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Proposal to the Senate Educational Policy Committee

PROPOSAL TITLE: Revision of Certificate in Accountancy program, College of Business

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BRIEF DESCRIPTION:

The Certificate in Accountancy (the “Certificate”) was created in response to the change enacted in 2001 by the Illinois Legislature requiring 150 semester credit hours, as well as a baccalaureate or higher degree, to take the CPA examination in Illinois. The Certificate was designed for ILLINOIS Accountancy students who did not enroll in the department’s integrated bachelor/master program but who desired to prepare for a career in public accounting. The intent was to raise these students’ competencies and semester hours to levels necessary to take the CPA examination in Illinois. Enrollment in the Certificate program decreased over time as students began finding alternative methods to meet the 150 semester hour rule. The Certificate program was suspended in 2010-11 due to low enrollment.

The new revised Certificate will remain a non-degree certificate and it will be implemented as an online-only, cost-recovery program, whose target audience will be non-University of Illinois students.

BACKGROUND AND JUSTIFICATION:

Effective July 1, 2013, the State of Illinois amended the CPA examination requirements by increasing the required number of credit hours in Accountancy to 30 (from 24), along with 24 credit hours in Business other than Accounting (and an overall 150 total credit hours of university coursework). To date, 16 other states and territories in the U.S. have followed suit, increasing the number of credit hours in Accountancy required to sit for the CPA examination (some as high as 36 credit hours). These requirements far exceed the amount typically required for an undergraduate major.¹ Additional jurisdictions are expected to implement similar enhanced Accountancy credit hour requirements, following model CPA licensure recommendations made by the National Association of State Boards of Accountancy (NASBA).

¹ Most universities require between 21 and 24 credit hours in Accountancy to meet major requirements.

In response to this new mandate, the Department of Accountancy proposes to revise the Certificate program. The objective of the revision is to provide non-University of Illinois students with a vehicle (through the Certificate, which will require completion of ACCY 398)² to obtain sufficient Accountancy credit hours to meet the new increased accountancy credit hour requirements in many jurisdictions, without the need to pursue a graduate degree.³

ADMISSION TO CERTIFICATE PROGRAM:

The minimum requirement for admission to the Certificate program is completion of or enrollment in the final semester of undergraduate coursework required under state law to sit for the Uniform Certified Public Accountant examination. Such requirements include, at a minimum, a bachelor's degree from an accredited university and coursework equivalent to a major in Accountancy.⁴ Applicants must have earned at least a 2.0 (A=4.0) grade point average for all courses taken at the university level and at least a 2.0 grade point average for courses taken in the Accountancy major. For students not majoring in Accountancy, students must have at least a 2.0 grade point average for courses taken in Accountancy at the university level. Admission to the Certificate is based on these undergraduate grade point averages and, at the option of the Department, on letters of reference. For students enrolled in their final semester of undergraduate coursework, admission is conditional on successful completion of the undergraduate degree (and, if applicable, courses equivalent to a major in Accountancy) as scheduled. Once admitted, students have up to three semesters in which to complete the Certificate program requirements.

A master's degree in Accountancy from an accredited College of Business serves as a substitute for the undergraduate degree requirements in most jurisdictions and will serve as a substitute for the academic coursework required for admission to the Certificate program.

² University of Illinois students have access to ACCY 398 without the need for the Certificate program, during their senior year or while enrolled in our graduate programs.

³ Earning the Certificate does not guarantee that one will meet all the requirements to sit for the CPA exam in Illinois (or in any other state). For example, if one graduated from an Illinois university with 124 credit hours, including 21 credit hours of accounting, and earned the Certificate, one would have a total of 140 credit hours, including 37 credit hours of accounting. It would be the student's responsibility to earn more credit hours to meet the 150 credit hour rule as well as to meet other requirements, including 24 credit hours in Business other than Accounting.

