

The Rules Committee of the Texas State Board of Public Accountancy is holding a meeting by online video conference call pursuant to §551.127 of the Open Meetings Act. The public may attend the meeting in-person at the office of the Board which is located at 505 E. Huntland Drive, Suite 370, Austin, Texas 78752. The Chair of the Rules Committee will be present at the 505 E. Huntland Drive location for the entirety of the meeting. In the alternative, the public may attend the meeting virtually using the following link.

Topic: Rules Committee Meeting

Time: Nov 5, 2025 01:30 PM Central Time (US and Canada)

<https://www.zoomgov.com/j/1610083814?pwd=xyw2JFK7bhtHyjQJ7Yy8aea0a1iK1n.1>

Meeting ID: 161 008 3814

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Meeting ID: 161 008 3814

Agenda Item V
Rules Committee Agenda
November 5, 2025
1:30 p.m.

- A. Discussion, consideration, and possible action concerning the Rule Review of *Chapter 502 – Peer Assistance*, of the Board's *Rules* pursuant to *Section 2001.039* of the *Texas Government Code*.
- B. Discussion, consideration, and possible action concerning the Rule Review of *Chapter 518 – Unauthorized Practice of Public Accountancy*, of the Board's *Rules* pursuant to *Section 2001.039* of the *Texas Government Code*.
- C. Discussion, consideration, and possible action concerning the Rule Review of *Chapter 520 – Provisions for the Fifth-Year Accounting Students Scholarship Program*, of the Board's *Rules* pursuant to *Section 2001.039* of the *Texas Government Code*.
- D. Discussion, consideration, and possible action concerning Board *Rule 505.10 (Board Committees)*.
- E. Schedule next meeting.

Agenda Item V
Rules Committee Agenda
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1:30 p.m.

- A. Discussion, consideration, and possible action concerning the Rule Review of *Chapter 502 – Peer Assistance*, of the Board's *Rules* pursuant to *Section 2001.039* of the *Texas Government Code*.

DISCUSSION: The staff is not recommending any revisions to these rules. The staff is recommending that the Board readopt these rules in accordance with *Section 2001.039* of the *Texas Government Code* which requires the Board's review of all Board rules at least every four years.

RECOMMENDATION: The staff recommends that the Rules Committee recommend that the Board readopt these rules that do not require revision. There is no proposal for repeal of a rule.

SUGGESTED MOTION: That the Rules Committee recommend to the Board that it readopt these rules requiring no revision.

CHAPTER 502 Peer Assistance
RULE §502.1 Peer Assistance to Licensees

(a) The board adopts the provisions contained in the Texas Health and Safety Code, Chapter 467, Peer Assistance Programs, in its entirety, including any amendments enacted by the Texas Legislature.

(b) Should the board receive information regarding a licensee, applicant or certificate holder indicating possible chemical dependency on drugs or alcohol or mental health issues, the board may:

(1) refer the licensee, applicant, or certificate holder to an approved peer assistance program; or

(2) require the licensee, applicant, or certificate holder to participate in or complete a course of treatment or rehabilitation.

(c) Should the board receive a complaint or other information constituting possible violations of other board rules, including chemical dependency on drugs or alcohol, or mental health issues, then the board may take action as appropriate under this title and the Act regarding those possible violations in addition to making a referral under subsection (b) of this section.

(d) An approved peer assistance program that receives a report or referral under subsection (b) of this section or a report under §467.005(a) of the Texas Health and Safety Code, may intervene to assist the licensee, applicant or certificate holder to obtain and complete a course of treatment and rehabilitation.

1 CHAPTER 502 Peer Assistance
2 RULE §502.2 Texas State Board of Public Accountancy Policy Statement of the
3 Peer Assistance Oversight Committee
4

5 (a) The board has established the peer assistance oversight committee to oversee the
6 activities of the TXCPA's peer assistance program as mandated under the Texas Health
7 and Safety Code, Chapter 467.

8 (b) The peer assistance oversight committee operates under the premise that
9 impairments caused by chemical dependency on drugs or alcohol and mental health
10 issues are treatable.

11 (c) The peer assistance oversight committee's responsibilities include, but are not
12 limited to:

13 (1) protecting the public from CPAs whose ethical, behavioral, and technical violations
14 due to chemical dependency on drugs or alcohol and/or mental health issues have
15 harmed, or have the potential to harm, the public;

16 (2) encouraging CPAs, CPA applicants, and accounting students to seek assistance for
17 impairment due to chemical dependency on drugs or alcohol and/or mental health
18 issues;

19 (3) cooperating with the TXCPA's peer assistance program in promoting confidential
20 assistance to CPAs, CPA applicants, and accounting students who suffer from chemical
21 dependency on drugs or alcohol and/or mental health issues; and

22 (4) disseminating information about the peer assistance program to CPAs, CPA
23 applicants, and accounting students.

Agenda Item V
Rules Committee Agenda
November 5, 2025
1:30 p.m.

- B. Discussion, consideration, and possible action concerning the Rule Review of *Chapter 518 – Unauthorized Practice of Public Accountancy*, of the Board's *Rules* pursuant to *Section 2001.039* of the *Texas Government Code*.

