



**American
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**Message from Tammy R. Waymire, Middle Tennessee State University
AAA GNP Section President**

Dear GNP Members:

What a fantastic opportunity to connect with you all in Norwalk at the Mid-Year Meeting! I am grateful to our friends at the GASB and FASB for their efforts in making our meeting productive and fun. I hope that each of you had the opportunity to connect with friends – old and new, and that you left feeling a renewed sense of energy to tackle your research and teaching passions. I describe the post-meeting feeling as “pinging,” as I always return home with my wheels turning and full of excitement about our collective opportunities. As you “ping” on ideas, I hope you will connect with others about ideas that you may have to continue to grow our Section’s impact. I welcome your creative thoughts.

A summary of the Mid-Year Meeting events is included in the newsletter, and I want to express my gratitude to all who contributed to the meeting’s success. Thank you to the fantastic speakers – Vaughan Radcliffe, David Bean, Jeff Previdi, Peter Block, Eden Perry, Gil Southwell, Kurt Gee, David Vaudt, Russell Golden, Rick Cole, Jeff Mechanick, Mandy Nelson, Rebecca Bloch, Thad Calabrese, Sue Convery, Dan Neely, and Terry Patton. On Friday of the meeting, these speakers covered a wide range of topics of interest with emphasis on standard-setting, bond markets, auditing, and teaching GNP. On Saturday of the meeting, we had presenters, discussants, and moderators who brought their best research game. Thank you to these individuals and the reviewers who vetted the submitted papers. I am also grateful to all of the individuals at the GASB, FASB, and FAF who contributed so much behind-the-scenes. Finally, I want to thank all who participated in the planning of the meeting, with a special thank you to Brian McAllister who organized the research side of the meeting and provided such great help in all of the planning for the meeting.

I am enormously grateful to our Executive Committee for their efforts this year in evaluating by-laws and completing an Officers and Operations Manual for our section. I am pleased to report that we met at the conclusion of the Mid-Year Meeting and voted unanimously to approve this new Officers and Operations Manual. This is an important capstone to the by-law revisions we tackled last year, as the manual provides the guidance necessary for officers, committee chairs, and regional coordinators in conducting the business of the Section. Thank you to each of you on the Executive

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Committee for your involvement in reviewing, revising and approving the new manual which is now available on the Section website. And thank you for everything you do for the Section.

As I reflect on the meeting, I am most excited about the bridges that are building from our vantage point in academia to standard-setting, practice, and policy-making. If you missed it, Russell Golden, FASB Chairman, wrote an article about the engagement between the Section and standard-setters at the meeting, noting that the FASB could especially benefit from research on: (1) post-implementation studies on the two major recently issued standards on not-for-profits (ASU 2016-14 and ASU 2018-08), and (2) consolidation guidance for not-for-profits. His article, in its entirety, may be accessed here: <https://www.linkedin.com/pulse/hosting-learning-from-academics-russ-golden/>. Similarly, the GASB looks to our research to inform the standard-setting process and is currently looking for research in the following areas: (1) capital asset impairment, (2) fund balance and the requirements of Statement No. 54, (3) inventory issues, particularly in the governmental activities, (4) treatment of investment fees, (5) application of present value, (6) related party transactions, and (7) subsequent events. Researchers with studies in these topic areas (or others of interest to standard-setting) are invited to submit proposals for the Gil Crain Memorial Research Grant by May 31, 2019. For details, see https://gasb.org/cs/Satellite?c=Document_C&cid=1176172313058&pagename=GASB/Document_C/DocumentPage. I view these bridges from our work to standard-setting, and also to practice and policy-making, as our greatest opportunity for impact.

Our opportunity to shape standard-setting, practice, and policy-making is dependent on our participation in the education of students learning about the government and nonprofit sectors, and that impact is important at all levels – doctoral, masters, and undergraduate. We were thrilled to award travel awards so that five doctoral students could attend the meeting, and I am grateful to Erica Harris for her efforts in leading initiatives to better support doctoral students. We also support teaching efforts of faculty teaching undergraduate and graduate courses in GNP. Thank you to Rebecca Bloch for organizing and moderating the teaching session at the Mid-Year Meeting. As we contemplate impact opportunities, we welcome your thoughts on how our section can better engage faculty (tenure track and non-tenure track) who are teaching governmental and nonprofit accounting, but may not be researching in the area.

