



President's Message

Dana A. Forgiione, Florida International University

There are a lot of good things happening in the GNP Section and the AAA in general this year. Thank you for allowing me the privilege of serving in the role of Section President in such upbeat times for the association.

First, we've got one of our best Mid-year meetings ever shaping up for great music, food and fun-in-the-sun in Miami, Florida this February 24-25, 2006. This is one meeting you won't want to miss!

On the technical front, I am very encouraged by the increasing trend toward greater inclusivity at the highest levels of AAA leadership. I think Judy Rayburn's speech at the Annual Meeting in San Francisco was one of the best I have ever heard. The leadership added significantly more meeting space at the Annual Meeting this year and attendance reached an all-time-record high. *The Accounting Review* is moving to five and possibly to six issues a year, and the need for increased page space appears to be clearly understood and appreciated. Increased coverage of our AAA journals with the major indexing services is well underway, and the AAA is working on a comprehensive all-electronic publishing program that will include all Section and association-wide journals.

That brings me to the next subject—the value proposition of our GNP Section, our publication outlets, and our membership. I am delighted that Khi Thai offered to devote a Special Issue of his journal to the papers presented at our Mid-year meeting this year. The Mid-year meeting has transformed over recent years into a terrific research symposium reminiscent of the UIC Symposium Jim Chan used to run each year. That symposium along with the prospect of publication in *RIGNA* was a major driving force in building and growing the GNP Section.

Jim sponsored me to attend one of those Chicago meetings when I was a doctoral student back in 1983, and it had a major influence on the direction of my academic career. I met many of you then, and some of you helped me with data and other research support, for which I will always be grateful. We need to be doing the same things again today. The Mid-year

meeting is filling part of that need. I think Tom Vermeer's idea for starting our new Emerging Issues Research Forum, where doctoral students and faculty are encouraged to submit theoretical, practical or pedagogy papers in the early stages of development, is a great step in the right direction. The focus of this special forum is a hands-on workshop where authors and participants can receive and provide high quality feedback on developmental-stage work in our hallmark, collegial environment. The goal is to assist authors in developing and enhancing their working papers. I've got three doctoral students here at FIU that are planning to submit working papers, and if every one of us encouraged just one colleague—coauthor with them, get them to join the Section (just \$15 cheap!), bring them to a meeting, and support them for leadership roles—then we could double the size of our Section membership in very short order.

Where do our papers get published? My sense is that most of our papers get published in *RIGNA*, *FAM*, *JPBAFM*, *JHCF*, *RHFM*, *PFD*, and others. While *RIGNA* is a *de facto* Section journal, we have no official Section journal to get included with the new all-electronic initiative by the AAA. That is the wave of the future and we don't want to get left behind.

Let's invest some quality time at our Mid-year meeting in Miami to commit ourselves to taking the GNP Section to the next level in its growth and development. We can enhance the value of our Section for everyone.

I look forward to seeing you there!

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**American Accounting Association
Government & Non-Profit Section
2006 Mid-Year Meeting**

**Contemporary Issues in GNP Accounting
Research**

**Papers in all GNP Topical Areas will be
accepted
February 24–25, 2006**

Jointly Sponsored by

**AAA GNP Section
Center for Accounting Auditing & Tax Studies
(CAATS) at
Florida International University
Department of Accounting and Management
Information Systems at
University of Baltimore**

This interactive workshop will take place at the Sheraton Miami Mart Hotel in Miami, Florida. The Sheraton is newly renovated and includes the Miami International Mart shopping plaza. It is convenient to the Miami (MIA) international airport and all local attractions. The registration fee is \$95 and the conference room rate is \$139 per night.

Submission procedures: Conference will include theoretical, practical and pedagogical papers on any GNP accounting research topic. To submit a paper for consideration, please email your full paper or Emerging Issues Research Forum abstract as either a .pdf or word.doc file attachment to Tom Vermeer at tvermeer@ubalt.edu. There is no charge for submitting your paper or abstract to the conference.

The submission deadline is **December 19, 2005**. Authors will be notified of paper acceptances by **January 31, 2006**. Papers should be presented at a maximum of two American Accounting Association meetings and should not have been published elsewhere.

