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American Institute
of Certified
Public Accountants

Accounting Educators:

Volume II, Number 5—May 1991

Simmons Named 1991 Outstanding Educator

In recognition of his many contributions to accounting education and to the accounting profession, the 1991
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AACSB Modifies Accreditation Standards; Accredits Eight Accounting Programs

Meeting April 24 in St. Louis, the AACSB overwhelmingly approved changes to its policy for the accreditation of business and accounting programs. The new standards represent a move toward "mission-based" accreditation which recognizes institutional diversity. As such, the new policies focus on processes, such as curriculum and faculty development, as much as on product, such as research.

The new president of the accrediting body, Dean Richard Lewis of Michigan State's Graduate School of Business Administration, states that the new rules would also "allow faculty recognition for a person with major experience. . . and some advanced degrees, but not necessarily a Ph.D."

The new standards will be phased in over a transition period culminating in 1994.

At the same meeting, the Assembly extended accreditation to the following accounting programs: Boise State University (Type A), Marquette University (A), Rutgers University-New Brunswick (A), University of Central Florida (A & C), George Mason University (A & C), Mississippi State University (A & C), University of Nevada, Las Vegas (A & C), and the University of Denver (A, B & C).

CPE Division Seeks Educator Participation

by Gary Illiano, CPA, MBA

The AICPA recognizes the need to inform accounting educators about how to participate in Continuing Professional Education (CPE) for professional recognition, CPE credit, and financial gain. The scope of this discussion is limited to "group-study" courses, defined as CPE courses held in a seminar format, as opposed to a self-study, conference, or other format.

Writing Courses

One way an educator can participate in CPE is to become a course author. Generally, the process begins when a potential author formulates his or her ideas into one or more proposals and submits these to the AICPA CPE Division. The proposal review process is highly selective, and reasons for rejection include similarity to existing courses, past courses on a similar topic that didn't sell well, and marketability problems. Even though the AICPA is a member-oriented, not-for-profit organization, revenue from the sale of CPE courses to the state societies of CPAs, which hold seminars locally for their members and others, is essential to its budget. The AICPA CPE Division must operate in the black, or it would drain funds, which would likely result in an increase in membership dues or other measures which would be to the detriment of the people it is trying to serve.

Once we have a proposal that we feel could become a viable product, we speak with the potential author about what will be involved if we decide to work together.

A certain format is used, which fits within the parameters of the *Statement on Standards for Formal Group and Formal Self-Study Programs*, a document which outlines our quality control standards. This format consists of a participant manual, a discussion leader manual, overhead transparencies, and special materials—which are the solutions to exercises. All of our authors are required to create these four documents in writing a course.

The participant manual is written as a stand-alone document that will be useful as a reference for participants

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150-Hour Legislative Update

Several months into the 1991 legislative session, two more states have passed laws to require 150 hours of education to become a CPA. They are Nebraska, where the law will take effect on January 1, 1998, and Georgia, with an enactment date of January 1, 1998.

Approximately a dozen more states are expected to pass 150-hour legislation by the end of 1991.

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International Accounting Issues

The University of Hawaii at Manoa recently announced the Third Asian-Pacific Conference on International Accounting Issues, to be held October 16-19, 1991, in Honolulu. The main theme of the conference is "Accounting Education and Practice in the Asian-Pacific Countries Beyond the Year 2000."

Discussions and workshops on topics such as accounting, research, education and practice, the impact of advanced technology on international accounting, comparative ethics in international auditing and business, and related international accounting topics (foreign currency translation, consolidated financial statements and international taxation) will be presented at this meeting. For more information, including instructions for the submission of papers, contact Farhad Simyar at the University of Hawaii at Manoa, School of Accountancy, 2404 Maile Way, Honolulu, Hawaii 96822; telephone (808) 956-7332.

