outcomes that clearly articulate the knowledge, skills and abilities that can be achieved by participants in the learning activities.

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04. Commentary. Learning activities provided by others for the benefit of CPAs should specify the level, content and learning objectives so that potential participants can determine if the learning activities are appropriate to their competency development needs. Levels include, for example, basic, intermediate, advanced, update, and overview (see definitions in Glossary.)

05. Standard No. 3. CPE program sponsors must develop and execute learning activities in a manner consistent with the prerequisite education, experience and/or advance preparation of participants.

06. Commentary. To the extent it is possible to do so, CPE program sponsors should make every attempt to equate program content and level with the backgrounds of intended participants. All programs must clearly identify prerequisite education, experience and/or advance preparation, if any, in precise language so that potential participants can readily ascertain whether they qualify for the program.

07. Standard No. 4. CPE program sponsors must utilize activities, materials and delivery systems that are current, technically accurate and effectively designed. CPE program sponsors must be qualified in the subject matter and be knowledgeable in instructional design.

08. Commentary. To best facilitate the learning process, sponsored programs and materials must be prepared, presented and updated on a timely basis. Learning activities must be developed by individuals or teams with competency in subject matter and instructional design. These competencies may be demonstrated through practical experience or education.

09. CPE program sponsors must review the course materials periodically to assure that the materials are accurate and consistent with currently accepted standards relating to the program's subject matter.

10. Standard No. 5. CPE program sponsors must ensure learning activities are reviewed by qualified persons other than the persons who developed them, to assure that the program is technically accurate, current, and addresses the stated learning objectives. These reviews must occur before the first presentation of these materials and again after each significant revision.

11. Commentary. A program must be reviewed by individuals or teams qualified in the subject matter and knowledgeable in instructional design. Any one reviewer need not be competent in both areas, but both aspects of every activity must be reviewed. When it is impractical to review certain programs in advance, such as lectures given only once, greater reliance should be placed on the recognized competence of the instructors or presenters. Utilizing independent reviewing organizations familiar with these standards may enhance quality assurance.

12. Standard No. 6. CPE program sponsors of independent study learning activities must be qualified in the subject matter.

13. Commentary. A CPE program sponsor of independent study learning activities must have expertise in the specific subject area related to the independent study. The CPE program sponsor must also:

- Review, evaluate and approve the proposed independent study, including agreeing in advance on the number of credits to be recommended upon successful completion.
- Retain the necessary documentation to satisfy regulatory requirements as to the content, inputs and outcomes of the independent study.

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14. Standard No. 7. Self-study programs must employ learning methodologies that clearly define lesson objectives, manage the participant through the learning process and provide evidence of satisfactory completion of each program by the participant.

15. Commentary. CPE program sponsors of self-study programs must elicit participant responses to test for understanding of the material, offer evaluative feedback to incorrect responses and provide reinforcement feedback to correct responses. CPE program sponsors of self-study programs must require participants to successfully complete a final examination with a minimum-passing grade of at least 70 percent before issuing CPE credit for the course. At least five (5) questions per CPE credit must be included on the final examination. For example, the final examination for a five-credit course must include at least 25 questions.

16. A program that includes the reading of a publication could be designed to qualify as a self-study program of learning by complying with each of the CPE standards.

Standards for CPE Program Presentation

17. Standard No. 8. CPE Program sponsors must provide descriptive materials that enable individuals to assess the appropriateness of learning activities. To accomplish this, CPE program sponsors must inform participants in advance of:

- **Learning objectives**
 1. • **Prerequisites**
 2. • **Program level**
 3. • **Program content**
 4. • **Advance preparation**
 5. • **Instructional delivery methods**
- **Recommended CPE credit**
- 6. • **Course registration requirements**

18. Commentary. For potential participants to effectively plan their CPE, the significant features of the program should be disclosed in advance (e.g., through the use of brochures, Internet notices, invitations, direct mail or other announcements). When CPE programs are offered in conjunction with non-educational activities, or when several CPE programs are offered concurrently, an appropriate schedule of events indicating those components that are recommended for CPE credit should be made available to participants. The CPE program sponsor's registration policies and procedures should be formalized, published, and made available to participants.