⁴ For example, using course rubrics from University of Illinois at Urbana-Champaign, the following courses, at a minimum would be deemed equivalent to an undergraduate degree in Accountancy in the State of Illinois:

Measurement and Disclosure (ACCY 301)
Institutions and Regulations (ACCY 303)
Accounting for Decision Making (ACCY 302)
Federal Income Taxation (ACCY 312)
Assurance and Attestation (ACCY 405) or Auditing (ACCY 415)
Principles of Business Law (BADM 303)

BUDGETARY AND STAFF IMPLICATIONS:

a. Additional staff and dollars needed. The revision of the Certificate Program does not have significant budgetary implications. ACCY 398 has an approved course fee, which covers its cost. In addition, non-degree undergraduate students (Certificate Students) will pay tuition (currently set at \$6,000 for the Certificate, but to be assessed on a per credit hour basis in the future, with out-of-state students paying a higher per-credit hour cost than in-state students) and associated course fees. Expenses include CPA review materials, director and instructor stipends, and part-time assistant director/office administrator compensation. These expenses are incidental to the operation of the current ACCY 398 course and are not related to the certificate.

b. Internal reallocations. None.

c. Effect on course enrollments in other departments and explanations of discussions with representatives of those departments.

ACCY 398 is the only course in the revised Certificate program. This course is a fully-online variable-credit course designed to prepare students for each of the four portions of the AICPA Uniform CPA examination. The course takes students beyond the typical coverage of technical Accountancy topics in an undergraduate major and introduces a variety of topics that are often not addressed at the undergraduate level. The focus of the coverage is on CPA exam material. The undergraduate curriculum at many schools does not have this focus.

There will be no effect on other Accountancy or non-accountancy courses. All students in the revised Certificate program will have completed or be currently enrolled in the courses that were included in the original Certificate program by definition, since all the courses included in the original Certificate program are incorporated in the admission requirements described above for the revised program (a major in Accountancy or the coursework equivalent to a major in Accountancy).

DESIRED EFFECTIVE DATE: Spring 2015

STATEMENT FOR PROGRAMS OF STUDY CATALOG:Certificate in Accountancy

The purpose of the Certificate in Accountancy is to provide students an option by which they can acquire a portion of the minimum competencies necessary to take the Uniform CPA examination.

The Certificate in Accountancy will have a range of semester hours (4-16), based on four course modules corresponding to the four sections of the Uniform CPA examination. The Certificate is composed of four certificates corresponding to each module. A certificate will be issued for each completed module. Even though the Certificate is

composed of the following four modules, students will pay one course fee for the entire Certificate, and not a course fee for each module.

<u>HOURS</u>	<u>COURSE</u>
4	ACCY 398 – Regulation
4	ACCY 398 – Business Environment and Concepts
4	ACCY 398 – Financial Accounting and Reporting
4	ACCY 398 – Auditing and Attestation
4-16	TOTAL

Students will apply directly to the Department of Accountancy. Once admitted to the Department of Accountancy, students will apply to Illinois as non-degree undergraduates. Admission to the Certificate in Accountancy program requires a bachelor's degree from an accredited university and coursework equivalent to a major in Accountancy. Applicants must have earned at least a 2.0 (A=4.0) grade point average for all courses taken at the university level and at least a 2.0 grade point average for courses taken in the major or field of concentration. For students not majoring in Accountancy, students must have at least a 2.0 grade point average for courses taken in Accountancy at the university level. Admission to the Certificate in Accountancy is based on these undergraduate grade point averages and, at the option of the Department, on letters of reference. A master's degree in Accountancy from an accredited College of Business can serve as a substitute for the degree requirements noted above.

CLEARANCES:

Jon Davis, Head | Department of Accountancy

Date:

Virginia France, Chair | College of Business
Educational Policy Committee

Date:

Lawrence DeBrock, Dean | College of Business

Date:

Ilesanmi Adesida, Provost | Office of the Provost

Date: