

2025

# PCAOB Scholars Program



The Public Company Accounting Oversight Board (PCAOB) Scholars Program will award funds to outstanding undergraduate and graduate students enrolled in accounting degree programs at certain accredited U.S. colleges and universities.



## SECTION 1: PURPOSE AND OBJECTIVES

The Sarbanes-Oxley Act of 2002 provides that funds generated from the collection of PCAOB monetary penalties must be used to fund a merit scholarship program for students in accredited accounting degree programs. The PCAOB Scholars Program therefore has been created to identify students eligible to become a PCAOB Scholar and award funds through the students' educational institutions.

### Program Goals

- To benefit outstanding students who are likely to become auditors
- To make a difference to eligible students who might otherwise pursue a different career path

### Student Eligibility Criteria

Students eligible to become a PCAOB Scholar must:

- Be enrolled in an undergraduate or graduate accounting program at U.S. colleges or universities identified as Nominating Institutions in Section 5
- Start classes on or after August 1 with respect to the applicable academic year
- Demonstrate aptitude and interest in accounting and auditing as evidenced by an overall GPA of 3.3 or higher or being in the top third of their overall class
- Demonstrate high ethical standards
- At the time of nomination, not be a PCAOB employee<sup>1</sup> or a spouse or child of a PCAOB employee
- Demonstrate financial need<sup>2</sup>

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<sup>1</sup> Defined as all full-time and part-time employees of the PCAOB, including interns, and independent consultants who are natural persons.

<sup>2</sup> Defined as being eligible to receive a Pell Grant or requiring other Federal financial aid for a significant portion of the expected or actual billed cost of attendance, as determined by the institution.

The PCAOB Scholars Program is merit-based, but the PCAOB encourages educational institutions to give special consideration to nominating students from populations that have been historically underrepresented in the accounting profession.



## SECTION 2: SOURCE OF FUNDS AND DETERMINATION OF AGGREGATE MERIT AWARD

The penalty account balance appropriated by Congress as of December 31, adjusted for funds previously returned to the PCAOB and rounded down to the nearest \$15,000, will be considered as the amount of funds available for the next academic year. The Aggregate Merit Award for each academic year will be calculated based on the total number of awards to students in Nominating Institutions from Groups 1, 2, and 3, as well as the number of awards intended for community college transfer students (described in Section 5, Method of Selecting Nominating Institutions), multiplied by \$15,000 (the amount of each individual scholarship award). The Aggregate Merit Award cannot exceed the amount of funds available.



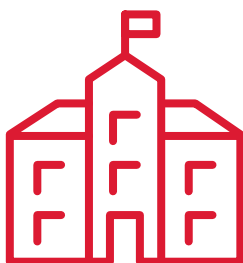
## SECTION 3: OVERVIEW OF THE PROGRAM

To achieve the stated goals of the program in an effective and efficient manner, the Board will hire an Administrator to assist with program management and execution.<sup>3</sup> Eligible Institutions who are selected as Nominating Institutions pursuant to Section 5A will be invited to nominate up to two students using the Board's eligibility criteria described in Section 1. Institutions who are selected as eligible Nominating Institutions pursuant to both Section 5A and Section 5B (Community College Transfer Student Program) will be invited to nominate an additional student using the criteria described in Section 1. Each institution will be required to provide written representation that the selection of the Nominated Student(s) adhered to the Board's eligibility criteria in order for the nomination to be accepted.

PCAOB scholarships may be applied to the following qualified educational expenses:

- Tuition and fees required for enrollment or attendance at the institution
- Fees, books, supplies, and equipment required for courses at the institution (Note: these items must be required of all students in a given course)

The funds may NOT be applied to room and board, travel, research, or optional equipment and other expenses that are not required for enrollment or attendance.



