

## **A Certified Public Accountant or simply an accountant? Is there really a difference?**

*This article [outlining the distinctions between CPAs and accountants](#) is courtesy of our friends at the [Maryland Association of Certified Public Accountants \(MACPA\)](#).*

While most people use the terms "accountant" and "CPA" interchangeably, there is a big difference.

The CPA credential carries enormous weight in business and financial circles. CPAs are considered some of business' most trusted advisers, according to a recent survey conducted by the American Institute of CPAs. Specifically, when small business owners were asked how often they rely on outside business counsel, half said they rely on their CPA "always" or "often," ranking just slightly behind one's spouse or family member.

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.

First, candidates must make it through some of the toughest business courses at their colleges or universities. After graduation and a year of real-world corporate experience, they must pass a grueling, two-day test of business, auditing and general accounting skills. Attesting to the exam's difficulty, only 20 percent of Marylanders who attempt the exam each year pass — and many of those successful candidates are taking the exam for the second, third and fourth time.

The CPA exam was developed in the early 1900s to ensure the competence of CPAs entering the field, much as the bar exam evaluates lawyers and the medical boards test doctors. Today, it maintains that goal and is continually revised to meet the changing demands of the profession. And now, nearly all U.S. jurisdictions, including Maryland, have passed legislation that will require accounting graduates to complete 150 hours of course credits before taking the exam. This new legislation affected those taking the exam for the first time in Maryland in November 1999.

The exam is not the only requirement. CPAs also are required to follow a strict code of

ethics and perform within the high standards of the profession. Every two years, they must complete 80 hours of continuing professional education to keep up with the new rules and regulations in the financial, accounting and business world.

As the profession has evolved, so have the services CPAs provide. CPAs no longer are simply number crunchers and tax preparers, but business and financial strategists who help chart the paths of individuals and businesses. Individuals turn to their CPAs for tax and financial planning services, investment advice, estate planning and more. Businesses are tapping CPAs to not only manage finances and taxes, but also to determine profitable new product lines, seek creative financing opportunities, help diversify investments and provide a variety of other consulting and business services.

As technological advances, globalization, new laws and regulations, and marketplace competition continue to complicate financial and business decisions, CPAs will be called upon to analyze information, determine effective financial and business strategies, and help individuals and businesses achieve profitability.

For more information about [Naden/Lean's CPAs](#) or the [MACPA](#), feel free to reach out to us.