

Memorandum

AEC Agenda Item VI.
June 23, 2010

To : AEC Members

Date : June 21, 2010

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Subject : Supplemental Attachment to Agenda Item VI

Attached for your review is a supplemental document created by Mr. Ruben Davila, Accounting Education Committee (AEC) Chair. The attached document is intended to stimulate discussion amongst members and supplements the memorandum I prepared and circulated under this same agenda item.

Supplemental Attachment to Agenda Item VI

The following language and potential restrictions are proposed to facilitate discussion on course work that would qualify for the 20 units of additional accounting study beyond the baccalaureate degree required for licensure by Senate Bill (SB) 819. The Accounting Education Committee (AEC) should consider the significant amount of research material developed by the California Board of Accountancy (CBA) staff, in addition to the following language, in support of our efforts. We should develop a workable definition and a model that is responsive to the needs of relevant stakeholders while maintaining public protection as our primary objective.

Accounting and business courses are defined in Section 9.2 of the CBA Regulations. The definition and the related courses are well accepted and would be easily applied to the additional 20 units of accounting study required by SB 819. The specific definitions of accounting and business are provided on page one of the memo written by CBA staff member Jenny Sheldon, under this same agenda item.

As Ms. Sheldon noted in her memorandum, the CBA does not presently have a definition for the term 'academic course work relevant to accounting and business.' The AEC must develop a definition for this academic course work that can be incorporated into CBA Regulations. Regulatory language developed by the AEC should ensure that the courses taken by candidates are substantive and enhance the competency of candidates for licensure. The proposed language I have offered below interprets the concept broadly and I believe would allow a flexible range of courses to be taken while at the same time attempting to ensure that course work is substantive and meets the objectives of SB 819.

Other Academic Course Work Relevant to Accounting and Business might include those covering:

- important skills that enhance the ability to practice accounting or business such as communications, speech, writing, journalism, negotiations, critical thinking, logic, psychology, research, English, thesis, etc.
- established fields of study or science that are practiced in business or industry such as biology, medicine, real estate, engineering, chemistry, architecture, business related law courses such as corporations, mergers & acquisitions, SEC regulation, property, contracts, real property, bankruptcy, estate planning, etc.

The classes listed above are intended to be representative and not all inclusive. Any course list developed by the AEC may require modification if an area of study is deemed to fall under the heading of ethics education by the CBA's Ethics Curriculum Committee. Areas of study and potential requirements or limits in an area might include, but not limited to:

| Education Requirements | Minimum/Maximum Units, if any | Upper or Lower Division | Independent Study | Internship | Established Degree or Certificate Program |
|---------------------------------|-------------------------------|-------------------------|-------------------|------------|---|
| Accounting | | | | | |
| Business | | | | | |
| Accounting and Business Related | | | | | |
| Ethics | | | | | |