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## Accounting Educators: FYI, Volume 2, Number 3, January, 1991

American Institute of Certified Public Accountants. Relations with Educators Division

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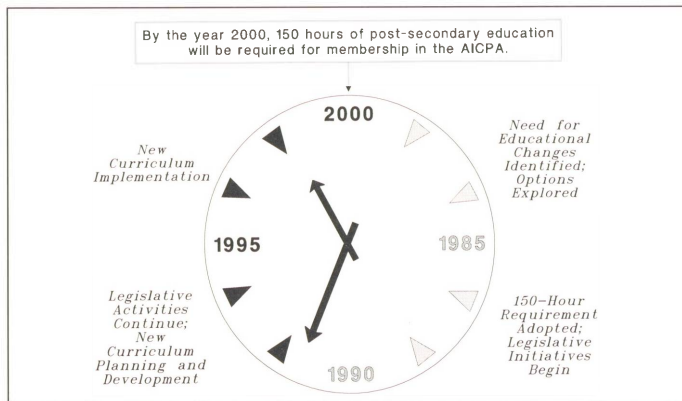
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# Accounting Educators:

Volume II, Number 3—January 1991

## Accounting Education and Profession Leaders Meet to Plan Change Initiatives



*It's not too soon to start developing new curricula in support of the 150-hour requirement. 1995's college freshmen enter high school this Fall.*

### Focus on 150-Hour Programs

## FSA Adopts a New Mission

By A. Tom Nelson, CPA

The role of the Federation of Schools of Accountancy has become increasingly important as more and more states have adopted the 150-hour educational requirement. It now seems likely that essentially all of the jurisdictions will have the 150-hour requirement in place by the year 2000. Recognizing this, FSA members approved some significant bylaw changes at the organization's annual meeting held in Orlando, Florida, December 9-11. These bylaw amendments will make it easier for schools with accredited graduate accounting programs to become members of the FSA. In fact, those schools that currently have AACSB accredited accounting programs (either type "B" or type "C") need only complete a simple one-page form and will be *immediately* accepted as full (voting) members.

Prior to these changes, many schools with quality graduate programs were reluctant to join the FSA because the membership requirements and the application procedures were so involved that they felt it just wasn't worth the effort. It is expected that most of these schools will now join the Federation, forming a strong coalition that should: (1) provide a unified voice in monitoring and strengthening the accreditation process; (2) serve as a vehicle for sharing implementation successes and failures; and (3) assure an adequate supply of qualified personnel for the accounting profession as we move into the next century.

*(continued on page 3)*

More than 40 representatives of accounting firms and accountancy organizations have expressed support for a position statement calling for a broader recognition of teaching skills and a better balance between teaching and research.

The position statement says, "The academic establishment must redefine the three pillars of higher education: teaching must be improved, the definition of research broadened, and professional service encouraged. The accounting profession must develop a new and active partnership with higher education to foster the development of the type of education needed as a base for an effective and viable profession in the 21st century."

Meeting on January 11 in what is planned as the first of many leadership conferences seeking improvements in accounting education, the group members said they would ask the boards of directors of their respective organizations to support the position statement. In addition, they were asked to form task forces within their organizations and to appoint chairmen to head the task forces by April 15. The group plans to meet again in August to organize a more formal consortium to work for change in higher education.

One of the tasks of the consortium will be to undertake a variety of initiatives to accomplish the objectives outlined in an AICPA position statement on education that is the model for the one put before the group. Among the objectives are: encouraging organizations that provide financial support to accounting programs to focus financial contributions to support teacher-oriented activities, applied research on accounting issues, and professional involvement; enabling increased networking between accounting educators and practitioners; and working with the American Assembly of Collegiate Schools of Business (AACSB), the accrediting body, to develop accreditation standards to recognize the importance of the teaching function in business and accounting programs.