European Conference

International Entrepreneurship

Entrepreneurial skills are proving to be of increasing importance to both personal and social economic success worldwide. The first of a planned series of international conferences focusing on issues pertaining to the development and expansion of entrepreneurial activities has been announced by the University of Wisconsin-White Water in conjunction with the Anglia Business School, England. Other participants in the conference include the Scottish Enterprise Foundation, the University of Dortmund (Germany), and the Moscow Entrepreneurship and Personnel Center; the conference will be held from July 1-5, 1991, at Pembroke College of Cambridge University. The conference will focus on research, education and training related to entrepreneurship. For more information, contact Gary L. Benson, 2018 Carlson, University of Wisconsin-

White Water, White Water, Wisconsin 53190; telephone (414) 472-5680.

Maintain Curricular Relevance

Community College Accounting Educator's Workshop

The Texas Tech University Center for Professional Development has recently announced the 17th Annual Community College Accounting Educators' Workshop, to be held October 4-5, 1991, at the Summit Hotel in Dallas. Topics and issues to be addressed at this workshop include ethics, adult learning, using computers to facilitate learning, tax updates, and motivating students and teachers. Representatives from numerous publishing firms will also be exhibiting teaching materials, texts, and software. For additional information, contact the Center for Professional Development at Texas Tech University, P. O. Box 4550, Lubbock, Texas 79409; telephone (806) 742-3170.

Survey Results

Status of Black CPAs in Profession

In 1969, a survey by Bert Mitchell, of Mitchell/Titus and Co. in New York, found that there were only 150 black CPAs in the United States. A repeat of that study in 1976 found that the number had grown to 450. In 1988, a task force of the New York State Society of CPAs found that there are around 2,500 black CPAs in the country—about 1% of all licensed certified public accountants. These figures indicate that while the number of black CPAs continues to grow, this group is maintaining the same proportion of professional representation through time, with this proportion resting at about 1% of all licensed CPAs.

The task force study also found that while 55% of black CPAs begin their careers in one of the "Big 6" firms, only 16% remain with those firms. Also, the number of black-owned firms has grown from 30 in 1968 to almost 200 in 1989; however, none of these firms reports growth in size and some even report a decline.

The data also indicate that black accountants working in major CPA firms encounter the "glass ceiling"; they report issues such as firm bias, lack of opportunity, and inadequate education as constraints on their opportunities for advancement. Finally, the report found that while there has been an increase in the number of black accounting graduates, many of these graduates apparently go into fields other than public accounting.

Also of interest are the facts that 32% of black CPAs hold a master's degree or higher (a larger proportion than among non-blacks), and that black involvement in the policy-making aspects of the profession has increased.

Copies of the complete 80-page study, entitled "The Task Force Report on the Status of Blacks in the CPA Profession," may be ordered for \$50 from the New York State Society of CPAs, Attention: Robert Gray, Executive Director, 200 Park Avenue, New York, New York 10166-0010.

Simmons *(continued from front page)*

AICPA Outstanding Accounting Educator Award will be presented to John K. Simmons, KPMG Peat Marwick Professor of Accounting, University of Florida, at the AICPA Council meeting, May 20-22, 1991 in Scottsdale, Arizona. Through his dedication to his students, his commitment to quality accounting programs, and his active participation in academic and professional accounting organizations, Professor Simmons embodies the qualities of an outstanding educator.

Professor Simmons' achievements as an educator have won him recognition from the Florida Institute of CPAs, which named him FICPA's 1989 Outstanding Accounting Educator, and



from the Federation of Schools of Accountancy, which awarded him the 1987 FSA Accounting Faculty Merit Award. Professor Simmons was instrumental in establishing the School of Accounting at the University of Florida and served as the school's first

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subsequent to their involvement in the seminar. It is intended as a reference source for the participant to use in the future, providing some insight into the process of resolving some real-world issues.

Not only does the discussion leader manual include all the pages of the participant manual, it also includes special opposing pages that provide instructions for seminar leaders to refer to in the course of teaching the seminar. For example, opposing page 1-3 will be page DL 1-3, which will provide an abbreviated outline of the material on page 1-3, to assist instructors throughout the course of their presentations. Similarly, overhead transparencies are provided to improve the effectiveness of presentations.

Lastly, special materials include the solutions to problems, examples, discussion questions, case studies, or anything else that would be given to the participants separate from their text material.