DISCUSSION: Following the North Carolina U.S. Supreme court dental case, the Board may not issue a cease and desist order against a person unlawfully representing themselves to be an accountant or offer accounting services. In the alternative the agency can refer these cases to the Attorney General's Office to enforce the law or the agency can enter into an Agreed Consent Order with the individual violating the law. With agreement from the offending party the agency can enforce the agreement through contract law. The rule is proposing to be revised to recognize that the Board no longer issues Cease and Desist Orders.

RECOMMENDATION: The staff recommends that the Rules Committee recommend that the Board authorize the executive director to publish the proposed revisions in the *Texas Register* for public comment and readopt those rules that do not require revision. There is no proposal for repeal of a rule.

SUGGESTED MOTION: That the Rules Committee recommend to the Board that it authorize the executive director to publish the proposed revisions to the rules as proposed in the *Texas Register* for public comment and readopt those rules requiring no revision.

1 CHAPTER 518 Unauthorized Practice of Public Accountancy
2 RULE §518.1 Definitions

3
4 The definitions contained in Chapter 519 of this title (relating to Practice and Procedure)
5 apply to this chapter.

CHAPTER 518 Unauthorized Practice of Public Accountancy
RULE §518.2 **Agreed Consent Orders** ~~Cease and Desist Orders~~

(a) Whenever the board, through its executive director, determines that a person is engaging in an act or practice that constitutes the practice of public accountancy without a license issued under the Act, the board, through its executive director, ~~after notice and an opportunity for a hearing, may issue a cease and desist order prohibiting the person from engaging in that activity. The executive director~~ and the person under investigation may agree to **an Agreed Consent Order** ~~a cease and desist order at any time; however, such an agreed cease and desist order must be ratified by the board.~~

(1) The executive director may refer an investigation to the Constructive Enforcement Committee for its consideration before taking any action. In such cases, the Constructive Enforcement Committee may recommend that staff dismiss the matter without further action, instruct staff to investigate the matter further or recommend that staff offer the person under investigation **an Agreed Consent Order** ~~a cease and desist order.~~

(2) The executive director may enlist the aid of the members of the Constructive Enforcement Advisory Committee in gathering evidence during investigations of the unauthorized practice of public accountancy.

~~(b) A hearing under this rule shall be conducted in the manner of a contested case pursuant to the Act, the Administrative Procedure Act, the board's rules and SOAH's rules.~~

CHAPTER 518 Unauthorized Practice of Public Accountancy
RULE §518.3 **Agreed Consent Order Violations** ~~Cease and Desist Orders~~

(a) Whenever the board, through its executive director, determines that a person subject to **an Agreed Consent Order** ~~a cease and desist order~~ issued by the board has violated that order, the board, through its executive director, after notice and an opportunity for a hearing, may assess an administrative penalty, ~~after consulting with the board's presiding officer,~~ against the person in violation in accordance with the guidelines contained in §518.6 of this chapter (relating to Administrative Penalty Guidelines for the Unauthorized Practice of Public Accountancy) and Subchapter L of the Act, as amended.

(b) The board staff acting through the executive director will ~~advise~~ ~~offer~~ the person found in violation of **an Agreed Consent Order that he has 20 days to request a hearing in writing, as required by §901.554 of the Act (relating to Penalty to be Paid or Hearing Requested)** ~~a cease and desist order:~~

~~(1) The agreed consent order will act as the preliminary report as required by §901.553 of the Act (relating to Report and Notice of Violation and Penalty), including findings of fact to support the administrative penalty as well as the amount of the penalty to be imposed.~~

~~(2) Board staff will advise the person found in violation of a cease and desist order that he has 20 days to either sign the agreed consent order or to request a hearing in writing, as required by §901.554 of the Act (relating to Penalty to be Paid or Hearing Requested).~~

~~(3) If the person found to be in violation of a cease and desist order signs the agreed consent order, then the agreed consent order will be presented to the board for its consideration. If the board ratifies the agreed consent order, then it will issue a board order.~~

(c) If the board, through its executive director, determines that a person subject to **an Agreed Consent Order** ~~a cease and desist order~~ issued by the board has violated that order, the ~~board, through its~~ executive director ~~and after consulting with the board's presiding officer,~~ may seek to enjoin the person in violation in state district court.

1 CHAPTER 518 Unauthorized Practice of Public Accountancy
2 RULE §518.4 Injunctive Relief and Penalties
3

4 (a) Whenever the executive director has determined that evidence supports a person(s)
5 has or is engaging in an act(s) that violates §§901.451, 901.452, 901.453, 901.454 or
6 901.456 of the *Act* (relating to Use of Title or Abbreviation for "Certified Public
7 Accountant"; Use of Title or Abbreviation for "Public Accountant"; Use of Other Titles or
8 Abbreviations; Title Used by Certain Out-of-State or Foreign Accountants; and Reports
9 on Financial Statements; Use of Name or Signature on Certain Documents) or any
10 combination of these sections of the Act, the executive director may, pursuant to
11 §901.604 of the Act (relating to Single Act as Evidence of Practice), seek the issuance
12 of an injunction and the assessment of penalties against that person(s) in state district
13 court on behalf of the board.

14 (b) Penalties will be determined in accordance with the guidelines in §518.6 of this
15 chapter (relating to Administrative Penalty Guidelines for the Unauthorized Practice of
16 Public Accountancy).