19. CPE program sponsors should distribute program materials in a timely manner and encourage participants to complete any advance preparation requirements. All programs should clearly identify prerequisite education, experience and/or advance preparation requirements, if any, in the descriptive materials. Prerequisites should be written in precise language so that potential participants can readily ascertain whether they qualify for the program.

20. Standard No. 9. CPE program sponsors must ensure instructors are qualified with respect to both program content and instructional methods used.

21. Commentary. Instructors are key ingredients in the learning process for any group program. Therefore, it is imperative that CPE program sponsors exercise great care in selecting qualified instructors for all group programs. Qualified instructors are those who are capable through background, training, education, or experience of communicating effectively and providing an environment conducive to learning. They should be competent and current in the subject matter, skilled in the use of the appropriate instructional methods and technology, and prepared in advance.

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22. CPE program sponsors should evaluate the instructor's performance at the conclusion of each program to determine the instructor's suitability to serve in the future.

23. **Standard No. 10. CPE program sponsors must employ an effective means for evaluating learning activity quality with respect to content and presentation as well as provide a mechanism for participants to assess if learning objectives and learning outcomes were met.**

24. **Commentary.** The objectives of evaluation are to assess participant satisfaction with specific programs and to increase subsequent program effectiveness. Evaluations, whether written or electronic, should be solicited from participants and instructors for each program session, including self-study, to determine whether:

- Stated learning objectives were met.
- If applicable, prerequisite requirements were appropriate.
- Program materials were accurate, relevant and contributed to the achievement of the learning objectives.
- Time allotted to the learning activity was appropriate.
- If applicable, individual instructors were effective.
- Facilities and/or technological equipment were appropriate.
- Handout or advance preparation materials were satisfactory.
- Audio and video materials were effective.

25. CPE program sponsors should periodically review evaluation results to assess program effectiveness and should inform developers and instructors of evaluation results.

26. **Standard No. 11. CPE program sponsors must ensure instructional methods employed are appropriate for the learning activities. Learning activities should be presented in a manner consistent with the descriptive and technical materials provided.**

27. **Commentary.** CPE program sponsors should evaluate the instructional methods employed for the learning activities to determine if the delivery is appropriate and effective. Integral aspects in the learning environment which should be carefully monitored include the number of participants and the facilities and technologies employed in the delivery of the learning activity.

28. CPE program sponsors are expected to present learning activities that comply with course descriptions and objectives. Appropriate supplemental materials may also be used.

Standards for CPE Program Measurement

29. **Standard No. 12. Sponsored learning activities are measured by program length, with one 50-minute period of time equal to one CPE credit. One-half CPE credit increments (equal to 25 minutes) are permitted after the first credit has been earned in a given learning activity.**

30. **Commentary.** For learning activities in which individual segments are less than 50 minutes, the sum of the segments should be considered one total program. For example, five 30-minute presentations would equal 150 minutes and should be counted as three CPE credits. When the total minutes of a sponsored learning activity are greater than 50, but not equally divisible by 50, the CPE credits granted should be rounded down to the nearest one-half credit. Thus, learning activities with segments totaling 140 minutes should be granted two and one-half CPE credits.

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31. While it is the participant's responsibility to report the appropriate number of credits earned, CPE program sponsors should monitor group learning activities to assign the correct number of CPE credits.

32. For university or college courses that meet these CPE Standards, each unit of credit shall equal the following CPE contact hours:

- Semester System 15 hours
- Quarter System 10 hours

33. Credit is not granted to participants for preparation time.

34. Only the portions of committee or staff meetings that are designed as programs of learning and comply with these standards qualify for CPE credit.

35. *Standard No. 13. CPE credit for self-study learning activities must be based on a pilot test of the average completion time.*

36. **Commentary.** A sample of the targeted participant population should be selected to pilot test program materials in an environment and manner similar to that in which the program is to be presented to participants. The sample group of at least three individuals should be independent of the program development group and possess the appropriate level of knowledge prior to taking the program. The sample does not have to ensure statistical validity. CPE credits should be recommended based on the average completion time for the sample. If substantive changes are subsequently made to program materials, consideration should be given to further pilot tests of the revised program materials to affirm or amend, as appropriate, the average completion time.