Assuming the potential author is interested in working with us, we will ask for a detailed course outline, if one was not included in the proposal. From this outline, we will select one chapter that we will ask the author to submit in draft form, so that we may ascertain whether the person has basic writing skills, can deliver a manuscript at an agreed-upon time, and whether the idea now seen on paper continues to be a viable one.

If the submitted chapter looks good, the project manager will draw up a formal CPE division course proposal to be reviewed by the division directors. Each of the directors uses this opportunity to offer suggestions to improve the proposed course, based upon his or her knowledge and experience. For example, the marketing director may recommend changing the title to make it more marketable. The vast majority of course proposals that make it to this stage are approved.

Assuming both parties still want to work together, the project manager will draw up a contract to send to the author. We have a standard contract which defines the product as a work made for hire for which the author is entitled to royalties. Our standard contract is for three years, the first year for writing the course and then at least two revisions, usually annually. If at the end of three years the course is selling well, the author has been meeting the terms of the agreement, and the author consents, we will renew the contract.

What we provide is the production, marketing, distribution, billing, collection, and technical and editorial review of the author's work. We ask that the manuscript be submitted in both hard copy and disk form, preferably on WordPerfect 5.0 or 5.1. We have a team of instructional designers that reviews the course to make suggestions regarding format and presentability.

A good first-year showing for a group study course will put a few thousand dollars in the author's pocket. Also, preparing CPE courses is an excellent way for an educator to maintain or increase professional interaction. Furthermore, a proposal soon to be presented to the Board of Directors of the AICPA provides for authors to receive CPE credit for their time spent writing CPE courses. This credit will be limited

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Call for Proposals

CPE for Educators

A recent survey indicated that accounting educators are very interested in continuing professional education. The survey, based on a coupon which appeared in the January issue of *Accounting Educators: FYI*, revealed a strong preference for CPE focusing on pedagogical methods specifically as these relate to the teaching of accounting.

Based on this response, the Accounting Educators Subcommittee is proceeding with the development of a CPE program to be offered in conjunction with three of the American Accounting Association regional meetings in the spring of 1992; the same program will be offered at three different AAA regionals in the spring of 1993. The course will last a full day, and will carry eight hours of CPE credit. Task force Chairman Jerry Trapnell of Clemson University has issued a call for proposals from interested accounting educators for the development of such a program.

The proposals should focus on styles of instruction or problem issues and should concern pedagogical methods that, within the context of specific courses (such as intermediate/advanced, auditing, etc.), address higher-order learning skills. The programs should be focused, have a high degree of portability, and have as an objective the inclusion of deliverables which participants can apply effectively in their own teaching environments.

All AICPA members in education are invited to submit proposals; these proposals will be subject to a review process similar to that described in the article on writing CPE courses in this issue (see page 1). In submitting your proposal, please be sure to indicate your name and an address and telephone number where you can be reached during the summer. Program creation will begin in early September, so to receive the fullest consideration, you are urged to submit your proposal as soon as possible. Please send your proposal to: Stephen J. Anspacher, Manager, Relations with Educators, AICPA, 1211 Avenue of the Americas, New York, New York 10036-8775.

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director from 1977 through 1980. His leadership during these years resulted in raising the initial endowment for the school, developing its curriculum and recruiting its current faculty. He is also the author of numerous articles and a recipient of the AAA/AICPA Notable Contributions to Accounting Literature Award.

Professor Simmons has long been an active contributor to the activities of the AICPA, AAA, FSA, FICPAS, and Beta Alpha Psi. He has served on numerous committees and recently served as president of the AAA.

The annual award is designed to provide recognition for the invaluable contributions accounting educators make to the accounting profession and to promote role models in academe. Nominations for the award are made by the state CPA societies. In 1991, a total of 46 nominees were considered for the award and 29 state societies participated in the program.

CPE UPDATE

The grace period for minimum compliance with the AICPA's CPE requirement has been extended to October 31, 1991, from February 28, 1991. The Compliance with CPE Membership Requirements Committee approved the extension for those few members having trouble adjusting to the new CPE requirement. Starting January 1, 1990, the CPE policies require that members not in public practice take at least 10 CPE hours a year and complete a total of 60 CPE hours for the first three-calendar-year period ending December 31, 1992. In subsequent three-calendar-year periods members not in public practice will be required to take at least 15 CPE hours a year and complete a total of 90 CPE hours.