## SECTION 4: IDENTIFICATION OF ELIGIBLE INSTITUTIONS

With the exception of certain Group 3 institutions discussed below, all U.S. colleges and universities that 1) are regionally accredited, 2) are accredited by the Association to Advance Collegiate Schools of Business (AACSB) with respect to accounting or

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<sup>3</sup> Funds authorized by Congress for disbursement have been placed in an interest-bearing account. Interest accrued on the balance will be used to pay some or all of the cost of the third-party administrator.

business programs, and 3) which report conferral of bachelor's or master's degrees in accounting, will be considered Eligible Institutions and stratified in three groups. Certain regionally accredited institutions without AACSB accreditation may be considered Eligible Institutions in Group 3 as defined in Section 5.



## SECTION 5: METHOD OF SELECTING NOMINATING INSTITUTIONS

The PCAOB has awarded scholarships for each academic year, beginning with the 2011-2012 academic year. Subject to availability of funds, Eligible Institutions who meet the criteria for Section 5A, described below, will be considered Nominating Institutions and will be invited to submit a nomination.

### Section 5A (4-Year Institution Student Program)

Institutions identified as Nominating Institutions in the following groups will have the opportunity to each nominate at least one student for the award. All Group 1 schools will have the opportunity to submit a second nomination.

- **Group 1** will include all regionally accredited institutions with AACSB-accredited accounting programs which reported conferral of accounting degrees to the Integrated Postsecondary Education Data System (IPEDS) (described at the end of this section).
- **Group 2** will include all regionally accredited institutions with AACSB-accredited business (but not accounting) programs, which reported conferral of accounting degrees to IPEDS (described at the end of this section).
- **Group 3** will include the largest regionally accredited and AACSB-accredited accounting degree-granting institution for each state not represented in Groups 1 and 2, or the largest regionally accredited accounting degree granting institution if a state has no AACSB-accredited institution, as determined by the total number of undergraduate and graduate accounting degrees conferred in the most recent five years for which data is available (as reported in IPEDS).

### Section 5B (Community College Transfer Student Program)

As part of a program to provide scholarship funds for community college transfer students, up to 150 additional scholarships will be awarded to students who have transferred or are transferring from a community college into the accounting program at a four-year Nominating Institution as defined in Section 5A.

Nominating Institutions will consist of the 150 largest regionally and AACSB-accredited undergraduate degree granting institutions, as determined by the total number of undergraduate accounting degrees conferred in the most recent five years for which data is available (as reported in IPEDS).

Institutions selected for the program are a subset of the institutions selected in section 5A and may have the ability to nominate up to three students for scholarships for the upcoming academic year. One nomination will be reserved exclusively for a transfer student.

The PCAOB will work directly with each Nominating Institution to identify eligible students and complete nominations in accordance with program deadlines. Should selected institutions not respond to communications from the PCAOB or its vendor, decline to participate, or fail to meet stated deadlines, an alternate institution may be selected. Alternates will be selected in the same manner as above and contacted as necessary.

## IPEDS

The number of undergraduate and graduate degrees in accounting awarded by individual U.S. institutions, during the most recent five academic years for which data is available, will be obtained from the [IPEDS](#), a data repository maintained by the National Center for Educational Statistics of the U.S. Department of Education's (DoE) Institute of Education Sciences. Data for IPEDS are provided, on a mandatory basis, by every postsecondary institution in the U.S. that receives federal funding (including student financial aid) from the DoE, so nearly every college and university in the U.S. is included in the database. Data are updated annually by college staff and are maintained and disseminated by IPEDS staff. General business, finance, tax or related degrees will not be included if such degrees are offered separate from any accounting degrees. Subject to availability of updated data, the list of Eligible and Nominating Institutions will be updated annually to account for changes in AACSB accreditation and the number of degrees awarded.



