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Foreign Educational Credential Evaluation by IQAC

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Committee

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AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

666 FIFTH AVENUE

NEW YORK, N. Y. 10019

INTERNATIONAL QUALIFICATIONS
APPRAISAL COMMITTEE

MEMORANDUM TO: State or Other Jurisdictional Boards of Accountancy
FROM: AICPA International Qualifications Appraisal Committee (IQAC)
SUBJECT: Foreign Educational Credential Evaluation by IQAC
DATE: June 1, 1973

This memorandum is intended to keep you informed of IQAC's progress and current programs.

The International Qualifications Appraisal Committee was established by the AICPA and NASBA to provide assistance to both organizations and state licensing bodies and other interested groups faced with the problem of evaluating foreign candidates attempting to obtain CPA certificates.

As its first project, IQAC has attempted to provide a more convenient and efficient method for the evaluation of non-American educational credentials. Following is a description of the project and an indication of the way you may avail yourself of the related services.

Evaluation of foreign academic credentials is complicated by international variations in educational standards, institutions and practices and by the differences in the requirements of the various United States licensing bodies against which foreign records must be compared. To deal with this problem, IQAC has adopted a two-stage approach:

1. Development of a commonly acceptable set of educational requirements, defined in a manner which will permit comparison with widely varying student records, and
2. Establishment of a low cost service which will, at the request of a licensing body, compare any foreign student record with the standard in (1.) and determine if the requirements have been fulfilled.

Development of a Commonly Acceptable Educational Standard

As a purely advisory and service body, IQAC obviously cannot determine standards for state boards of accountancy. Instead, a study was made of the requirements of several states which consistently grant a large percentage of new CPA certificates in the United States. These requirements were reviewed in detail, with particular reference to the way they had been interpreted relative to foreign applications. From this work, a common set of educational standards has been developed, which will satisfy the educational requirements of the states of California, Illinois and Texas without being significantly different from the requirements of the states individually.

A statement of this set of requirements with interpretative remarks is included as Attachment No. 1 to this letter.

It is hoped that other licensing bodies will indicate to IQAC that they, like California, Illinois and Texas, will also accept completion of these requirements in satisfaction of their own educational requirements. Of course, such notification would not constitute any modification of the existing educational requirements of any individual body. IQAC (through the AICPA and NASBA) will distribute these standards to foreign educated applicants who request information about obtaining American CPA certificates. The reasonably wide acceptance of this set of requirements and their promulgation should reduce some of the complexities faced by foreign trained candidates for the CPA certificate. Such standardization should also make it easier for individual boards to determine compliance with the requirements. When acceptance of the common standard is coupled with the evaluation service (below), the work of state boards should be substantially eased.

Educational Qualifications Evaluation Service

Even with a commonly acceptable educational standard, the wide international variation in names and nature of degrees awarded, educational institutions, credit units, course titles and language will often make it extremely difficult for state bodies to evaluate individual credentials.

As a response to this problem, IQAC, with the cooperation of the Office of Admissions and Records of the University of Illinois, will provide evaluations of foreign credentials upon request of state licensing bodies.

The evaluation will be performed by comparing the submitted educational record against the common standard discussed above; if the standard is not achieved, an indication will be given of the specific deficiencies.

The University of Illinois staff has many years of experience in processing thousands of requests for admission to graduate study by foreign students. This experience will permit a fair and efficient evaluation of virtually any given set of credentials. It should also be noted that this same staff has, for many years, performed similar evaluations for the Illinois Committee on Accountancy.

A nominal charge of \$30 will be made for each evaluation to cover the out-of-pocket costs of the University's performance of this service. State boards may wish to collect that amount as part of the application fee of foreign candidates.

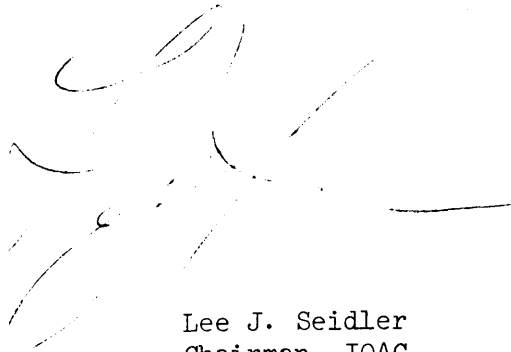
This evaluation service will be available only to requesting state boards; not to the candidates individually. Requests to IQAC for evaluation service should be made to:

Mr. Richard Dremuk, Examiner
International Qualifications
Appraisal Committee
University of Illinois
100A Administration Building
Urbana, Illinois 61801

accompanied by the supporting materials listed on Attachment No. 2.