1 CHAPTER 518 Unauthorized Practice of Public Accountancy
2 RULE §518.5 Unlicensed Entities
3

4 (a) An unlicensed entity is permitted to state that it has an ownership interest and a
5 business affiliation with a registered CPA firm provided each such statement complies
6 with subsection (b) of this section.

7 (b) In any letterhead, or in any advertising or promotional statements by an unlicensed
8 entity that refers to accounting, auditing or attest services or any derivative terms
9 associated with those services, there must be a statement that such services are only
10 performed by the affiliated registered CPA firm. This statement must be included in
11 conspicuous proximity to the name of the unlicensed entity and be printed in type not
12 less bold than that contained in the body of the letterhead, advertisement or promotional
13 statement. If the advertisement is in audio format, the statement must be clearly
14 declared in each such presentation.

15 (c) An unlicensed entity **using restricted terms and/or** performing attest services is in
16 the unauthorized practice of public accountancy and in violation of the Act and the
17 board's rules except a firm authorized to practice in this state pursuant to §901.461 of
18 the Act (relating to Practice by Certain Out-of-State Firms).

19 (d) Interpretative Comment: This section clarifies that the mere mention of a business
20 and ownership affiliation with a registered CPA firm on the letterhead, or in advertising
21 or promotional statements, of an unlicensed entity does not violate the Act when done in
22 compliance with the provisions of this section. This section also clarifies that the
23 letterhead, advertising or promotional statements of the unlicensed entity may refer to
24 accounting, auditing or attest services, or any derivative terms associated with those
25 services, without violating §901.453 of the Act (relating to Use of Other Titles or
26 Abbreviations). It also clarifies that all attest services must still be performed exclusively
27 by registered CPA firms in accordance with the Act and all board rules. The definition of
28 "attest services" is set forth in §501.52 of this title (relating to Definitions).

1 CHAPTER 518 Unauthorized Practice of Public Accountancy
2 RULE §518.6 Administrative Penalty Guidelines for the Unauthorized Practice of
3 Public Accountancy
4

5 (a) ~~The board has the sole discretion in determining if a penalty will be assessed as well~~
6 ~~as the amount of the penalty.~~ If **a penalty is** assessed, the penalty will be in accordance
7 with the following guidelines:

8 (1) an unlicensed individual who uses terms restricted for use by CPAs in violation of
9 §§901.451, 901.452, 901.453 or 901.454 of the Act (relating to Use of Title or
10 Abbreviation for "Certified Public Accountant"; Use of Title or Abbreviation for "Public
11 Accountant"; Use of Other Titles or Abbreviations; and Title Used by Certain Out-of-
12 State or Foreign Accountants) shall pay a penalty of no less than \$1,000.00 and no
13 more than \$5,000.00 for a first offense; and no less than \$5,000.00 and no more than
14 \$25,000.00 for two or more offenses;

15 (2) an unlicensed entity that uses terms restricted for use by licensed firms in violation
16 of §901.351(a) of the Act (relating to Firm License Required) shall pay a penalty of no
17 less than \$5,000.00 and no more than \$10,000.00 for a first offense; and no more than
18 \$25,000.00 for two or more offenses;

19 (3) an unlicensed individual who asserts an expertise in accounting through use of the
20 term "accounting service" or any variation of that term shall pay a penalty of no less
21 than \$1,000.00 and no more than \$5,000.00 for a first offense; and no more than
22 \$25,000.00 for two or more offenses;

23 (4) an unlicensed entity that asserts an expertise in accounting through use of the term
24 "accounting service" or any variation of that term shall pay a penalty of no less than
25 \$5,000.00 and no more than \$10,000.00 for a first offense; and no more than
26 \$25,000.00 for two or more offenses;

27 (5) an unlicensed individual who claims to provide attest services shall pay a penalty of
28 no less than \$5,000.00 and no more than \$25,000.00;

29 (6) an unlicensed entity that claims to provide attest services shall pay a penalty of no
30 less than \$5,000.00 and no more than \$25,000.00;

31 (7) an unlicensed individual who claims to be a CPA shall pay a penalty of no less than
32 \$5,000.00 and no more than \$25,000.00; and

1 (8) an unlicensed entity that claims to be a CPA firm shall pay a penalty of no less than
2 \$5,000.00 and no more than \$25,000.00.
3 (b) An offense is counted as a second or more offense when the person has been
4 notified in writing by the board that the person's actions violate the Public Accountancy
5 Act and the person fails to correct the violation(s) within the time required in the written
6 notification.

Agenda Item V
Rules Committee Agenda
November 5, 2025
1:30 p.m.

- C. Discussion, consideration, and possible action concerning the Rule Review of *Chapter 520 – Provisions for the Accounting Students Scholarship Program*, of the Board's *Rules* pursuant to *Section 2001.039* of the *Texas Government Code*.

DISCUSSION: The staff is recommending non-substantive revisions to these rules in order to coincide with previous changes to title changes to *Rules 511.57* and *511.58* and the repeal of *Rule 511.60*. Other non-substantive change relates to the reference to "Expected Family Contribution" that is now identified as the "Student Aid Index". The staff is recommending that the Board readopt these rules in accordance with *Section 2001.039* of the *Texas Government Code* which requires the Board's review of all Board rules at least every four years.

RECOMMENDATION: The staff recommends that the Rules Committee recommend that the Board authorize the executive director to publish the proposed revisions in the *Texas Register* for public comment and readopt those rules that do not require revision. There is no proposal for repeal of a rule.