I am grateful for the opportunity to serve as President of the Government and Nonprofit (GNP) Section this year and continue to welcome and encourage your comments and suggestions. I wish you all the very best as you complete the spring semester and make summer plans. I hope that your end-of-summer plans include participation in the annual meeting in San Francisco and will look forward to seeing you all there!

Sincerely,
Tammy R. Waymire
Tammy.Waymire@mtsu.edu



2019 Annual Meeting News

By: *Karen Kitching*, Research Program Chair & Annual Meeting Program Chair

We hope to see many of our members at the annual meeting in San Francisco. The preliminary schedule follows.

GNP Preconference Workshop Data Analytics and Government Reporting Sunday, August 11, from 1:00 to 4:30 pm

Join us for a hands-on workshop using teaching cases and demonstrations prepared by Karen Kitching and accounting professionals specializing in government advisory and audit. This workshop will be of interest to individuals wishing to acquire basic to intermediate skills in technology currently being used in accounting firms including data visualization, data cleansing tools, and robotic process automation. The source of the data used in the cases will be pulled from the USAspending.gov website. A briefing on the DATA Act data will also be provided.

Section Luncheon and Business Meeting

The GNP Section Luncheon will be held on Monday, August 12, at 12:00 noon. The section business meeting will be held immediately following the luncheon. Please plan to attend both.

Concurrent Sessions

The GNP section will host six concurrent research sessions and one paper dialogue session during the three-day meeting. A total of 27 papers were received and 22 were accepted. The session topics are as follows:

- Monday at 10:15 am: Issues in the Municipal Debt Market
- Monday at 4:00 pm: Hospitals: Performance and Reporting
- Tuesday at 10:15 am: Current Topics in Governmental Accounting
- Tuesday at 2:00 pm: Nonprofit Governance - I

- Tuesday at 4:00 pm: Current Topics in Nonprofit Accounting
- Wednesday at 10:15 am: Nonprofit Governance - II
- Wednesday at 2:00 pm: Government and Nonprofit Research Dialogue Session

At the time of the GNP newsletter release, the annual meeting program was not finalized. The full annual meeting program information will be available soon at the following link:

<http://aaahq.org/Meetings/2019/Annual-Meeting/Program>

Thank You!

Thanks to the following GNP members who reviewed paper submissions: Chevonne Alston, Colleen Boland, Jose Borba, Qiu Chen, Joe Christopher, Donald Deis, Robert Eger, Steven Flynn, Dana Forgione, Matthew Hall, Erica Harris, Trent Henke, Sarah Hinchliffe, Mei-Juh Huang, Kathryn Jervis, Laurence Johnson, Karen Kitching, Melvin Lamboy Ruiz, Ryan Leece, Theresa Libby, Q Ling, Chin Loh, Suzanne Lowensohn, Barry Marks, Brian McAllister, Ryan McDonough, Cathleen Miller, Daniel Neely, Linda Parsons, Michael Paz, Kamala Raghavan, Linda Ragland, Jacqueline Reck, Kevin Rich, Brent Roberts, Arpita Shroff, Pamela Smith, Kathleen Sobieralski, Alan Styles, Leo Tang, Joseph Wall, Robert Warren, Olena Watanabe, Claire Yan, Huilan Zhang, and Jean Zhang.

Annual Doctoral Mentoring Session

By: *Erica Harris*, Doctoral Program Liaison

The doctoral committee of the GNP section would like to invite you to participate in a research mentoring session followed by an informal networking lunch at the AAA annual meeting in August. If you are a PhD student or new faculty and would like to participate or if you are a senior faculty willing to provide mentoring please contact Erica Harris at Erica.Harris@villanova.edu for more details.

Have You Heard?

FASAB Appointment

GNP member, Terry Patton, Chair of Accounting, Management Information Systems, and Legal Studies, and former Dean of the Dillard College of Business Administration at Midwestern State University, has been appointed to the Federal Accounting Standards Advisory Board (FASAB). Terry's five-year term begins July 1, 2019 and will require six trips to Washington, DC each year to participate in the federal accounting standard-setting process. Terry also currently serves on the Governmental Accounting Standards Advisory Council (GASAC).