37. **Standard No. 14. Instructors or discussion leaders of learning activities will receive CPE credit for both their preparation and presentation time to the extent the activities maintain or increase their professional competence and qualify for CPE credit for participants.**

38. **Commentary.** Instructors or discussion leaders that present a learning activity for the first time should receive CPE credit for actual preparation time up to two times the number of CPE credits being awarded participants in addition to the time for presentation. For example, for learning activities in which participants receive eight CPE credits, instructors may receive up to 24 CPE credits (16 for preparation plus 8 for the presentation). For repeat presentations, instructors may receive CPE credit only if they can demonstrate that the learning activity content was substantially changed and such change required significant additional study or research.

39. **Standard No. 15. Writers of published articles, books, or CPE programs will be given CPE credit for their research and writing time to the extent this time increases their professional competence.**

40. **Commentary.** Writing articles, books, or CPE programs for publication is a structured activity that involves a process of learning. For the writer to receive CPE credit, the article, book, or CPE program must be formally reviewed and published.

41. **Standard No. 16. CPE credits recommended by a CPE program sponsor of independent study must not exceed the time devoted by the participant to complete the learning activities specified in the learning contract.**

42. **Commentary.** The credits to be recommended by an independent study CPE program sponsor should be agreed upon in advance by the CPA participant and should be equated to the effort expended to improve competence. The credits can not exceed the time devoted to the learning activities and may be less than the actual time involved.

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Standards for CPE Program Reporting

43. Standard No. 17. CPE program sponsors must provide program participants with documentation of their participation, which includes the following:

- CPE program sponsor name and address
- Participant's name
- 1. • Course title
- 2. • Course field of study
- 3. • Date offered or completed
- 4. • If applicable, location
- 5. • Type of instructional/delivery method used
- 6. • Amount of CPE credit awarded
- 7. • Description of computation used to determine amount of CPE credit awarded
- 8. • Verification by CPE program sponsor representative.

44. Commentary. Participants should document their claim of continuing professional education credit. Acceptable evidence of completion includes:

- For group programs and independent study programs, a certificate or other verification supplied by the CPE program sponsor.
- For self-study programs, a certificate supplied by the CPE program sponsor after satisfactory completion of an examination.
- For instruction credit, a certificate or other verification supplied by the CPE program sponsor and evidence obtained from the CPE program sponsor of having been the instructor or discussion leader at a program.
- For a university or college course that is successfully completed for credit, a record or transcript of the grade the participant received.
- For published articles, books, or CPE programs, the writer should document the claim for CPE credit with (1) a copy of the publication (or in the case of a CPE program, course development documentation) that names the writer as author or contributor, and (2) a statement from the writer supporting the number of CPE hours claimed.

46. 45. Standard No. 18. CPE program sponsors must retain adequate documentation for five years to support their compliance with these standards and the reports that may be required of participants.

46. Commentary. Information to be retained by CPE program sponsors includes:

- Records of participation
- Dates and locations
- Instructor names and credentials
- Number of CPE credits earned by participants
- Results of program evaluations
- Evidence of compliance with responsibilities set forth under these standards
- Information to be retained by developers includes copies of program materials, evidence that the program materials were developed and reviewed by qualified parties, and a record of how CPE credits were determined.

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47. For CPE program sponsors offering self-study programs, appropriate pilot test records must be retained regarding the following:

- When the pilot test was conducted
- The target participant population
- How the sample was determined
- Names and profiles of sample participants
- A summary of participants' actual completion time

Section 400

Glossary

01. **Advanced.** Learning activity level that describes programs most useful for individuals with mastery of the particular topic. This level focuses on the development of in-depth knowledge, a variety of skills, or a broader range of applications. Advanced level programs are often appropriate for high-ranking persons within organizations; however, they may also be beneficial for lower-level professionals with specialized knowledge in a subject area

02. **Basic.** Learning activity level that describes the program level most beneficial to CPAs new to a skill or attribute. These individuals are often at the staff or entry-level in organizations, although such programs may also benefit a seasoned professional with limited exposure to the area.