SUGGESTED MOTION: That the Rules Committee recommend to the Board that it authorize the executive director to publish the proposed revisions to the rules as proposed in the *Texas Register* for public comment and readopt those rules requiring no revision.

1 CHAPTER 520 Provisions for The Accounting Students Scholarship Program
2 RULE §520.1 Authority and Purpose
3

4 (a) Authority for this chapter is provided in Subchapter N of the Act, which is titled
5 Scholarships for Accounting Students. This chapter establishes procedures to
6 administer the accounting students scholarship programs.

7 (b) The purpose of the accounting students scholarship programs is to provide financial
8 assistance to students intending to take the UCPAE and to assist accounting students
9 by establishing the Examination Fee Financial Aid (EFFA) program for the purpose of
10 obtaining a CPA certificate and thus increase the number of highly trained and educated
11 CPAs available to serve the residents of this state.

12 (c) The purpose of the EFFA program is to provide financial assistance, as long as
13 funding is available as determined by the board, by utilizing operating funds for the
14 reimbursement of exam fees to applicants applying for certification as a CPA as
15 described in §901.653 of the Act (relating to Scholarships).

1 CHAPTER 520 Provisions for The Accounting Students Scholarship Program
2 RULE §520.2 Definitions
3

4 The following words and terms, when used in this chapter, shall have the following
5 meanings, unless the context clearly indicates otherwise:

6 (1) Cost of attendance--An estimate of the expenses incurred by a typical financial aid
7 student in attending a particular college or university. It includes direct educational costs
8 (tuition, fees, books, and supplies) as well as indirect costs (room and board,
9 transportation, and personal expenses - to include the UCPAE fee paid to NASBA).

10 (2) **Student Aid Index** ~~Expected family contribution~~--The amount of discretionary
11 income that should be available to a student from his or her resources and that of his or
12 her family, as determined by the US Department of Education **Definition of Expected**
13 **Family Contribution**.

14 (3) Financial need--The cost of attendance at a particular public or private institution of
15 higher education less the expected family contribution. The cost of attendance and
16 family contribution are to be determined in accordance with board guidelines.

17 (4) Gift Aid--Educational funds from state, federal, and other sources, such as grants,
18 that do not require repayment from present or future earnings. Assistantships and work-
19 study programs are not considered to be gift aid.

20 (5) Half-time student--For undergraduates, not in their final semester, who are enrolled
21 or are expected to be enrolled for the equivalent of at least six but not more than nine
22 semester credit hours. For graduate students, not in their final semester, who are
23 enrolled or are expected to be enrolled for the equivalent of 4.5 but not more than six
24 semester credit hours.

25 (6) Institution--Public and private or independent institutions of higher education as
26 defined in Texas Education Code, §61.003.

27 (7) NASBA--The National Association of State Boards of Accountancy.

28 (8) Period of enrollment--The term or terms within the current state fiscal year
29 (September 1 - August 31) for which the student was enrolled in an approved institution
30 and met all the eligibility requirements for an award through the program described in
31 this chapter.

32 (9) Program Officer--The individual named by each participating institution's chief
33 executive officer to serve as agent for the board. The program officer has primary

1 responsibility for all ministerial acts required by the program, including maintenance of
2 all records and preparation and submission of reports reflecting program transactions.
3 Unless otherwise indicated by the administration, the director of student financial aid
4 shall serve as program officer.

5 (10) Resident of Texas--A resident of the State of Texas as determined in accordance
6 with 19 TAC Part 1, Chapter 21, Subchapter B (relating to Determination of Resident
7 Status). Nonresident students who are eligible to pay resident tuition rates are not
8 residents of Texas.

9 (11) UCPAE fee--The exam cost paid by the applicant to NASBA to take a section of the
10 UCPAE.

1 CHAPTER 520 Provisions for The Accounting Students Scholarship Program
2 RULE §520.3 Institutions for the Accounting Students Scholarship Program

3
4 (a) Eligibility.

5 (1) Any college or university defined as a public, private or independent institution of
6 higher education by Texas Education Code, §61.003 that offers the courses required by
7 §§511.57 **and**, 511.58 **of this title (relating to Courses in an Accounting**
8 **Concentration to Take the UCPAE and Related Business Subjects)** **and 511.60 of**
9 **this title (relating to Qualified Accounting Courses to take the UCPAE, Definitions of**
10 **Related Business Subjects to take the UCPAE and Qualified Accounting Courses Prior**
11 **to January 1, 2024 to take the UCPAE),** is eligible to participate in the accounting
12 students scholarship program.

13 (2) No institution may, on the grounds of race, color, national origin, gender, religion,
14 age or disability exclude a student from participation in or deny the benefits of the
15 program described in this chapter.

16 (3) Each participating institution must follow the Civil Rights Act of 1964, Title VI (Public
17 Law 88-353) in avoiding discrimination in admissions.

18 (b) Approval.

19 (1) Each approved institution must enter into an agreement with the board, the terms of
20 which shall be prescribed by the executive director.

21 (2) An institution must be approved by April 1 in order for qualified students enrolled in
22 that institution to be eligible to receive scholarships in the following fiscal year beginning
23 September 1st.

24 (c) Responsibilities.