In closing, we emphasize that the role of IQAC is to assist licensing bodies to cope with the complexities introduced by increasing numbers of foreign applicants. We hope to widen the available services in the near future and welcome your comments on our work.

Yours very truly,

A handwritten signature in dark ink, appearing to read "Lee J. Seidler", is written over a horizontal line. The signature is fluid and cursive.

Lee J. Seidler
Chairman, IQAC

LJS:bab
Attachments

Members of IQAC

Carl Dechow, Jr., Past President of NASBA,
Formerly California State Board of Accountancy.
Richard Dremuk, Consultant on Foreign Credentials,
Illinois Committee on Accountancy.
Lee J. Seidler, New York University.
E. J. Smith, Secretary, Illinois Committee on Accountancy.
Irby N. Taylor, Texas State Board of Public Accountancy.

Staff Aide

Daniel L. Sweeney, Director of Examinations, AICPA.



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Attachment No. 1

General Undergraduate Educational Requirement

Candidates should hold a four-year academic baccalaureate degree or a baccalaureate degree with a minimum of 120 semester hours, prior to sitting for any part of the examination. The essential factor is a four-year undergraduate experience, defined in terms of the amount of course work that would normally be taken in that period of time in an American college or university.

It is asserted in some countries that certain three-year undergraduate programs are the "qualitative equivalent" of an American four-year undergraduate program. The four-year (120 semester hour) requirement stipulated above embraces both qualitative and quantitative considerations. Qualitative equivalency alone, however defined, is not considered adequate. Such degrees will be viewed on a pro-rata basis, relative to the number of semester hours taken.

In some cases, candidates may lack the actual degree. This may be due to the failure to comply with certain formalities, unrelated to the academic content of the degree program, or in other cases, to political problems associated with immigrant status, etc. As long as the candidate satisfies the essential quantitative and qualitative (or baccalaureate type) requirements, as defined above, he should not be excluded for lack of the actual degree. (Note, the state of Texas does require possession of a valid degree certificate.)

Subjects Included in Degree Requirement

The 120 semester hours should include a minimum of 21 semester hours in accounting plus a minimum of 24 additional hours in related business subjects.

Both categories of "accounting" and "related business subjects" will be given reasonably broad interpretation, consistent with the understanding that the subject matter must fit general American conceptions of the areas. Courses in computer information systems and related materials will be considered as "accounting," only if they are actually centered on accounting applications. Auditing and taxation courses will be counted towards the accounting requirements; law courses as "related business subjects."

Definition of Accredited Schools

Accrediting associations, such as those which function in the United States, are not found in most other countries. For the purpose of these requirements, candidates must graduate from colleges or universities which have an approved status in the country involved, comparable to accreditation granted by recognized regional and national accrediting associations in the United States.

Credits from foreign private business schools or correspondence schools will generally not be recognized.



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Attachment No. 2

Procedures for IQAC Credentials Evaluation

Requests for evaluation of foreign candidates' educational credentials by IQAC should be sent to:

Mr. Richard Dremuk, Examiner
International Qualifications
Appraisal Committee
100A Administration Building
University of Illinois
Urbana, Illinois 61801

The following materials should accompany each request for evaluation:

1. A certified copy of the candidate's academic degree.
2. Certified copies of the candidate's college course records, grades and examination results.
3. A complete chronological description of his educational preparation, including all secondary school and prior experience. Age while attending each school should be indicated.

NOTE: All of the above should be in English or accompanied by certified English translations. Certification of translations may be obtained by the candidates at United States Embassies or Consulates.

4. A check in the amount of \$30, payable to IQAC, University of Illinois.

State bodies intending to make repeated use of IQAC facilities may arrange for periodic billing.

In the event additional information is required from a candidate, it is suggested that IQAC advise the applicant and keep state boards informed with a carbon copy of the request for additional information. The complete and final evaluation will be sent by IQAC to the state board making the original request.

A comprehensive form will be developed which will be sent to the state boards to send to foreign trained candidates who wish to qualify for the CPA examination or who wish to receive the CPA certificate by reciprocity.