Congratulations Terry!!

Dissertation Grant Opportunities

The GNP Section sponsors a competitive dissertation grant program to help defray certain costs (up to \$1,500) for individuals conducting dissertation research on governmental and nonprofit topics. An applicant must be a doctoral candidate with a major or emphasis in accounting from any doctoral granting institution in the United States of America or foreign country. Applications must be received by April 30, 2019 (an extended deadline from April 15th).

The grant application should include:

1. An application letter explaining the nature of the project, current stage of the project, estimated completion date, how the award

of a dissertation grant would contribute to the project, the nature of other grants received for the dissertation, and contact information (address, phone and e-mail).

2. A budget detailing the items and amounts for which funding is requested;
3. A copy of the dissertation proposal;
4. A letter from the dissertation chairperson stating the proposal has been defended and accepted, or if not yet defended, that a firm commitment exists to permit the applicant to proceed with the proposed dissertation.

For more details please visit aahq.org/GNP/Doctoral-Activities/Dissertation-Grant-Program

Email application packets to: **Doctoral Program Liaison**, Erica Harris, Villanova University erica.harris@villanova.edu

Outstanding Dissertation Award

The GNP Section sponsors a competitive dissertation award each year. An applicant must be a doctoral candidate with a major or emphasis in accounting from a doctoral granting institution in the United States of America or foreign country. The dissertation must have been successfully defended between 3/1/18 and 4/15/19. The grant application should include a copy of the dissertation and a 10–20 page summary addressing the relevance of the study to governmental and nonprofit accounting, the research methods employed, and overview of the findings. The submission deadline has been extended to April 30, 2019 (from April 15th).

Nominations, by self or others, should be made to the Chairperson of the Outstanding Dissertation Award Committee:
Erica Harris, Villanova University
erica.harris@villanova.edu

2018 Midyear Meeting Recap

By: *Brian McAllister*, Research Program Chair Elect & Midyear Meeting Program Chair

The Government and Nonprofit (GNP) Section Midyear Meeting was held on March 8-9, 2019 at the Governmental Accounting Standards Board in Norwalk, CT. There were 63 registered attendees, which included both new and familiar faces.

The Friday sessions involved a number of speakers from the profession. David Bean, Director of Research and Technical Activities for the GASB, kicked off the Friday morning session with a GASB Update. David presented on a number of standard-setting issues currently on GASB's agenda. He also solicited proposals for the Gil Crain Memorial Research Grant program. The due date for the request for Gil Crain Research Grant funding is May 31, 2019. Those interested should write up a formal request for research funding as a Microsoft Word document and send the request in an email to David Bean at drbean@gasb.org.

The second session of the day involved a panel of speakers that was moderated by Jeffrey Previdi, Vice Chairman of the GASB. Each speaker provided a different perspective on the role of governmental accounting in municipal bond analysis. The panel members offered perspectives from a credit rating viewpoint (Eden Perry, the Head of U.S. Public Finance at S&P Global Ratings), from a sell-side analyst viewpoint (Peter Block, Ramirez & Company), and from a buy-side analyst viewpoint (Gilbert Southwell, Wells Capital Management).

Our luncheon speakers were David A Vaudt, Chairman of the GASB, and Russell G. Golden, Chairman of the FASB.



The discussion between the two chairmen related to the role of academic accounting research in the standard-setting process and was moderated by Kurt Gee, Post-Doctoral Fellow at the FASB and an Assistant Professor at The Pennsylvania State University.

The Friday afternoon sessions started with a FASB Update by two FASB staff members: Jeff Mechanick, Assistant Director-Nonpublic Entities and Rick Cole, Supervising Project Manager. Both presented on the standard setting issues currently on FASB's agenda that are specific to not-for-profit organizations. Next, Amanda Nelson, a partner in KPMG's Department of Professional Practice, presented an update on governmental auditing. Her presentation focused on OMB's 2019 Compliance Supplement and on the newly revised Yellow Book.