## SECTION 6: INVITATION PROCEDURES

The Administrator will make direct contact with the Dean of the College of Business, Chair/Director of the accounting program, prior year nominator (if applicable) and any other appropriate authority at each Nominating Institution or Alternate Nominating Institution (as identified in Section 5) to describe the PCAOB Scholars Program and determine if the institution is willing to participate. If an institution fails to respond, declines to participate, or fails to meet stated deadlines, the next confirmed participating Alternate Nominating Institution will be contacted and asked to submit a nomination. Each Nominating Institution or Alternate Nominating Institution will be required to designate a Nominating Institution Representative (Representative), who will be responsible for completing and submitting the online nomination form and providing contact information to the Administrator.

After participation by a Nominating Institution or Alternate Nominating Institution has been confirmed, the Administrator will load the Representatives' contact information into the online system. The Administrator will send a link to the Nominating Institution Representative via email. Representatives from Alternate Nominating Institutions will be contacted only if necessary.

Representatives will also be provided with the program Bulletin of Information, which will define the eligibility criteria for student nomination along with relevant deadlines, and will require each Nominating Institution to accept responsibility for satisfying the criteria. Representatives will be asked to follow the steps listed in Section 7, Nomination Procedure, upon receipt of the link.



## SECTION 7: NOMINATION PROCEDURE

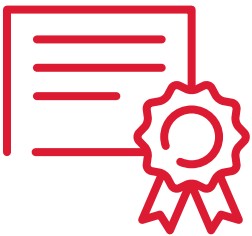
Using a procedure designed by the institution, student(s) will be identified to be considered for the PCAOB Scholars Program. The PCAOB will work with the Administrator to design a method for submission of nominations and communicate this process to institution nominators and nominees. By stated deadlines, nominators and nominees will provide the required information described in Section 9.



## SECTION 8: NOTIFICATION TO NOMINATING INSTITUTIONS

The following notifications will be sent to each Nominating Institution at appropriate times during the scholarship nomination process:

- Confirmation of participation and Representative information email
- Representative registration information email, containing links to the online nomination form and the Bulletin of Information
- Deadline reminder emails
- Nomination submission confirmation email
- Notification of selection (to Nominated Students and Nominating Institution Representatives)



## SECTION 9: REQUIREMENTS AND CERTIFICATION OF NOMINEES

The Representative will complete a portion of the online nomination form, which will include the following information:

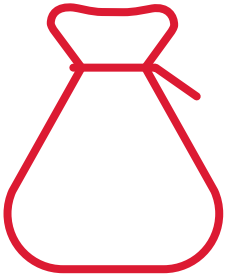
- Identifying information for the Representative needed for disbursement of award funds
- A certification section that will reiterate compliance with the PCAOB's eligibility criteria for nominating a student(s)

The certification section will require an electronic signature of the Representative, confirming that, to the best of his or her knowledge, the Nominated Student complies with the eligibility criteria. The Nominating Institution will also be required to certify that the Nominated Student will not be required to perform any teaching, research, or other services in exchange for receiving a scholarship from the PCAOB. Nominations cannot be submitted without the Representative's signature.

Nominees will also complete a portion of the online nomination form which will include the following information:

- Full name and contact information, including mailing address where funds can be sent
- Upload of student resume and transcript (either official or unofficial)

- A certification section that will: 1) reiterate compliance with the eligibility criteria and the permitted use of funds and 2) grant approval for the PCAOB to use the student's name and likeness in publicizing the PCAOB Scholars Program and for the student to periodically receive future communications from the PCAOB



## SECTION 10: FLOW OF FUNDS

After nominations have been processed, the Administrator will prepare a disbursement roster of all Nominated Students. The roster will be sent to the PCAOB for approval. Once the PCAOB has approved the Nominated Students, the Administrator will work closely with the PCAOB in following the prescribed disbursement policy as described below.

Funds will be disbursed via electronic transfer to the recipient's institutions (preferred) or paid by check. Checks will be made payable to the Nominated Student's Nominating Institution and mailed by the Administrator to the Nominated Student with a financial aid cover letter describing permitted use of the funds. When funds are disbursed, the Administrator and/or the PCAOB will also send an email to the student to alert him or her that the disbursement has been made.



