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Course Information

Course Title: *Accounting for Stock-Based Compensation* #364818

Number of continuing education credit hours recommended for this course:

In accordance with the standards of the National Registry of CPE Sponsors CPE credits have been granted based on a 50-minute hour.

CPA: 2 (All states)

National Registry of CPE Sponsors ID Number: 107615.
Sponsor numbers for states requiring sponsor registration
Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)
Hawaii Board of Accountancy: 14003
New York State Board of Accountancy: 002146
Ohio State Board of Accountancy: M0021
Pennsylvania Board of Accountancy: PX 178025
Texas State Board of Accountancy: 009349

Course Description

When a company issues some form of stock-based compensation to its employees, this triggers a number of rules regarding how to account for the transaction. This course clarifies the situation for the accountant by describing the treatment of equity-based compensation. The valuation and expense recognition for these stock awards is discussed, along with the related concepts of employee stock ownership plans and employee share purchase plans. In addition, the views of the Securities and Exchange Commission are summarized. In short, *Accounting for Stock-Based Compensation* should be your key source of information when senior management starts to contemplate these types of compensation arrangements.

Program Delivery Method: NASBA QAS Self-Study (interactive)

Subject Codes/Field of Study

NASBA (CPA): Accounting

Course Level, Prerequisites, and Advance Preparation Requirements

Program level: Overview

Prerequisites: Basic familiarity with accounting practices.

Advance Preparation: None

Course Content

Publication/Revision date: 6/29/2018.

Author: Steven M. Bragg, CPA.

Final exam (online): Ten questions (multiple-choice).

Instructions for taking this course

In order to receive CPE credit for this course, you must complete the course within one year of the date of purchase. This includes achieving a passing grade of at least 70% on the final exam. Exams may be retaken if not passed on the first attempt (no charge).

Complete the course by following the learning assignments and objectives listed below and studying the review questions after each major section in the text. Once you have completed each learning assignment and you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Final Exam Online

- Login to your account online at www.bhfe.com.
- Go to "My Account" and view your courses.
- Select "Take Exam" for this course and follow instructions.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

Learning Objectives

- Recognize the basic concepts of stock-based compensation, such as the implicit service period, the derivation of compensation costs, and the classification of an employee.
- Identify the accounting for unused stock options.
- Specify the methods used to derive the fair value of stock-based compensation.
- Recognize the reasons for creating an employee stock ownership plan.
- State the rules that qualify an employee share purchase plan for special accounting treatment.
- Specify the positions taken by the Securities and Exchange Commission related to stock-based compensation.

About the Author

Steven Bragg, CPA, has been the chief financial officer or controller of four companies, as well as a consulting manager at Ernst & Young. He received a master's degree in finance from Bentley College, an MBA from Babson College, and a Bachelor's degree in Economics from the University of Maine. He has been a two-time president of the Colorado Mountain Club, and is an avid alpine skier, mountain biker, and certified master diver. Mr. Bragg resides in Centennial, Colorado. He has written the following books and courses:

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