Friday's session wrapped up with an education panel discussion on the Foundations of Teaching GNP. The panel was composed of four GNP textbook authors: Thad Calabrese, New York University; Susan Convery, Michigan State University; Dan Neely, University of Wisconsin-Milwaukee; and Terry Patton, Midwestern State University. The panel was moderated by Rebecca Bloch, Fairfield University.

On Friday evening, everyone enjoyed an off-site dinner at the Rolling Hills Country Club

located in Wilton, CT. During dinner, the Midyear Meeting Best Paper Award was presented to Raphael Duguay, a doctoral student from the University of Chicago, for his paper titled: *The Economic Consequences of Financial Audit Regulation in the Charitable Sector*.

We wish to thank the speakers and moderators who presented during the Friday sessions. We also express our gratitude to the GASB for hosting our meeting and to both the GASB and the FASB for their help in organizing speakers and planning the meeting. We especially thank Greta DeAngelis from the GASB for her incredible guidance and on-site planning and Kelli Rickrode from the American Accounting Association for her administrative support both before and during the meeting.

The Midyear Meeting Saturday concurrent sessions provided an opportunity for the GNP Section to promote and facilitate academic research focused on governmental and not-for-profit accounting. A total of 41 papers were submitted for review and 19 were accepted for presentation at the concurrent sessions. An additional four papers were presented at the interactive breakfast roundtable session.

We wish to thank the 18 discussants and 6 moderators involved with the Saturday concurrent sessions. We also thank the following 66 reviewers for sharing their time and expertise.

Yulianti Abbas, Universitas Indonesia; Arthur Allen, University of Nebraska-Lincoln; Colleen M. Boland, University of Wisconsin-Milwaukee; Matthew Boland, St. Mary's University; Stephanie F. Cheng, Tulane University; Lisa B. Church, Rhode Island College; Christine Cuny, New York University; Karen J. Davies, The University of South Dakota; Jack W. Dorminey, West Virginia University; Robert J. Eger, Naval

Postgraduate School; Andrew Finley, Claremont McKenna College; Mary Fischer, The University of Texas at Tyler; Renee Flasher, The Pennsylvania State University Harrisburg; Dana Garner, Virginia Polytechnic Institute and State University; David Godsell, University of Illinois at Urbana-Champaign; Angela K. Gore, The George Washington University; Curtis Hall, Drexel University; Erica Harris, Villanova University; Trent Stanton Henke, Texas State University; Anna Hickey, U.S. Coast Guard Academy; Amy Foshee Holmes, Trinity University; Wei Hsu, University of Colorado Colorado Springs; Carol M. Jessup, University of Illinois at Springfield; Laurence E. Johnson, Colorado State University; Staci A. Kenno, Brock University; Won Jung Kim, The University of Utah; Karen A. Kitching, George Mason University; Jared Koreff, Trinity University; Jonathan Kugel, Georgia Institute of Technology; Qianhua Ling, Marquette University; Min Liu, Brooklyn College-CUNY; Suzanne Lowensohn, The University of Vermont; Amanda Marino, Drexel University; David S.T. Matkin, Brigham Young University; Brian McAllister, University of Colorado Colorado Springs; Melanie McCoskey, The University of Akron; Ryan Patrick McDonough, Rutgers, The State University of New Jersey; Dean Michael Mead, Governmental Accounting Standards Board; Julie Mercado, The University of Alabama; Hyun Jong Na, The George Washington University; Dan Neely, University of Wisconsin-Milwaukee; Linda M. Parsons, The University of Alabama; Benedikt Markus Quosigk, Kennesaw State University; Linda Ragland, University of New Hampshire; Jacqueline Reck, University of South Florida; Kevin T. Rich, Marquette University; Assma M. Sawani, University of Colorado Colorado Springs; Michael P. Schoderbek, Rutgers, The State University of New Jersey Newark & New Brunswick; Mark Wayne Smith, The University of Oklahoma; Pamela Jean Strickland, Campbell University; Alan Keith Styles, California State

University, San Marcos; Leo Tang, Lehigh University; Stefanie Tate, University of Massachusetts-Lowell; Anne Margaret Thompson, University of Illinois at Urbana-Champaign; Beth Y. Vermeer, University of Delaware; Joseph M. Wall, Marquette University; Tammy R. Waymire, Middle Tennessee State University; Thomas Zachary Webb, The University of Mississippi; Devin Williams, University of Illinois at Urbana-

Champaign; Paul Anthony Wong, University of California, Davis; Jinqiu (Claire) Yan, Rutgers, The State University of New Jersey; Alfred Yebba, Binghamton University, SUNY; Michelle Higgins Yetman, University of California, Davis; Jean Xueqing Zhang, Virginia Commonwealth University; Xinyu Zhang, Cornell University; Aleksandra B. Zimmerman, Northern Illinois University.