*(continued on back page)*

### In This Issue . . .

Carnegie Foundation Issues Report . . . . .	2
150-Hour Update . . . . .	2
CPE Course Ideas Sought . . . . .	2
Outstanding Educator Nominees . . . . .	3
AACSB Draft Standards . . . . .	back

## Carnegie Foundation Calls for Greater Emphasis on Teaching

In a long-awaited announcement, the Carnegie Foundation for the Advancement of Teaching has called on academe to redefine faculty scholarship to include teaching and other activities. The report, *Scholarship Reconsidered: Priorities of the Professoriate*, appears at a time at which university communities in general and business and accounting faculties in specific are addressing numerous important issues revolving around the need to improve teaching.

In particular, the report proposes that scholarship be defined as having four components: the discovery of new knowledge, the integration of knowledge, the application of knowledge, and teaching. A substantially similar position has recently been taken by the American Institute of Certified Public Accountants (see *Accounting Educators: FYI* II:2, November 1990).

Many academic professionals and faculty members feel that despite widespread support for the concepts expressed in many quarters along these lines, universities as institutions will be slow to adopt the premises. Specifically, many anticipate difficulty in revising academic reward structures to target teaching excellence.

(In a related development, the AICPA on January 11 hosted a meeting in Orlando to bring together prominent accounting education leaders as well as professionals to discuss ways in which they could cooperate to achieve these important changes. See article on page 1.)

As a demonstration of the support for this movement, *Newsweek* magazine extracted the following information from the Carnegie report: When asked “Should teaching be the primary concern for promotion of faculty?” 62% of

all faculty members responded affirmatively. The percentage of faculty members responding “yes” to that question was highest at the liberal arts colleges, where 76% supported the statement; at Ph.D.-granting universities, 41% were in favor, while at research universities, 21% of faculty members supported the statement. *Newsweek* also asked faculty members whether the pressure to publish reduces the quality of teaching at their schools; 35% of all faculty responded positively. The strongest impact of this pressure was felt at research universities (53%) and Ph.D.-granting universities (54%); at liberal arts schools, only 22% of the faculty felt that this was a particular problem.

In commenting on the report for the *New York Times*, American Association of University Professors General Secretary Ernst Benjamin noted that “Right now, the single strongest pressure toward research is the fact that there is no way an individual can market himself as a teacher. The extent to which you can systematize the evaluation of teaching is the extent to which teaching becomes a value in the market.”

In summarizing the intended impact of this report, Carnegie Foundation President Ernest Boyer said “I’m beginning to believe that the 1990s may be remembered as the decade of the undergraduate.”

Copies of the report are available for \$8 each from the Princeton University Press, 3175 Princeton Pike, Lawrenceville, New Jersey 08648; or call (609) 896-1344.

### Erratum

In the listings of the 1990–91 education committees of the AICPA, the name of **Belverd E. Needles, Jr.**, of DePaul University, was inadvertently omitted from the Education Executive Committee roster. We apologize to Dr. Needles and to our readers for this oversight.

### 1991—A Busy Year

## 150-Hour Update

The AICPA and NASBA recently agreed upon guidelines to assist state boards of accountancy with implementation of the 150-hour education requirement. The joint guide encourages the state boards to adopt language that will allow diversity in the content of educational programs.

Thirteen states have enacted legislation for the 150-hours, and sixteen states are expected to introduce legislation in 1991. Most states adopted the recommended language

for the legislation, which calls for completion of 150 hours of education including at least a baccalaureate degree and a concentration in accounting. Many of these states will soon begin writing the rules and regulations to define an accounting concentration or its equivalent. The guide proposes four criteria that the state boards can use to determine if the CPA candidate has met the educational requirement. Copies of the document are being printed and will be widely distributed.

### For Accounting Educators

## CPE Course Ideas Sought

Recognizing the need for Continuing Professional Education offerings for accounting educators, a Task Force of the Institute’s Accounting Educators Subcommittee is seeking guidance from members in education on the specific type of continuing professional education of greatest interest.

Task Force Chairman Jerry Trapnell of Clemson University hopes that this effort will culminate in the development of a number of CPE programs which may

be offered at a nominal cost to Institute members in education in conjunction with regional American Accounting Association meetings. Although no firm planning or commitments have been made, if sufficient interest exists and the necessary details can be worked out, it is hoped that CPE offerings for members in education could be available as early as the spring of 1992.