25 (1) Probation Notice. If the institution is placed on public probation by its accrediting
26 agency, it must immediately advise scholarship recipients of this condition and maintain
27 evidence in each student's file to demonstrate that the student was so informed.

28 (2) Disbursements to Students.

29 (A) The institution must maintain records to prove the disbursement of program funds to
30 the student or the crediting of such funds to the student's school account.

31 (B) If the executive director has reason to believe that an institution has disbursed funds
32 for unauthorized purposes, the institution will be notified and offered an opportunity for a
33 hearing pursuant to the applicable procedures outlined in Chapter 519 of this title

(relating to Practice and Procedure) and the rules of procedure of SOAH. Thereafter, if the board determines that funds have been improperly disbursed, the institution shall become responsible for restoring the funds to the board. No further disbursements of scholarship funds shall be permitted to students at that institution until the funds have been repaid.

(d) Reporting.

(1) All institutions must meet board reporting requirements. Such reporting requirements shall include reports specific to allocation of scholarship funds as well as progress and year-end reports.

(2) Penalties for Late Reports.

(A) The executive director may penalize an institution by reducing its allocation of funds in the following year by up to 10 percent for each progress report that is postmarked or submitted electronically more than a week (seven (7) calendar days) late.

(B) The executive director may assess more severe penalties against an institution if any report is received by the board more than one-month (thirty (30) calendar days) after its due date. The maximum penalty for a single year is 30 percent of the school's allocation. If penalties are invoked two consecutive years, the institution may be penalized an additional 20 percent.

(3) If the executive director determines that a penalty is appropriate, the institution will be notified by certified mail, addressed to the program officer. Within 21 days from the date that the program officer receives the written notice, the institution must submit a written response appealing the board's decision, or the penalty shall become final and no longer subject to an appeal. An appeal under this section will be conducted in accordance with the rules provided in the applicable sections of Chapter 519 of this title and the procedural rules of SOAH.

(e) Program Reviews. If selected for such by the board, participating institutions must submit to program reviews of activities related to the accounting students scholarship program.

1 CHAPTER 520 Provisions for The Accounting Students Scholarship Program
2 RULE §520.4 Eligible Students for the Accounting Students Scholarship Program
3

4 (a) To receive funds:

5 (1) an undergraduate student majoring in accounting must be enrolled at least half-time
6 at an approved institution in Texas that is participating in the scholarship program, and
7 attending consecutive semesters or in the final semester of the degree; or

8 (2) a graduate student majoring in accounting must be enrolled at least half-time or in
9 the final semester of the degree at an approved institution in Texas that is participating
10 in the scholarship program.

11 (b) To receive funds, a student must:

12 (1) maintain satisfactory academic progress in the program of study as defined by the
13 institution;

14 (2) have completed at least 15 semester hours of upper-level accounting coursework;

15 (3) sign a written statement confirming the intent to take the examination conducted by
16 or pursuant to the authority of the board for the purpose of obtaining a certificate of
17 certified public accountant in Texas;

18 (4) agree to pay on demand all scholarship funds received if the student does not take
19 at least one part of the exam within three years of submitting the application of intent,
20 unless the executive director grants an extension of the three-year requirement upon a
21 showing of good cause;

22 (5) agree that failure to comply with paragraph (4) of this subsection may cause the
23 board to take measures necessary to enforce the repayment of the scholarship
24 including bringing a civil suit in state district court;

25 (6) confirm that the applicant submitted an Application of Intent and has not met the
26 educational requirements for certification in Texas;

27 (7) maintain a cumulative grade point average **to receive student aid**, as determined
28 by the institution, that is equal to or greater than the grade point average required by the
29 institution for graduation;

30 (8) be a resident of Texas; and

31 (9) have a statement on file with the institution of higher education indicating the student
32 is registered with the Selective Service System as required by federal law or is exempt
33 from Selective Service registration under federal law.

- 1 (c) In selecting recipients, the Program Officer shall consider at a minimum the following
2 factors relating to each applicant:
- 3 (1) the applicant's financial need, which may be based on but not limited to the cost of
4 the applicant attending school less **Student Aid Index** ~~family contribution~~ and any gift
5 aid (an award may not exceed the applicant's need nor be less than the amount
6 calculated in accordance with the formula provided institutions in the application
7 instructions);
- 8 (2) scholastic ability and performance as measured by the student's cumulative college
9 grade point average as determined by the institution in which the student is enrolled;
10 and
- 11 (3) ethnic or racial minority status.

1 CHAPTER 520 Provisions for The Accounting Students Scholarship Program
2 RULE §520.5 Award Amount and Uses for the Accounting Students Scholarship
3 Program
4

5 (a) Funds awarded through this program may include any gifts, grants and donations of
6 real or personal property from any entity, subject to limitations or conditions set by law,
7 for the purposes of this chapter.

8 (b) Award Amount and Disbursements.

9 (1) The minimum and maximum annual award for a student through this program shall
10 be an amount established by the board and announced to institutions in the allocation
11 announcement sent out for the relevant year.

12 (2) An individual student's scholarship shall be paid out in the form of at least one
13 disbursement per semester.

14 (c) No scholarship disbursed to a student shall be used for any purpose other than for
15 meeting the cost of attending an approved institution.

16 (d) The duration of the scholarship shall be a maximum of three years awarded by
17 semester or term.

