

NEWSLETTER:

Administrators of Accounting Programs

A Group of the American Accounting Association
653 South Orange Avenue Sarasota, Fl. 33577

SPRING 1977

VOL. 1, NO. 2

Administrators of Accounting Programs

A GROUP OF THE AMERICAN ACCOUNTING ASSOCIATION

May, 1977

Dear Fellow Administrators:

It is a pleasure to report to you the highlights of the April 14 and 15, 1977, meeting of the Board of Governors. As you might expect, the significant events of the meeting emanated from committee reports. The committees are involved in a variety of endeavors, all of which portend well for accounting education, the profession, and accounting program administrators.

The Research and Publication Committee has approached the Board with a most exciting proposal. The Committee has asked the Board to consider undertaking the publication of a *Journal of Accounting Education*. The Board has directed the Committee to prepare a proposal, including a financial plan for underwriting the cost.

The Committee on Continuing Education has been hard at work planning and preparing seminars for administrators. The first of its seminars, which is to be presented in May, is entitled, "The Human Side of Accounting Administration." A seminar for new accounting administrators is included in the Committee's plan for the coming year.

You either have or will in the near future receive a questionnaire from the Committee on Accreditation and Standards of Professional Schools and/or Programs in Accounting. The questionnaire is being mailed to all AACSB member schools both accredited and non-accredited. This survey will provide each of us with the opportunity to express our feelings relative to accreditation and to react to the AICPA's proposed standards for professional schools/programs. The results of the survey will be reported on Wednesday afternoon at the AAA annual meeting in Portland. The Committee is also preparing a comprehensive annotated bibliography on these subjects for distribution to the membership.

The Committee on Organization and By-Laws has been actively engaged in examining questions generated internally and externally. The Board is most grateful for the efforts they have put forth in reviewing our operating methods and procedures.

You will be pleased to know that as of April 12, 1977, the Group had 119 dues paying members. Further, the membership is well distributed in terms of geography, size of school, and type — public and private. If you or one of your accounting program administrator friends are not yet members, I urge you to join us now. As one administrator said to me during a recent conversation, "I am convinced that accounting administrators need to band together for the well being and protection of accounting programs."

Administrators of Accounting Programs

A GROUP OF THE AMERICAN ACCOUNTING ASSOCIATION

May, 1977

Dear Fellow Administrators:

The first year of our Group has been marked by many significant activities and projects undertaken by our committees. This issue of the Newsletter contains information about many of these. We expect some projects to continue next year and we also are planning to expand our activities into other areas of member interest. However, we need your input.

As the President nominee, I am in the process of planning next year's activities and committee structure of the Administrators of Accounting Programs Group. What committees do we need? What areas need to be investigated? What programs should we hold? Your thoughts and ideas in these areas are important for my planning. However, don't stop there. Are you willing to serve on a committee or would you recommend a fellow accounting administrator? If our activities are to maintain their vitality we need interested members. We need you and your ideas.

Please send any comments or suggestions for next year to:

Doyle Z. Williams
Area of Accounting
College of Business Administration
Texas Tech
Lubbock, Texas 79409

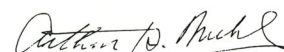
If your institution is not a member of the Administrators of Accounting Programs, please consider the advantages of membership. We are committed to administrators and need your support and interest.

Sincerely,

Doyle Z. Williams

As you make your plans for Portland, be sure to include the business meeting and program which are scheduled for Monday, August 22, at 3:15 p.m. on your agenda.

Sincerely,



1977 SEMINARS FOR CHAIRPERSONS

Held in Denver and Atlanta

by
E. Dee Hubbard
Brigham Young University

The 1977 American Accounting Association Seminars for Accounting Department Chairpersons were held in Denver on January 27 and 28 and in Atlanta on February 17 and 18.

The basic objective of the seminars is to give department heads an opportunity to share their concerns and exchange ideas on problems encountered in administering an accounting program. The numbers of department heads desiring to attend the seminars had grown to a point where it became necessary to schedule two sessions this year.

A total of 90 department heads attended the 1977 seminars. In addition, sixteen discussion leaders participated on the program. The discussion leaders, who were also accounting department heads, presented ideas on the various topics guided by discussion.

A variety of different formats were used varying from small group discussion to open forum exchange. Discussion leaders in the two programs and the topics discussed included the following:

— "Administering the Curriculum"; open forum discussions led by Gerhard Mueller (University of Washington) and Charles Carpenter (Miami University, Ohio).

— "Working Effectively With Outside Publics"; discussions led by Keith Ehrenreich (California Polytechnic University) and Robert Sweeney (University of Alabama).

— "Working Effectively With the Faculty"; a session featuring K. Fred Skousen (Brigham Young University) as a discussion leader and Floyd Windal (University of Georgia) as discussion leader.