To assist in our planning, the Task Force asks that you  
*(continued on back page)*

The FSA also added a subscript to its name: "The Organization of Accredited Graduate Programs in Accounting." This was done because some institutions felt the sole objective of the organization was to promote independent schools of accountancy. While the FSA does support "schools" as one model, the organization has always worked to promote quality integrated graduate programs in accountancy. Since its organization, over 13 years ago, the Federation has worked to "...encourage and assist in the development of high-quality programs of education for the profession of accountancy that extend beyond the bachelor's degree." Thus, the subscript is intended to make it clear that the organization welcomes all quality accounting units with graduate accounting programs, regardless of form, to join.

The bylaw changes also made it easier for non-profit accounting organizations, like the state societies of CPAs, to join as "Non-Profit Associates." Previously, all profit and non-profit associates were grouped together and the dues structure made it difficult for many of the non-profit organizations to join. The dues for the non-profit organizations have been set at only \$100 per year, making it affordable for all those interested in associating with the FSA.

There are also two ways that academic units without accredited graduate programs can affiliate with the Federation. Those that have accounting accreditation at the undergraduate level may be involved as "Accredited Affiliates," while those without an accredited accounting program may associate as "Affiliates." Faculty of both groups benefit by attending the annual meeting at a discount rate, and each school receives all publications of the Federation.

To summarize, organizations may now be associated with the FSA as:

1. "Member Schools" (schools that have accounting-accredited graduate programs).
2. "Private Enterprise Associates" (CPA firms and business enterprises).
3. "Non-Profit Associates" (national organizations of CPAs, state CPA societies, etc.).
4. "Accredited Affiliates" (academic units that have an undergraduate degree program separately accredited in accounting).
5. "Affiliates" (units that have not received separate accreditation for any of their accounting programs).

All organizations that associate with the FSA as members, associates or affiliates must support the objectives of the organization and pay annual dues. Note that the FSA is an organization of *academic units*, not an organization of individual faculty members (unlike the American Accounting Association whose members are individual faculty members rather than academic units). Thus, one member-

## AICPA Outstanding Accounting Educator Award

Through its Outstanding Accounting Educator Award Program, the AICPA provides recognition for the vital contributions that the academic world makes to accounting. The program is also intended to promote role models in education. Award recipients receive \$5,000 and a plaque, which is presented at the AICPA Council meeting each spring.

Full-time college accounting educators distinguished for excellence in classroom teaching and for active involvement in the accounting profession are eligible for this annual award. Nominees are submitted to the AICPA by the state CPA societies, and the AICPA makes the final selection. The deadline for nominations for the 1991 award is March 1, 1991. The 1990 award was presented to Doyle Z. Williams, University of Southern California. Dr. Williams was nominated by the California Society of CPAs. In addition to California, 28 CPA societies participated in 1990: Alabama,

Arizona, Florida, Georgia, Illinois, Indiana, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, New Hampshire, Nevada, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, Puerto Rico, South Dakota, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

Please contact your state CPA society for further information. If your state does not have an outstanding educator award program, contact the executive director of the state society and urge that person to begin a program. Nominations *must* come to the AICPA from state societies, and we would like to have at least one candidate from every state.

For a description of the program and the eligibility requirements, please contact the AICPA Relations with Educators Division, 1211 Avenue of the Americas, New York, New York 10036 (212) 575-5504.

ship fee provides the benefits to all faculty (employees) of the organization.

It is expected that the recent bylaw changes will greatly expand the role and influence of the FSA. Any accounting departments interested in joining the Federation may contact a member of the Board of Directors or may write (or call) the FSA Administrative Office at DePaul University, School of Accountancy, 25 East Jackson Boulevard, Chicago, IL 60604; telephone (312) 362-8055.