18 (e) At the time an award is made to a student, it shall not exceed the student's need.

1 CHAPTER 520 Provisions for The Accounting Students Scholarship Program
2 RULE §520.6 Allocations for the Accounting Students Scholarship Program
3

4 (a) The board develops a formula for allocating funds to participating institutions in a
5 way that fulfills the purpose of the program.

6 (b) Unless otherwise indicated, institutions shall have until a date specified by the board
7 through a policy memo addressed to the program officer at the institution to encumber
8 all funds allocated to them. If unencumbered by that specific date, the unencumbered
9 funds will be allocated by the executive director to other institutions based upon need
10 and a history of utilization.

1 CHAPTER 520 Provisions for The Accounting Students Scholarship Program
2 RULE §520.7 Disbursements to Institutions for the Accounting Students
3 Scholarship Program
4

5 Requests for program funds for eligible students shall be made by the program officer.
6 Program funds, up to the maximum allocation for the institution, shall be disbursed to
7 the institution for immediate release to the students or immediate application to the
8 students' accounts at the institution. Requests for program funds may be made at any
9 time during the academic year prior to the reallocation deadline.

1 CHAPTER 520 Provisions for The Accounting Students Scholarship Program
2 RULE §520.8 Retroactive Disbursements for the Accounting Students
3 Scholarship Program
4

5 (a) A student may receive a disbursement after the end of his or her period of
6 enrollment if the student:

7 (1) owes funds to the institution for the period of enrollment for which the award is being
8 made; or

9 (2) received a student loan that is still outstanding for the period of enrollment for which
10 the award is being made.

11 (b) Funds that are disbursed retroactively shall either be used to pay the student's
12 outstanding balance, including interest, from his or her period of enrollment at the
13 institution or to make a payment against an outstanding loan received during that period
14 of enrollment. Under no circumstances shall funds be released to the student.

1 CHAPTER 520 Provisions for The Accounting Students Scholarship Program
2 RULE §520.10 Recognition of Accounting Firms Hiring and Offering Internships
3

4 Accounting firms shall be recognized by the board for their contribution to the training
5 and hiring of minority or disadvantaged accounting students. The board may publish in
6 its Board Report the names of accounting firms providing internships or hiring two or
7 more disadvantaged or minority students each calendar year.

1 CHAPTER 520 Provisions for The Accounting Students Scholarship Program
2 RULE §520.11 Eligible Applicants for Examination Fee Financial Aid (EFFA)
3 Program
4

5 (a) To receive Examination Fee Financial Aid funds a Texas applicant, having submitted
6 a board approved application to take the UCPAE must:

7 (1) have not taken a section of the UCPAE prior to the effective date of this rule;

8 (2) have not passed a section of the UCPAE prior to the effective date of this rule;

9 (3) take the first section of the UCPAE after the effective date of this rule;

10 (4) receive their first passing score, as determined by board rule on a section of the
11 UCPAE after the effective date of this rule; and

12 (5) submit an application to the board for reimbursement of the UCPAE fee within 90
13 days of receiving the first passing score.

14 (b) Examination Fee Financial Aid funds are only available to Texas applicants whose
15 purpose is to obtain a certificate of "Certified Public Accountant" in Texas.

1 CHAPTER 520 Provisions for The Accounting Students Scholarship Program
2 RULE §520.12 Award Amounts and Uses Through the Examination Fee Financial
3 Aid (EFFA) Program
4

5 (a) Funds awarded through this program will be in the form of a reimbursement to the
6 applicant for the examination costs paid by the applicant to NASBA for the first section
7 of the UCPAE that was passed.

8 (b) Award Amounts and Disbursements.

9 (1) The minimum and maximum reimbursement to an applicant through this program
10 shall be an amount paid by the applicant to NASBA for the first section of the UCPAE
11 that was passed.

12 (2) The applicant may use board reimbursed funds to take subsequent UCPAE sections
13 or for other purposes and needs of the applicant.

14 (3) The reimbursement shall be paid by the board in the form of a single disbursement.

1 CHAPTER 520 Provisions for The Accounting Students Scholarship Program
2 RULE §520.13 Documentation for the Examination Fee Financial Aid (EFFA)
3 Program
4

5 The applicant shall provide evidence of financial need by completing and submitting the
6 board application form for the EFFA program.

Agenda Item V
Rules Committee Agenda
November 5, 2025
1:30 p.m.

- D. Discussion, consideration, and possible action concerning Board *Rule 505.10* (*Board Committees*).

DISCUSSION: With the exception of one committee member on the Licensing Committee and one committee member on the CPE committee, both committees have the same membership and similar responsibilities. The staff is proposing to merge the CPE committee with the Licensing committee to eliminate the need for separately called committee meetings for similar purposes. This aligns with the agency's division structure. The Licensing Division has the responsibility for both licensing and CPE.

RECOMMENDATION: The committee recommends to the Board that it authorize the executive director to publish the revision as proposed in the *Texas Register* for public comment.

SUGGESTED MOTION: That the committee recommend that the Board authorize the executive director to publish the proposed revision in the *Texas Register* for public comment as proposed.