— "Working With the Students"; open forum discussions were led by Patrick Kemp (Oregon State University) and Larry Pointer (Texas A & M University).

— "Meeting the Challenge of Administering an Accounting Department"; a wind-up session which covered a wide range of administrative problems. Group discussions were led by Hank Anderson (California State University, Fullerton) and Joe Fritzmeyer (Arizona State University) at the Denver meeting and by Dan Causey (Georgia Southern College) and Jack Kiger (University of Tennessee) at the Atlanta meeting.

Special speaker appearances were highlights in each program. Dr. James Don Edwards, J. M. Tull, Professor of Accounting at University of Georgia, spoke in Atlanta on "Current Issues in Accounting and Their Potential Impact on Accounting Education." Dr. Adrian Van Mondfrans, Professor of Educational Psychology at Brigham Young University, gave a narrated slide presentation in the Denver program on "Utilizing Technology in the Classroom — Current State of the Art." Dr. Herb Miller, partner, Arthur Andersen and Co. made a "surprise" appearance in Denver. He presented to the group with an update on accreditation of accounting programs.

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AAA PROPOSES ACCREDITATION STANDARDS

by
Doyle Z. Williams
Texas Tech University

In August 1976, Charles T. Horngren, AAA President, gave the AAA's Committee on Accounting Education the following charge.

To prepare a statement of standards for accreditation of a diversity of accounting programs at the baccalaureate and postgraduate levels.

The Committee, chaired by Robert L. Grinaker, immediately began its deliberations. The final draft of the committee's work was presented to the AAA Executive Committee at its March 1977 meeting. A copy of the report should be sent to you in the near future.

The Committee adopted the posture that an education should have two characteristics in order to be worthy of professional status.

- (1) It should develop in individuals entry-level competence to make independent and informed professional judgments.
- (2) It should establish in each graduate a potential for career development into the highest executive levels of public accounting, controllership, and financial management.

The Committee's statement of standards expresses the requirements for a professional accounting program. The statement also contains accreditation standards appropriate for four-year Baccalaureate programs with an accounting concentration and for Master of Business Administration programs with an accounting concentration, not as professional accounting programs, but as programs providing a beginning manager with a comparative advantage in accounting-related activities.

In the Committee's view, a professional accounting program should contain at least three major curriculum components: (1) a foundation in liberal arts, (2) a substantial body of knowledge in general business and public administration and (3) extensive preparation in accounting and closely related disciplines. The committee concluded that completion of the total professional accounting curriculum cannot be accomplished in less than five years and may require more time. This is necessitated by the expansion of knowledge in accounting and related subject areas and the pressures for a higher level of performance in the multiple areas of professional accounting.

General Standards

The four general standards refer to goals, accreditation of the academic parent organization, credit to be earned at the degree granting institution, and the timing of the first accreditation of a program.

Admission and Retention Standards

The standard for admission states that "students selected for admission shall show a high probability of success relative to the standards of performance for the graduates of the program." The comments on this standard do not identify any specific admissions test

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ELECTION BALLOT

NOTE: Only those who have paid their dues may vote. The ballot must be signed to be valid.

Ballots must be received by July 22 to be included in the tabulation. Ballots should be sent to

William Markell
Department of Accounting
University of Delaware
Newark, Delaware 19711

Place an X in the box to vote for the candidate or you may write in a candidate(s) and vote for them.

<input type="checkbox"/>	President	Doyle Z. Williams (Texas Tech University)
<input type="checkbox"/>	Vice President	K. Fred Skousen (Brigham Young University)
<input type="checkbox"/>		_____
<input type="checkbox"/>	Secretary	Henry R. Anderson (Cal. State-Fullerton)
<input type="checkbox"/>		_____
<input type="checkbox"/>	Treasurer	Jack E. Kiger (University of Tennessee)
<input type="checkbox"/>		_____
	Board of Governors	
<input type="checkbox"/>	2 years	Clarence G. Avery (Florida Technological University)
<input type="checkbox"/>		Robert K. Zimmer (University of Minnesota)
<input type="checkbox"/>		_____
<input type="checkbox"/>		_____
<input type="checkbox"/>	1 year	Eldon A. Devine (Eastern Michigan University)
		completing unexpired term of Doyle Z. Williams
<input type="checkbox"/>		_____
	Nominating Committee	
<input type="checkbox"/>		Clayton R. Grimstad (University of Denver)
<input type="checkbox"/>		Anthony T. Krzystotik (University of Massachusetts)
<input type="checkbox"/>		Donald H. Skadden (University of Michigan)
<input type="checkbox"/>		_____
<input type="checkbox"/>		_____
<input type="checkbox"/>		_____

Signature: _____

FUTURE NEWSLETTER

Future Newsletters will be sent only to Chairpersons whose Institutions are current members of AAP. If your institution has not yet joined, please fill out the membership application on page 4. We will be happy to bill your school for the dues. Fill out the application now, so you will continue to receive the benefits of AAP.