*Dr. Nelson is on the faculty of the School of Accounting at the University of Utah. A current or former member of many AICPA committees (including, most recently, the 150-Hour Education Requirement Committee) and myriad other organizations, he is the president-elect of the FSA.*



A. Tom Nelson

## AACSB Issues New Draft Standards

In early December, the AACSB Accreditation Project Task Force issued a new draft of proposed accounting accreditation standards. These standards were issued after careful consideration by the Task Force of the justification for and desirability of an accounting accreditation process, including a review of different approaches to accounting accreditation, ranging from a completely stand-alone process to a completely integrated, non-elective process.

The task force concluded that accounting accreditation should continue as an elective extension of AACSB business administration accreditation. The proposed accounting accreditation standards are an extension of business administration standards and, as such, are guided by the same underlying philosophical approach. This approach is based on the following principles:

- accreditation linked to a school's mission;
- a threshold that challenges all schools;
- emphasis on educational value created for students;
- emphasis on quality improvement over time;
- flexibility in the way schools satisfy conditions for accreditation;
- access for a broad range of schools (missions);
- a favorable cost/benefit relationship;
- clear expectations among participants in the process.

The AACSB has also prepared an updated draft of the proposed business administration standards; the accounting accreditation standards intentionally do not replicate the philosophy and guidance contained in those standards, but represent an abbreviated set of standards focusing only on differential requirements.

The task force actions reflect careful consideration by members of all comments received on earlier proposals. Many suggestions were incorporated into the current draft, though affirmative recognition of all perspectives would have been impossible. Furthermore, the task force recognizes that certain aspects of the current proposal may require modification of presently accredited programs, which would require a transition period.

The draft standards will be discussed and exposed for comment and oral feedback over the next several months. Jane Rubin of the AACSB will be available to discuss the standards at the Accreditation Project open hearing in St. Louis on January 24, and on February 4 at the AAA Administrators of Accounting Programs Group Annual Meeting in San Diego. Additional meetings are also planned over the next several months with specific segments of the AACSB membership and various constituent groups. The task force will next meet in mid-February, and final proposals will be distributed in advance of and voted on at the April 23 annual meeting of the AACSB in St. Louis.

## CPE *(continued from page 2)*

take a few moments to review the general content areas listed on the coupon below, and then rank these (1 being first choice) in your order of preference. After completing the form, please mail it to the AICPA Relations with Educators Division, attention Sherry Hazel, 1211 Avenue of the Americas, New York, NY 10036-8775. Please be sure to mail your form no later than February 15.

The information gained from these coupons will be used by the Task Force and the Education Executive Committee in formulating plans and proposals for specific CPE courses. *(At this point, no definite commitment is being made to offer this type of course; the Task Force is simply interested in measuring the level and nature of interest.)*

I would like to see CPE courses for accounting educators offered in the following areas, which I have ranked in order of my preference (1=first choice).

Name: \_\_\_\_\_

Institution: \_\_\_\_\_

\_\_\_\_\_ curriculum development

\_\_\_\_\_ pedagogical methods

\_\_\_\_\_ platform/instructional skills development

\_\_\_\_\_ technical updates (area: \_\_\_\_\_)

\_\_\_\_\_ other: \_\_\_\_\_

Please return this coupon to:  
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1211 Avenue of the Americas, New York, NY 10036-8775.

## Leaders Meet *(continued from front page)*

While there may be widespread support for the need for improvements in accounting education, college and university accounting professors may not necessarily agree. To counteract such resistance, some members of the group said chancellors and deans should encourage professors to focus more on teaching, developing courses and curricular material, and on applied research.

Among the 40 attendees were representatives of the Accounting Education Change Commission, the Administrators of Accounting Programs Group, the American Accounting Association, the AACSB, the American Woman's Society of CPAs, the Association of Government Accountants, the CPA/State Executive Association, the Federation of Schools of Accountancy, the Financial Executives Institute, the Institute of Internal Auditors, the National Association of Accountants, the National Association of Black Accountants, and the National Association of State Boards of Accountancy. The six largest accounting firms also were represented. In an afternoon session, the attendees had an opportunity to interact with the accounting subgroup of the AACSB accreditation task force on the recent drafts of the business and accounting accreditation standards. (See related article on this page.)