We gratefully acknowledge KPMG Foundation for its generous support in sponsoring the 2019 GNP Midyear Meeting.

Save the Date: March 6-7, 2020: We are pleased to announce the 2020 Government and Nonprofit Section Midyear Meeting will be held in Houston, Texas at the Crowne Plaza Houston River Oaks.

Report on the Governmental Accounting Standards Advisory Council Meetings

By: *Terry Patton*, Vice President and Director of Education & Research

The Governmental Accounting Standards Advisory Council (GASAC) held its first meeting of the year on March 11, 2019 in Atlanta, Georgia in conjunction with the NASC annual conference. An important part of the meeting was the GASAC's annual review and ranking of various potential Governmental Accounting Standards Board (GASB) projects. This constituent input is important for the GASB as it considers adding projects to its technical agenda. The 15 highest prioritized topics identified by GASAC were:

- Going concern disclosures—GASB Statement No. 56
- Capital assets
- Electronic financial reporting
- Interim financial reporting

- Derivative instruments—Statement Nos. 53 and 64
- Investment fees
- Reporting unit presentations
- Certain interfund transactions—Statement Nos. 34 and 38
- Popular reporting
- Prior-period adjustments, accounting changes, and error corrections—Statement No. 62
- Statistical Section—Statement No. 44
- Acquisition of less-than-100 percent equity interest in component units
- Fund balance—Statement No. 54
- Compensated absences—Statement No. 16
- Social Security Disclosures

The GASB also sought input from GASAC members regarding several projects currently on the GASB's technical agenda. These included the financial reporting model, revenue and expense recognition, conduit debt, public-private partnerships, subscription-based IT arrangements, and the omnibus project.

The next GASAC meeting will be held on July 15 and 16 in Flushing, New York.

Report on the AAA Executive Council Meetings

By: *Linda Parsons*, GNP Section Representative to the AAA Executive Council

November 3, 2018 Meeting

A thank you to all Council members in attendance for a great meeting on Saturday, November 3, 2018 at the Hilton San Francisco Union Square, which will be one of the 2019 Annual Meeting Hotels.

A recap of the Council Meeting:

- Council approved the minutes of the August 2018 Council Meeting.
- Executive Director Tracey Sutherland and Chief Innovation Officer Julie Smith David spoke about three of the AAA's Core Activities: Membership, Meetings, and Publications
 - Membership continues to trend upward.
 - The number of meetings continue to grow with the addition of Section meetings and from the Center for Advancing Accounting Education.
 - Publications continue to be strong with member-access to all of the journals via the Digital Library, as well as the use of tools such as ORCID, Kudos, and CrossCheck.
- Julie Smith David presented an overview of the Treasurer's Guidebook and Council participated in a "Treasure Hunt" to find answers about the AAA and Segment Financials within the guidebook. An updated final version will be shared

with Segment Leaders and posted on the Segment Leader website as a resource for current and future leadership.

- The Council Committee on Awards Committee (CCAC) was populated for the 2018-2019 membership year. Natalie Churyk is the CCAC Chair. Appointed to the committee were D. Larry Crumbley, Dale Flesher, Tracie Miller-Nobles, Brigitte Muehlmann, Linda Parsons, and Amal Said.
- AAA President Marc Rubin reviewed the New Activity Approval Process, reminding Council of their role in the development of the policy and forms. This policy and accompanying forms are now posted to the AAA.
- Director – Focusing on Segments Audrey Gramling gave an update on the activities that Segments have been participating in, including the 2018 Segment Volunteer Leader Workshop held at the 2018 Annual Meeting, Section & Region Meeting timelines, Segment email calendars/scheduling, and upcoming webinars. She showed Council the [Segment Leader Website](#) where a variety of resources are housed.
- The Council Ballot Committee (CBC) elected two candidates to be placed on the slate for the Board of Directors for

the position of Director – Focusing on Academic/Practitioner International. Cathy Scott, the CBC Chair oversaw the election process and as a result of the election, John Hepp and Sridhar Ramamoorti, were chosen as the candidates for the position.