03. **Continuing Professional Education (CPE).** An integral part of the lifelong learning required to provide competent service to the public. The set of activities that enables accounting professionals to maintain and increase their professional competence.

04. **CPE credit.** Fifty minutes of participation in a group program, independent study or self-study program. One-half CPE credit increments (equal to 25 minutes) are permitted after the first credit has been earned in a given learning activity.

05. **CPE program sponsor.** The individual or organization responsible for setting learning objectives, creating the program materials to achieve such objectives, offering a program to participants and maintaining the documentation required by these standards. The term CPE program sponsor may include associations of CPAs, whether formal or informal, as well as employers who offer in-house programs.

06. **Evaluative Feedback.** Specific response to incorrect answers of question in self-study programs. Such feedback explains why that specific answer is wrong. Unique feedback must be provided for each incorrect response, as each incorrect answer is likely to be wrong for differing reasons.

07. **Group Program.** An educational process designed to permit a participant to learn a given subject through interaction with an instructor and other participants either in a classroom setting or using the Internet.

08. **Independent Study.** Educational process designed to permit a participant to learn a given subject under a learning contract with a CPE program sponsor.

09. **Instructional Design.** A plan that specifies the learning objectives of the program; the content of the program; the instructional methods; and, if practical, the manner of evaluating whether the learning objectives were achieved.

10. **Instructional Methods.** Delivery strategies such as case studies, computer-assisted learning, lectures, group participation, programmed instruction, teleconferencing, use of audiovisual aids, or work groups employed in group programs, self-study, or independent study programs.

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- 11. Intermediate.** Learning activity level that describes a program level most appropriate for CPAs with detailed knowledge in an area. Such persons are often at the mid-level within the organization, with operational and/or supervisory responsibilities.
- 12. Internet-based programs.** A learning activity, through a group program (Paragraph .07 above) or self-study (Paragraph .21 following), that is designed to permit a participant to learn the given subject matter via the Internet. To qualify as a group program, the Internet learning activity must meet the standards for group programs. To qualify as self-study, the Internet learning activity must meet the standards for self-study.
- 13. Learning activity.** An educational endeavor that results in maintaining or increasing professional competence.
- 14. Learning objectives.** Specifications as to what participants who complete learning should accomplish. Learning objectives are useful to program developers in deciding appropriate instructional methods and allocating time to various subjects..
- 15. Learning plans.** Structured processes that help CPAs guide their professional development. They are dynamic instruments used to evaluate and document learning and competency development, reviewed regularly and modified, as CPAs' competency needs change. Plans include:
- A self-assessment of the gap between current and needed knowledge, skills and abilities,
 - A set of learning objectives arising from this assessment, and
 - Learning activities to be undertaken to fulfill the learning plan
- 16. Overview.** Learning activity level that provides a general review of subject area from a broad perspective. These programs may be appropriate for professionals at all organizational levels.
- 17. Pilot test.** Sampling of at least three individuals to measure the average completion time from which the recommended CPE credit is determined for self-study programs.
- 18. Professional competence.** Having requisite knowledge, skills, and abilities to provide quality services as defined by the technical and ethical standards of the profession. The expertise needed to undertake professional responsibilities and to serve the public interest.
- 19. Program of learning.** A collection of learning activities that are designed and intended as continuing education and that comply with these standards.
- 20. Reinforcement Feedback.** Specific responses to correct answers of question in self-study programs. Such feedback restates why the answer selected was corrected.
- 21. Self-Study Program.** An educational process designed to permit a participant to learn a given subject without major involvement of an instructor. Self-study programs use a pilot test to measure the average completion time from which the recommended CPE credit is determined.
- 22. Update.** Learning activity level that provides a general review of new developments. This level is for participants with a background in the subject area who desire to be kept current.