Because 1990 was the first year for the CPE requirements and numerous questions about these requirements are still being raised, the Committee felt that the 1990 grace period should be extended on a one-time-only basis to October 31, 1991. A recent survey of members not in public practice showed an overwhelming majority of those responding met the requirement in 1990. Most of the remainder said they would meet the new deadline.

Many members are surprised to hear that they have wide latitude in selecting subjects to fulfill the AICPA CPE requirements. Subjects are not limited to accounting, auditing, or other technical subjects. Any CPE program that increases professional competence will qualify. So if a CPA who is an educator gives a talk at an AAA conference, or takes a course on improving presentation skills, those programs would qualify for the AICPA CPE requirements. Unlike a few state boards, the AICPA does not limit or prohibit personal development courses.

The Committee's action means that members who did not meet the minimum for 1990 have until October 31 to correct the situation. Members must, of course, also meet the minimum requirement for calendar 1991. Members with questions about the grace period or reporting requirements may write to Mary Shannon, CPE Division, AICPA, 1211 Avenue of the Americas, New York, N.Y. 10036-8775.

Member Survey

These are the highlights of a recent survey (December/January) of 7,000 members not in public practice in which 2,900 responded:

- 93% were aware of the CPE membership requirements
- 81% were aware of the wide latitude they have in selecting qualifying programs
- 96% are planning to get 60 CPE hours by 12/31/92
- 89% got their 10-hour minimum for calendar 1990. Of the 11% who didn't complete the 10-hour minimum, 8% planned to do so by 2/28/91, and almost all of the other 3% would do so if the grace period were extended to 6/30/91.

CPE (continued from page 3)

to 25 percent of total CPE hours earned for that reporting period (usually three years).

Teaching Courses

Discussion leaders can earn up to triple CPE credit for teaching a course. Instructors receive up to twice the recommended CPE credit for actual preparation of a course they have not taught before, plus the recommended credit for the seminar. So for an eight-hour seminar, a first-time instructor could receive 24 hours of CPE credit: 16 hours for actual preparation, eight hours for seminar instruction. (Be prepared to spend at least that much time preparing for one of these presentations.) Here at the AICPA we keep an "author bank" of available authors and their vitae to assist us in referring instructors to state societies.

We market our courses both with and without instructors. Many educators who write courses are interested in acting as discussion leaders for them. In an offering sold with instructor, the author would certainly be a desirable instructor. In those instances where the course is sold without an instructor, many times state societies will call us for a referral for an instructor to lead the seminar. Naturally, in most cases we try to recommend the author, but it is up to that individual society to contact the author for the discussion leader opening. With an honorarium rate of several hundred dollars a day, many educators find that becoming a CPE discussion leader is not without its benefits.

Many of our discussion leaders have used AICPA experience to their advantage, both in advancing in their professional careers and in parlaying their experiences into other instructional opportunities.

Technical Review

Another area in which we like to employ the expertise of educators is for technical review of course materials. We ask our reviewers to focus on the technical accuracy of the manuscript, including instructions to discussion leaders, transparencies, and solution handouts. We provide a checklist to be filled out to ensure certain key items are not overlooked. As with our author bank, we have a "reviewer bank" to assist us in reviewing the technical accuracy of our courses.

The technical reviewer is acknowledged in the forward to the course materials, and a small stipend is available.

We invite you to follow those of your colleagues who have found the time and inclination to share their considerable talents with other members of our profession, for their own benefit and the benefit of CPE participants. For more information about these opportunities, please contact Linda Lach, Director of CPE Program Development at the AICPA.

(The author has spent nearly two years developing group-study courses as a project manager in the AICPA's CPE Division. Although he is an employee of the AICPA, his views, expressed in this article, do not necessarily reflect those of the Institute. Official positions are determined through specific committee procedures, due process, and deliberation.)