- Council members signed the annual Conflict of Interest and Code of Ethics policies.
- Insights on what the AAA Center for Advancing Accounting Education's Emerging Issues Forums (i.e., Accounting *IS* Big Data, Blockchain Technology, Accreditation) should offer next were gained when the

Council shared their feedback in a series of interactive activities lead by Audrey Grambling, David Stott, Markus Ahrens, and Susan Crosson.

- Council Chair David Stott reminded Council of the dates for the upcoming Meetings. He also reminded everyone that the Call for Nominations for the 2019 AAA Awards was open, as well as the importance of submitting quality nominations. The deadline for nominations was January 31, 2019.

Call for Papers Journal of Governmental and Nonprofit Accounting

By: *Vaughan S. Radcliffe*, Editor

The *Journal of Governmental & Nonprofit Accounting* (JOGNA) is the academic journal of the American Accounting Association's Government and Nonprofit Section. JOGNA's objectives are to promote, publish, and build the community of those conducting research in governmental and nonprofit accounting, and to create new knowledge in this field.

To this end, the role of the editorial board is to identify promising manuscripts and to advise and support authors of these manuscripts toward publication.

Appropriate topics for the journal include, but are not limited to:

- Financial reporting by Governmental and Nonprofit Organizations
- Governance practices in Governmental and Nonprofit Organizations
- Audit markets for Governmental and Nonprofit Organizations
- Financing Governmental and Nonprofit enterprises
- Budgeting and financial management in Governmental and Nonprofit Organizations
- Evaluating charitable organizations

- Performance audits
- State oversight of local governments
- The role of accounting in political markets
- The use of accounting information in markets for philanthropic resources
- Financial and nonfinancial performance metrics in Governmental and Nonprofit Organizations
- Compensation in Public Sector and Nonprofit Organizations
- Regulation of reporting requirements for Governmental and Nonprofit Organizations
- Federal Accounting Standards
- Evaluating the public policy objectives, consequences, and performance of Governmental and Nonprofit Organizations
- Government Auditing Standards
- Government Cost Accounting Standards and the CASB

Appropriate methodologies include, but are not limited to:

- Empirical studies using archival data
- Laboratory studies
- Theory-based analysis
- Case studies
- Ethnography and field research
- Accounting history

Submission and Review Process: The manuscript submission/review process is completed online using the American Accounting Association online submission and peer review system available at the following link: <http://jogna.allentrack.net>

The nonrefundable submission fee in U.S. funds is \$70 for members of the AAA Government and Nonprofit Section and \$100 for nonmembers of the AAA Government and Nonprofit Section, payable online by credit card (VISA or MasterCard only). [Click Here](#) to view the online payment form. If you are unable to pay by credit card or have any questions, please contact the AAA Member

Services Team at (941) 921-7747 or by e-mail at info@aaahq.org.

Submitted manuscripts should be original research not previously published and not under consideration at another journal. After screening by the editorial board for suitability, submissions will be reviewed by qualified reviewers under the direction of the editor. Revisions not resubmitted within 12 months from notification will be considered new submissions. *JOGNA* is an online journal. Accepted articles will be published (posted online) shortly after their acceptance.

The JOGNA Editorial Board Members can be viewed at the following AAA link: [Click Here](#).

Have You Seen?

GNP research is published in a wide range of journals. Since you cannot read them all, this feature of the newsletter highlights some recent research that you may have missed.

“Nonprofit Executive Incentive Pay” by S. Balsam and E. Harris. *Review of Accounting Studies*. Dec. 2018. **Abridged Abstract:** We utilize information recently disclosed on Form 990 to examine the use, and consequences of, incentive pay at nonprofit organizations. We find that bonuses are positively associated with profitability, competition from other nonprofits, firm size, available cash, and use of compensation consultants and committees, while negatively related to board oversight, donations, and grants. Our results also suggest that donors look unfavorably at the payment of bonuses. Nonetheless, we find evidence consistent with the payment of bonuses incentivizing nonprofit executives, as despite reduced fundraising, future profitability and program services are positively associated with current bonus compensation.

