

# CPAs vs. Accountants



## Is There A Difference?

While most people use the terms “accountant” and “CPA” (certified public accountant) interchangeably, there is a big difference.

The CPA designation carries enormous credibility in business and financial circles. In fact, CPAs are considered some of business’ most trusted advisers, according to a recent survey conducted by the American Institute of CPAs. This trust is not surprising, considering the strict requirements to enter and stay in the profession. Achieving CPA status takes intelligence, ethics, integrity, and lifelong commitment.

### Education and Experience Requirements for a CPA License

CPA license requirements vary from state to state, but in Pennsylvania, a CPA candidate with a bachelor’s degree needs to:

- Have two years (3,200 hours) of professional experience, including 800 hours of attest activity
- Pass a four-part Uniform CPA Examination, testing the candidate in areas of financial accounting and reporting, auditing and attestation, regulation, and business environment and concepts
- Complete 80 hours of continuing professional education every two years to stay current with new rules and regulations in the financial, accounting, and business world
- Comply with a strict code of ethics
- Adhere to the high standards of independence, integrity, objectivity, and professional compliance
- Undergo a peer review every three years for CPAs performing attest activity with a public accounting firm; sole practitioners and firms with less than three licensees can undergo peer reviews every five years

A CPA candidate with a master’s degree (150 hours of education) must fulfill the same requirements as a CPA candidate with a bachelor’s degree; however, the candidate only needs one year (1,600 hours) of professional experience, including 400 hours of attest activity.

### Capabilities of a CPA

CPAs provide a wide range of services and are employed in:

- public accounting
- other professional services firms
- business and industry
- government
- education
- nonprofit organizations

CPAs in public practice are engaged by their clients for a variety of services including accounting, auditing, tax, personal financial planning, technology consulting, and business valuation. CPAs in business serve as CFOs or CEOs while others are responsible for accounting and financial reporting procedures, implementing and managing internal controls and information systems, tax and business compliance, and other areas of business and financial management.

### Accountants

In contrast to CPAs, accountants do not need to meet rigorous education and experience requirements. Typically, accountants graduate from a college or university with an accounting degree. Their scope of work is generally limited around book keeping, maintaining general accounts of the business, and taking care of simple tax-related matters. An accountant usually is not trained or eligible to perform some of the more complex tasks (i.e. auditing, financial analysis) that a CPA performs.

It is important to note that not all accountants are CPAs, although all CPAs are accountants.