NEWS ITEMS

If you have any news items you would like to submit for publication, please send them to:
Vincent C. Brenner, Editor
Newsletter: Administrator of Accounting Programs
150 Himes Hall
Louisiana State University
Baton Rouge, LA 70803

AAP MEMBERSHIP CONTINUES TO GROW

Membership in the Administrators of Accounting Program group continued to grow at a rapid rate. At the latest count over 100 accounting department chairpersons have joined the group.

The interest shown by chairpersons in the group has illustrated the need for the organization and the types of activities the group is planning to undertake. As reported in this and the first AAP Newsletter, several committees have been organized and are actively

studying a number of key administrative problem areas. The reports of these committees will be available shortly only to members of the AAP group.

If your school has not yet joined AAP there is still time to send in your membership dues for 1977 and be eligible for the reports and activities planned for this year. If you have not received an application blank you may use the form below to apply for membership.

Anthony T. Krzystofik
Board of Governors and
Membership Director

APPLICATION FOR MEMBERSHIP

Administrators of Accounting Programs Group
of the American Accounting Association
653 S. Orange Avenue
Sarasota, Florida

NAME _____

UNIVERSITY AFFILIATION _____

MAILING ADDRESS _____

TELEPHONE NUMBER _____ ANNUAL DUES: \$50.00

METHOD OF PAYMENT:

CHECK ENCLOSED _____ or SEND INVOICE TO _____

E. Dee Hubbard (continued from page 2)

The two programs were coordinated by E. Dee Hubbard, Staff Director of Continuing Education of the American Accounting Association. Robert L. Grinaker, AAA Director of Education assisted in Denver. Loudell Ellis of the University of Alabama (Birmingham) and a member of the AAA Committee on Education assisted in Atlanta.

The consensus among participating chairpersons was that the topics discussed were timely and pertinent to their role as an accounting program administrator. There was a unanimous agreement that the basic objectives of holding the seminars were met.

Doyle Z. Williams (continued from page 2)

for purposes of admission which would normally be after completion of two years of preprofessional studies.

Students would be expected to maintain a satisfactory grade level to continue in the program.

Curriculum Standard

The Committee offers as the curriculum standard the following: The professional accounting curriculum shall total at least 150 semester credits; these credits shall consist of a minimum of 48 credits in liberal arts, 36 credits in business and public administration, and 36 credits in accounting, with the balance of credits assigned according to the requirements of individual programs. The balance of credits shall be attentive to the need for competence in professionally-relevant areas.

Standards for Accounting Faculty

The first standard for faculty provides a general professional profile the committee believes is essential for the successful conduct of a professional accounting program.

The second faculty standard proposes that full-time faculty members devote an appropriate amount of time and research and formal professional development activities that maintain or build intellectual or pedagogical capital. In its comments on this standard, the committee suggests that faculty (1) spend not less than ten percent of their time in research activities and formal professional activities combined and (2) participate in an average (over each three-year period) of 40 hours per year in formal professional development activities.

The third faculty standard speaks to the primacy of teaching effectiveness.

Standard 4 will likely provide the most debate. This standard prescribes that "to meet the commitments of the program, the number of full-time academic faculty with appropriate qualifications shall be adequate . . ." In the accompanying comments, the committee interpreted this standard as follows.

- (1) No less than one full-time equivalent academic staff for each 350 semester credit hours taught.
- (2) No less than 75 percent of the required full-time equivalents, computed excluding introductory accounting at the undergraduate level, should be full-time faculty.

AAP ANNUAL MEETING

Notice is hereby given that the Annual Meeting of the Administrators of Accounting Programs will be held in Portland, Oregon on August 22, 1977 from 3:15 to 4:45 p.m. The agenda for the meeting is as follows.

BUSINESS MEETING

1. Approval of the minutes of the last annual meeting.
2. Secretary's Report (William Markell)
3. Treasurer's Report (Joe R. Fritzmeier)
4. President's Report (Arthur G. Mehl)
5. Committee Reports:
 - Committee on Continuing Education (Henry R. Anderson)
 - Committee on Accreditation and Standards of Professional Schools and/or Programs in Accounting (Catherine E. Miles)
 - Committee on Research and Publication (Vincent C. Brenner)
6. New Business
7. Introduction of New Officers and Board Members
8. Adjournment

PROGRAM

Arthur G. Mehl will present the results of the Accounting Faculty Recruitment Survey.