1 CHAPTER 505 The Board
2 RULE §505.10 Board Committees
3

4 (a) Committee appointments. Appointments to standing committees and ad hoc
5 committees shall be considered annually by the board's presiding officer to assist in
6 carrying out the functions of the board under the provisions of the Act. Committee
7 appointments shall be made by the presiding officer for a term of two years but may be
8 terminated at any point by the presiding officer. Committee members may be re-
9 appointed at the discretion of the presiding officer. The board's presiding officer shall be
10 an ex officio member of each standing committee and ad hoc committee and chair of
11 the executive committee.

12 (b) Committee actions. The actions of the committees are recommendations only and
13 are not binding until ratification by the board at a regularly scheduled meeting.

14 (c) Committee meetings. Committee meetings shall be held at the call of the committee
15 chair, and a report to the board at its next regularly scheduled meeting shall be made by
16 such chair or, in the absence of the chair, by another board member serving on the
17 committee.

18 (d) Vacancies. If for any reason a vacancy occurs on a committee, the board's presiding
19 officer may appoint a replacement in accordance with subsection (a) of this section.

20 (e) Standing committee structure and charge to committees. The standing committees
21 shall consist of policy-making committees and working committees comprised of the
22 following individuals and shall be charged with the following responsibilities.

23 (1) The executive committee shall be a policy-making committee comprised of the
24 board's presiding officer, assistant presiding officer, secretary, treasurer, immediate past
25 presiding officer of the board if still serving on the board, and at least one other officer
26 elected by the board. The executive committee shall also be the board's audit
27 committee. The executive committee may act on behalf of the full board in matters of
28 urgency, or when a meeting of the full board is not feasible; the executive committee's
29 actions are subject to full board ratification at its next regularly scheduled meeting. The
30 functions of the executive committee shall be to advise, consult with, and make
31 recommendations to the board concerning matters requested by the board's presiding
32 officer, including:

33 (A) the board's budget and finances;

- 1 (B) litigation;
- 2 (C) emergency suspensions pursuant to §519.12 of this title (relating to Emergency
- 3 Suspension);
- 4 (D) emergency rulemaking pursuant to §2001.034 of the Administrative Procedure Act;
- 5 (E) amendments to the Act;
- 6 (F) responses/positions relating to papers, reports, and other submissions from national
- 7 or international associations or boards;
- 8 (G) legislative oversight, including, but not limited to, budget, performance measures,
- 9 proposed changes in legislation affecting the board, and computer utilization; and
- 10 (H) special issues.

11 ~~(2) The CPE committee shall be a working committee comprised of at least two board~~
12 ~~members, one of whom shall serve as chair, assisted by at least two non-board~~
13 ~~members who shall serve in an advisory capacity. The committee shall make~~
14 ~~recommendations to the board regarding:~~

15 ~~(A) the mandatory CPE program in accordance with Chapter 523 of this title (relating to~~
16 ~~Continuing Professional Education);~~

17 ~~(B) investigations of sponsor compliance with the terms of the sponsor agreements,~~
18 ~~including the related recordkeeping requirements;~~

19 ~~(C) the results of monitoring CPE courses for the purpose of evaluating the facilities,~~
20 ~~course content as presented, and the adequacy of the course presenter(s);~~

21 ~~(D) any significant deficiencies observed in carrying out subparagraphs (B) and (C) of~~
22 ~~this paragraph; and~~

23 ~~(E) make recommendations to the board's policy-making committees (the executive~~
24 ~~committee and the rules committee) concerning proposed changes in board rules,~~
25 ~~opinions, and policies related to the mandatory CPE program as it relates to licensees~~
26 ~~and to relations with sponsors of CPE.~~

27 (2) ~~(3)~~ The qualifications committee shall be a working committee comprised of at least
28 two board members, one of whom shall serve as chair, assisted by at least two non-
29 board members who shall serve in an advisory capacity. The committee shall make
30 recommendations to the board regarding:

(A) the educational qualifications of an applicant for the UCPAE in accordance with Chapter 511, Subchapter C of this title (relating to Educational Requirements) and courses that may be used to meet the education requirements to take the examination;

(B) the administration, security, discipline, and other aspects of the conduct of the UCPAE in Texas;

(C) the work experience qualifications of an applicant for the CPA certificate in accordance with §§511.121 - 511.124 of this title (relating to Experience Requirements); and

(D) recommendations to the board's policy-making committees (the executive committee and the rules committee) concerning proposed changes in board rules, opinions, and policies relating to the qualifications process.

(3) (4) The licensing committee shall be a working committee comprised of at least two board members, one of whom shall serve as chair, assisted by at least two non-board members who shall serve in an advisory capacity. The committee shall make recommendations to the board regarding:

(A) applications for certification, registration, and licensure;

(B) where applicable, the equivalency examination measuring the professional competency of an applicant for a CPA certificate by reciprocity; **and**

(C) **the mandatory CPE program in accordance with Chapter 523 of this title (relating to Continuing Professional Education);** ~~recommendations to the board's policy-making committees (the executive committee and the rules committee) concerning proposed changes in board rules, opinions, and policies as they relate to the licensing process.~~

(D) investigations of sponsor compliance with the terms of the sponsor agreements, including the related recordkeeping requirements;

(E) the results of monitoring CPE courses for the purpose of evaluating the facilities, course content as presented, and the adequacy of the course presenter(s);

(F) any significant deficiencies observed in carrying out subparagraphs (D) and (E) of this paragraph; and

(G) make recommendations to the board's policy-making committees (the executive committee and the rules committee) concerning proposed changes in

board rules, opinions, and policies as it relates to the licensing program and as it relates to the mandatory CPE program and relations with sponsors of CPE.

