Phil Shane, Section President, called the meeting to order.

**Treasurer’s Report:**

Ken Shaw, Secretary/Treasurer of the section, distributed a cash flow report, a comparison of budgeted to actual expenditures for the FARS 2006-2008 mid-year meetings, and a preliminary budget for 2008-2009. The cash balance as of May 30, 2008 is $170,791. Ken noted that the preliminary net cash flow for 2007-2008 of ($19,346) is below the budgeted cash flow of $1,800. However, the section has historically experienced net positive cash inflows during the last three months of the year, thus the size of this net outflow will move nearer to zero at the fiscal year-end. Dues revenue should approximate budget, but interest revenue will be below budget due to lower interest rates.

The section totals 1,948 members as of May 2008, an increase of 274 members from the prior year. Growth was particularly strong among foreign members, increasing from 393 members to 616 members.

Ken reviewed the report of revenues and expenses for the mid-year meetings. Ken noted that the net outflow for the 2008 meeting ($37,755) was above the budgeted net outflow of ($22,000). This is due to relatively expensive hotel, food, and audio-visual costs from the Phoenix Hilton and the fact that the number of doctoral students attending the consortium increased from 72 to 85. The cost of the doctoral consortium ($23,393) was above the budgeted amount of $15,000. A member from the floor noted that the cost data we receive from the AAA understates the total cost of the doctoral consortium, as the cost of the food consumed by doctoral students is included in the total food costs for the conference.

Ken noted that a sizable increase in the number of paid mid-year meeting registrants (from 181 to 206) yielded registration fee revenue of $41,100; $25,000 was budgeted for this item for 2008. The section thanked Grant Thornton for its contribution of $5,000 for the doctoral consortium.

**Election of New Officers:**

Phil Shane, on behalf of the chair of the nominating committee, provided the report of the nominating committee. The committee proposed a single slate:

- President-Elect: Teri Yohn, Indiana University
- Vice-President, Practice: Scott Taub

No nominations were received from the floor and the slate was approved unanimously.
Committee Reports

Financial Reporting Policy Committee (FRPC)
Teri Yohn, on behalf of Pat Hopkins, chair of the committee, gave an update on the committee’s activities. The FRPC formed in fall 2007 and during its first of operations the FRPC prepared three comment letters related to accounting policy deliberations, one of which is published in Accounting Horizons and another is currently under review at that journal. The committee has two other comment letters in progress. A member from the floor noted that Teri testified before Congress regarding accounting issues from one of the comment letters. Teri thanked departing members Christine Botosan (University of Utah) and David Farber (University of Missouri) for their service, and welcomed new committee members Betsy Gordon (Temple University) and Sarah McVay (University of Utah).

Academic Committee to Liaise With Practice (ACLP)
Carolyn Callahan (University of Arkansas), chair of the committee, gave an update. Carolyn announced that Ray Whittington, Scott Taub and Ian Hague all agreed to membership on ACLP. The committee is working to develop a proposal to have research abstracts published in the Journal of Accountancy. This proposal would require approval by the section and then approval by the Executive Committee of the AAA.

Report on Planning the 2009 FARS Mid-Year Meeting
Phil Shane discussed plans for the 2009 mid-year meeting, which will take place in New Orleans at the Westin Canal Place. Mike Kirschenheiter was announced as the chair of the committee for the research sessions, and Jake Thomas was announced as the director of the doctoral consortium. Attendance is capped at 90 doctoral students, with preference given to first-time attendees. It was noted that, space permitting, second-time doctoral student attendees could attend, but the section would not cover any of their costs.

Other Updates
Phil Shane thanked Jeff Boone for his efforts in updating the section’s website (fars.org). Mostafa Maksy provided an update on CPE.

New Business

2008-2009 Budget
Meeting members discussed the proposed budget. Relative to prior years, the budget reflects higher budgeted inflows from mid-year meeting registrations and higher budgeted costs for the mid-year meeting. The budget was approved unanimously.

Audio-visual, Mid-Year Meetings
A member raised the possibility of using LCD projectors instead of overheads at the meeting. Concerns were raised with the potential costs of this switch. One idea to control costs that was raised was the possibility of having a local university furnish the equipment and technical support. The Steering Committee was charged with considering the options and Phil agreed to check with AAA HQ regarding the cost of having the hotel furnish LCD projectors versus overhead machines.

Travel Reimbursement Policy for Mid-Year Meeting Invitees
Members discussed what items get reimbursed for speakers at mid-year meetings. In general, the section reimburses costs for speakers that either are not members of the AAA or are members of the AAA but currently full-time employees of an organization (e.g. the FASB or SEC) that won’t cover travel.
expenses. Consistent with AAA policy, doctoral consortium faculty who are members of FARS are reimbursed for one night’s lodging and meals on the day of travel prior to the consortium. Specifically, the AAA policy for the annual meeting states: "No reimbursement is allowed for travel expenses to attend the AAA Annual Meeting, except for housing and meals for the days preceding or following the four convention days, necessitated by authorized attendance at committee, council or other special meetings."

Christine noted that she and Ken would work on developing an official disbursement policy for the section, following the AAA’s template. This ultimately would be discussed and voted on at a section business meeting.

Mid-Year Meeting Registration Fee
In light of the net outflow of the mid-year meeting, members discussed the mid-year meeting registration fee, currently $175. It was noted that the section still has a sizable cash balance. Dick Dietrich made the following motions:

1. Keep the mid-year meeting registration fee at $175 per paid registrant.
2. Allow the mid-year meeting program committee the discretion to decide on additional charges, if any, to be paid for registrants for meals at the mid-year meeting.

Both motions passed unanimously.

Transfer of Presidency
Phil Shane then turned over the presidency to Christine Botosan. Christine and the meeting members thanked Phil for his excellent service to the section, particularly in the area of improving relations with outside constituents. Christine introduced the FARS members who have agreed to work with her this year.

Chairpersons
FRPC Pat Hopkins, Indiana University
ACLP Carolyn Callahan, University of Arkansas
CPE Mostafa Maksy, Northeastern Illinois University
Best Paper Award Patty Dechow, University of California-Berkeley
Best Dissertation Award Russ Lundholm, University of Michigan

National and Regional Meeting Coordinators
National April Klein, New York University
Mid-Year Meeting—Program Phil Shane, University of Colorado
Mid-Year Meeting—Research Mike Kirschenheiter, Purdue University
Mid-Atlantic Mei Feng, University of Pittsburgh
Midwest Steve Moerhle, University of Missouri-St. Louis
Northeast Erin Moore, Lehigh University
Ohio Jennifer Altamuro, Ohio State University
Southeast Tom Lopez, University of South Carolina
Southwest Stanimir Markov, University of Texas-Dallas
Western Marlene Plumlee, University of Utah

Steering Board
Bob Lipe, University of Oklahoma
K. Ramesh, Michigan State University