Signed: William Markell

- (3) No less than 75 percent of the required full-time equivalents, computed excluding introductory accounting at the undergraduate level, should hold an appropriate earned doctorate (Ph.D., DBA) or LLM.
- (4) No less than 75 percent of the required full-time equivalents, computed excluding introductory accounting at the undergraduate level, should have attained entry-level certification in accounting such as CIA, CMA, or CPA.
- (5) No less than 60 percent of all full-time faculty should have substantial relevant public, managerial or public sector accounting experience. Such practical experience should be related to the subject matter content of the professional accounting courses.

The final faculty standard provides for adequate support and service personnel to assist the faculty in meeting the stated objectives of the professional accounting program.

Financial Support and Budget, Physical Plant and Equipment and Library Standards

The committee proposes non-specific standards for financial support and budget, physical plant and equipment and library. They do indicate there should be evidence that the accounting program has the right to raise and retain special funds for use within the program while not suffering a corresponding reduction in budgetary support from the parent university.

(continued on next page)

Computer Standard

The Committee proposes a standard for computer hardware, software, and support resources of the type and quantity needed to support accounting education and research.

Standards of Performance for Graduates

Graduates of the professional accounting program shall possess the professional attributes and knowledge expected of a beginning professional accountant in the career option selected. The committee interprets this standard to imply that graduates should be capable of passing a qualifying entrance examination for the career option selected within the profession. In addition, graduates shall be capable of working effectively as beginning professional accountants and should have the capacity for growth to positions of increased responsibility in the accounting profession.

Standards for Four-Year Baccalaureate Programs with an Accounting Concentration

In response to its charge, the committee proposed standards for four year and MBA programs.

The Committee concluded that four year Baccalaureate programs with an accounting concentration, should be accredited, provided they satisfy the following conditions:

- (1) A minimum of 24 credits in accounting beyond the business core.
- (2) The same standards as for professional accounting programs with respect to:
 - (a) General, except for modification of the first general standard which references the objectives of the program.
 - (b) Student admission and retention.
 - (c) Faculty
 - (d) Financial support and budget
 - (e) Physical plant and equipment
 - (f) Library
 - (g) Computer
- (3) Graduates with a Baccalaureate business degree with an accounting concentration should possess the professional attributes and knowledge expected of a beginning manager with a comparative advantage in accounting-related activities.

The accreditation should be as a Four Year Baccalaureate Program with an Accounting Concentration, but not as a professional accounting program. The Committee views the four-year degree programs as an expeditious and efficient means of building toward the 150-credits program in professional accounting.

Standards for Master of Business Administration Programs with an Accounting Concentration

In the committee's view, Master of Business Administration Programs with an Accounting Concentration, accredited by the American Assembly of Collegiate Schools of Business, should be accredited, provided they satisfy the following conditions:

- (1) A minimum of 12 credits in accounting beyond the business core.

- (2) The same standards as in (2) for the four year program.
- (3) Graduates with an MBA degree with an accounting concentration should possess the professional attributes and knowledge expected of a beginning manager with a comparative advantage in accounting-related activities.

The accreditation should be as a Master of Business Administration Program with an Accounting Concentration, but not as a professional accounting program. This accreditation should be made by the accounting accreditation body.

Conclusion

The proposal by the Committee on Accounting Education for three types of accreditation of accounting programs, as well as many of the specific standards, is sure to generate considerable comment. Members of the AAP are urged to make their views known immediately to the joint AICPA/AAA Committee of Accreditation.

INDEBITABLE AND INCREDIBLE

The *Wall Street Journal* has its "Salt and Pepper" humor section and now the Newsletter has "Indebitable and Incredible." This section has been added to the Newsletter because of the Editor's belief that accounting publications need more humor.

The following was taken from a student's exam paper:

A recent article in *Dun's Review* made the following comments:

"Every other year, say, companies, should print the footnotes in big type and the base figures in smaller ones."

Required:

1. Are footnotes considered as part of the financial statements and what basic purpose do they serve?
2. What are the general types of footnotes?

Footnotes are considered a vital part of each financial statement. The purpose of the footnote is to disclose any information which has been produced from an operation or transaction which did not affect the financial statement but is still considered an important event.

Footnotes were first discovered hundreds of years ago in William Shakespeare's financial statement so that ambiguous terms may be clarified. Today however, the footnote has evolved to a level where it serves only to confuse and frustrate investors and students alike.

Now what are the general types of footnote? Well we have the most common type the athletes-foot note which is specifically designed to supplement jock transactions. We also have "foot in mouth" notes which prevents over disclosure by scrupulous businessmen. Recently a new strain has been discovered in the wilds of Alaska whose purpose is still a mystery. It is called the "Big Foot" Note.

Submitted by: Daniel G. Kyle
Louisiana State University