## SECTION 11: TRACKING OF EXPENDITURES AND CLAWBACK CONTINGENCIES

### Award Fund Account Maintenance

The Administrator will utilize accounting software to track all PCAOB award deposits and expenditures. The Administrator will provide the PCAOB with a quarterly accounting balance to ensure that all award funds are properly distributed and that returned funds are properly accounted for.

After disbursing award checks to Nominated Students, the Administrator is responsible for receiving and processing returned checks. Awards must be returned to the Administrator if the student is not enrolled, is not in good academic standing as defined by the institution, does not have any unpaid expenses that qualify, or if the student declines the award.

If the award is returned to the Administrator, the Administrator will then return the funds to the PCAOB.

### Reissues

If a Nominated Student does not enroll in the Nominating Institution in the fall, the Nominated Student will relinquish his or her award. If the timing allows, the Nominating Institution may be allowed to nominate an alternate student. Should this occur, the Administrator will escalate this issue to the PCAOB and discuss options.

### Returned Funds

As noted above, the Administrator will return unused or forfeited award funds to the PCAOB. Unused awards may be partial or full. A partial refund will occur when the Nominated Student's eligible educational expenses amount to less than \$15,000, or when the Nominated Student has used a portion of the award and declines or becomes ineligible to receive the remainder (e.g., the Nominated Student attends for the fall semester but does not attend for the spring semester). A full refund will occur

when the award is declined by the Nominated Student, or the Nominated student is no longer eligible to receive the award.

The Administrator will send a check to the PCAOB to cover any refunds received. A roster of the Nominated Students whose awards are being refunded will be included with the check. The roster will include the Nominated Student's name, the refund amount, the reason for the refund, and a copy of the check (if applicable) by which funds were returned to the Administrator.

## Outstanding Checks

Checks issued by the Administrator expire 90 days after issuance. If after 75 days, the check has not cleared, the Administrator and/or the PCAOB will contact the Nominated Student notifying them of the expiration. After 90 days, the check will be cancelled. Checks may be reissued at the request of the Nominated Student, subject to confirmation that they meet all eligibility criteria.

## Deferrals

Deferrals will be reviewed on an individual basis. Deferrals may be granted at the discretion of the PCAOB, if the Scholar will not be enrolled for reasons such as:

- Health, family, or financial reasons
- Military or religious service
- Cooperative learning programs
- Study abroad

Award funds may be deferred if the scholar has no need for any funds for any portion of the academic year. No more than two semesters may be deferred throughout a scholar's academic career.

In the event a student requests and receives a deferral for the remaining school year before the start of the second semester, students will be informed in their award letter that it is their responsibility to notify their financial aid office of their new status and request the return of funds.

## Unused Funds

If a scholar has any unused funds at end of the initial award year, the unused funds may be carried over for no more than three years from the scholar's initial award year. Subject to deferral limits (above), unused funds may be applied to eligible expenses incurred while the student is enrolled in or attending the accounting program at the Nominating Institution.



## SECTION 12: PERIODIC REPORTING TO THE PCAOB

The Administrator will provide periodic compliance reports to the PCAOB.





## SECTION 13: DEFINITIONS

**Administrator** – A consultant hired by the PCAOB on an annual basis to assist with program management and execution.

**Integrated Postsecondary Education Data System (IPEDS)** – A [data repository](#) maintained by the National Center for Educational Statistics of the U.S. Department of Education's (DoE) Institute of Education Sciences.

**Eligible Institution** – A U.S. colleague or university that meets the criteria under Section 4.

**Nominated Student** – Student selected by a Nominating Institution to become a PCAOB Scholar and receive the scholarship award.

**Nominating Institution** – An Eligible Institution included in Groups 1, 2, or 3 who is invited to submit a nomination.

**Representative** – A Nominating Institution's designee, who will be responsible for completing and submitting the online nomination form.