(4) ~~(5)~~ The behavioral enforcement committee shall be a working committee comprised of at least two board members, one of whom shall serve as chair, assisted by at least two non-board members who shall serve in an advisory capacity. The committee shall:

(A) review requests or applications for reinstatement of any certificate, registration, or license which the committee recommended and the board revoked, suspended, or refused to renew;

(B) investigate complaints involving alleged violations of the Act and the board's rules, primarily concerning behavioral issues, and based upon its findings, make recommendations to the board or authorize the staff to offer an agreed consent order, or in the alternative, to litigate the findings of Act or rule violations;

(C) follow up on board orders to **ensure** ~~insure~~ that licensees and certificate holders and others adhere to sanctions prescribed by or agreements with the board; and

(D) make recommendations to the board's policy-making committees (the executive committee and the rules committee) concerning proposed changes in board rules, opinions, and policies related to the behavioral restraints of the rules and the Act.

(5) ~~(6)~~ The technical standards review committee shall be a working committee comprised of at least two board members, one of whom shall serve as chair, assisted by at least three non-board members who shall serve in an advisory capacity. The committee shall:

(A) review requests or applications for reinstatement of any certificate, registration, or license which the committee recommended and the board revoked, suspended, or refused to renew;

(B) investigate complaints from any source involving alleged violations of the Act and the board's rules, primarily concerning technical issues and based upon its findings, make recommendations to the board or authorize the staff to offer an agreed consent order, or in the alternative, to litigate the findings of Act or rule violations;

(C) follow up on board orders to **ensure** ~~insure~~ that licensees or certificate holders and others adhere to sanctions prescribed by or agreements with the board; and

(D) make recommendations to the board's policy-making committees (the executive committee and the rules committee) concerning proposed changes in board rules, opinions, and policies related to enforcement of technical standards.

(6) ~~(7)~~ The peer review committee shall be a working committee comprised of at least two board members, one of whom shall serve as chair, assisted by at least two non-board members who shall serve in an advisory capacity. The committee shall:

(A) conduct a periodic review of firms in accordance with Chapter 527 of this title (relating to Peer Review);

(B) refer to the technical standards review committee firms with deficient reviews for which educational rehabilitation has not been effective; and

(C) make recommendations to the board's policy-making committees (the executive committee and the rules committee) concerning proposed changes in board rules, opinions, and policies relating to the peer review program.

(7) ~~(8)~~ The board rules committee shall be a policy-making committee comprised of at least three board members, one of whom shall serve as chair. The committee shall make recommendations to the board concerning the board's rules, opinions, and policies. All working committees shall refer proposed changes to the board's rules, opinions, and policies to the rules committee for consideration for recommendation to the board.

(8) ~~(9)~~ The peer assistance oversight committee shall be a working committee comprised of at least two board members, one of whom shall serve as chair, assisted by at least two non-board members who shall serve in an advisory capacity. The committee shall oversee the peer assistance program administered by the TXCPA as required under the Texas Health and Safety Code, §467.001(1)(B), and **ensure** ~~insure~~ that the minimum criteria as set out by the Department of State Health Services are met. It shall make recommendations to the board and the TXCPA regarding modifications to the program and, if warranted, refer cases to other board committees for consideration of disciplinary or remedial action by the board. The committee shall report to the board **as needed, on a semi-annual basis,** by case number, on the status of the program.

(9) ~~(10)~~ The constructive enforcement committee shall be a working committee comprised of at least two board members, one of whom shall serve as chair, assisted

1 by non-board CPA members. At least one Committee member shall be a public member
2 of the board. The committee shall approve the constructive enforcement program,
3 coordinate its activities with board committees and staff, and supervise the training of
4 constructive enforcement advisory committee members. A staff attorney of the board
5 shall supervise the day to day administration of the constructive enforcement program
6 and activities of the committee's non-board members on behalf of the committee
7 chairman. The committee shall:

8 (A) investigate matters forwarded to the committee from any other board committee or
9 board staff in accordance with board instruction and policy;

10 (B) prepare, as appropriate, investigative reports regarding each referred matter;

11 (C) inform referring board committees or board staff of the results of its investigations;

12 (D) inform the appropriate committee when possible violations of board rules and the
13 Act are observed; and

14 (E) make recommendations to the board's policy-making committees (the executive
15 committee and the rules committee) concerning proposed changes in board rules,
16 opinions, and policies relating to the constructive enforcement program.

17 (f) Ad hoc advisory committees. Ad hoc advisory committees may be established by the
18 board's presiding officer and members and advisory members appointed as appropriate.

19 (g) Policy guidelines. All advisory committee members performing any duties utilizing
20 board facilities and/or who have access to board records, shall conform and adhere to
21 the standards, board rules, and personnel policies of the board as described in its
22 personnel manual and to the laws of the State of Texas governing state employees.

23 (h) Conflicts of interest. To avoid a conflict of interest or the appearance of a conflict of
24 interest, no committee member may provide a report or expert testimony for or
25 otherwise advocate on behalf of a complainant or a respondent in a disciplinary matter
26 pending before the board while serving on a standing committee of the board.

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1:30 p.m.

- E. Schedule next meeting.