“Unemployment Insurance Benefits and Income Smoothing” by J. Ng, T. Ranasinghe, G. Shi, and H. Yang. *Journal of Accounting & Public Policy*. Jan. 2019. **Abridged Abstract:** Labor unemployment insurance reduces unemployment concerns. We argue that these benefits moderate incentives to smooth earnings to reduce employees' concerns about unemployment risk. Using exogenous variations in unemployment insurance benefits, we find evidence consistent with this argument. We also find that the link between unemployment insurance benefits and income smoothing is stronger when there is higher unemployment risk and when the firm is likely to employ

more low-wage workers, who find unemployment insurance benefits especially useful.

“The Influence of Institutional Regulatory Pressure on Nonprofit Hospital Audit Quality” by M. McGowan, S. Chan, Y. Yurova, C. Liu and R. Wong. *Journal of Governmental and Nonprofit Accounting*. Nov. 2018. **Abridged Abstract:** This paper investigates whether the influence of institutional regulatory pressures emanating from the enactment of the Sarbanes-Oxley Act and subsequent nonprofit legislation and disclosure requirements improves nonprofit hospital audit quality. We examine two measures of audit quality, internal control deficiencies and discretionary accruals. The results reveal that the audit quality of nonprofit hospitals improves, suggesting that audit firms have responded to regulatory pressures and enhanced their audit and engagement practices for the benefit of nonprofit hospitals and stakeholders.

“The National Ecological Accounting and Auditing Scheme as an Instrument of Institutional Reform in China: A Discourse Analysis” by X. Wang. Feb. 2019. *Journal of Business Ethics*. **Abridged Abstract:** Having been recognized as a “resource-intensive” economy, the People’s Republic of China has been experiencing major implications in terms of ecological environment

degradation, which continuously harms the health of the Chinese people and the productivity of China's economy. Through a series of critical discourse analysis on relevant written texts produced by the central authorities, mainstream media and the Chinese academics, this paper sets out to analyze the historical evolution of the institutional context in relation to the establishment of such a scheme, and further, to decipher the ideological underpinnings that have shaped this context. The findings indicate that the signification of NEAAS goes far beyond the environment protection, in that, this scheme constitutes a fundamental institutional reform.

A sample of **reports recently issued by the GAO** that may be of interest

- State and Local Governments' Fiscal Outlook: 2018 Update
 - GAO-19-208SP, Dec. 13, 2018
- Financial Audit: Fiscal Years 2018 and 2017 Consolidated Financial Statements of the U.S. Government
 - GAO-19-294R, March 28, 2019.
- Foreign Asset Reporting: Actions Needed to Enhance Compliance Efforts, Eliminate Overlapping Requirements, and Mitigate Burdens on U.S. Persons Abroad.
 - GAO-19-180, April 1, 2019.

Let Us Hear From You

The deadline to submit items for inclusion in the next issue of **Government & Nonprofit News** is tentatively set for October 31, 2019. Submit newsletter items (maximum of 350 words per item) to:

Linda G. Ragland, Editor
University of New Hampshire,
Phone: (603) 862-5286; **E-mail:** Linda.Ragland@unh.edu

CIGAR Network

The Comparative International Governmental Accounting Research (CIGAR) Network is an organization whose mission is to promote worldwide discussion and research on comparative governmental accounting. The group sponsors conferences and workshops dedicated to governmental accounting research themes. CIGAR will celebrate its 17th Biennial Conference in the summer of 2019 (June 13-14, 2019) in Amsterdam, the Netherlands.

The theme of the 17th Biennial CIGAR conference is "Alternative views on Public Sector Accounting

and Financial Management." Please find conference details at <https://www.cigar2019.nl>.

CIGAR was co-founded in 1987 by James Chan (University of Illinois at Chicago), Rowan Jones (University of Birmingham) and Klaus Lüder (German University of Administrative Sciences Speyer). The first conference was held in Chicago, but since that time, US involvement has ebbed and flowed. There are several research outlets associated with the group and/or identified on the CIGAR website at <http://cigar-network.net/>.

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