If you have any questions, please contact the GNP Section Research Committee Chair Elect:

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Special highlights include:

- Conference papers will be eligible for publication in a special issue of *Journal of Public Budgeting, Accounting & Financial Management*.
- A dynamic list of special guest speakers includes:
 - ▶ Dr. Linda Peeno—internationally acclaimed writer and speaker and subject of the Paramount movie, *Damaged Care*. Linda will discuss the latest issues in healthcare financing, reform and ethics.
 - ▶ Dr. Horacio Casabé—former head of the IRS for the country of Argentina. Dr. Casabé will discuss government accounting and economic issues in Argentina and how his country is emerging from the greatest fiscal crisis in its history.
 - ▶ William Saunders—Director of Office of Research, Development and Information at the Centers for Medicare and Medicaid Services will discuss the impending fiscal crisis in US healthcare, along with the Medicare research agenda and latest opportunities for GNP researchers.
 - ▶ Sri Ramamoorti—partner at Ernst & Young and Vice-President for Practice of the GNP Section. Dr. Ramamoorti will unveil an exceptional new research grant program sponsored by the Association of Government Accountants.
- Emerging Issues Research Forum—doctoral students and faculty are encouraged to submit theoretical, practical or pedagogy papers in the early stages of development. The goal is to assist authors in developing their paper. Please include a note with your submission to indicate “Emerging Issues Research Forum” submission, and indicate if you are a doctoral student.
- Complementary dinner at a south Florida restaurant on the water—sponsored by CAATS at FIU and UB. Transportation to and from the restaurant will be provided.
- A special gift for you upon arrival at the meeting.

AAA Annual Meeting – San Francisco 2005

Report on GNP Section Activities

Continuing Education Workshops August 7, 2005

The Sarbanes Oxley Act and the Governmental and Nonprofit Accounting Instruction

Speakers for this CPE session included David Mosso, Chairman of the Federal Accounting Standards Advisory Board, Terry Patton, Director of Research, Governmental Accounting Standards Board; Jim Chan, Professor of Accounting and founding editor of RIGNA, University of Illinois at Chicago, and Rita Cheng, Professor of Accounting and Associate Vice Chancellor, University of Wisconsin, Milwaukee.

Future Directions in Government and Nonprofit Research

The presenters are:

Randy Elders - Government Auditing Issues
Don Deis – Government Accounting & Reporting Issues
Ken Smith – Government Performance Measures & Reporting, Issues Related to the Municipal Bond Market
Linda Parsons – NPO Issues

Concurrent Sessions August 8 & 9 2005

Accounting and the Management of NPOs (Government and Nonprofit)

Moderator: Arthur Allen, University of Nebraska - Lincoln

[Decomposing the Elements of Nonprofit Organizational Performance](#)

Daniel Peter Tinkelman, Pace University; Bairj Donabedian, Pace University;
Discussant: Linda Parsons, George Mason University

[When is Administrative Efficiency Associated with Charitable Donations?](#)

Kamini Mankaney, Pace University; Daniel Tinkelman, Pace University;
Discussant: Angela Gore, University of Oregon

[Agency Problems of Excess Endowment Holdings in Not-for-Profit Firms](#)

John E. Core, The Wharton School - University of Pennsylvania; Wayne R. Guay, The Wharton School - University of Pennsylvania; Rodrigo S. Verdi, The Wharton School - University of Pennsylvania;
Discussant: Charlotte Pryor, University of Southern Maine

Nonprofit Accounting and Reporting (Government and Nonprofit)

Moderator: Dana Forgione, Florida International University

[Tell it Like It Was: Best Practices in Not-for-Profit Financial Reporting](#)

Teresa Gordon, University of Idaho; Saleha B. Khumawala, University of Houston; Marla Kraut, University of Idaho;
Discussant: Mary Fischer, The University of Texas at Tyler

[The Use of Interest Rate Swaps by Nonprofit Organizations: Evidence from Nonprofit Healthcare Providers](#)

Louis J. Stewart, Long Island University, Brooklyn Campus; John Trussel, Pennsylvania State University at Harrisburg;
Discussant: Barbara Chaney, University of Montana

[The Effects of Governance on the Financial Reporting Quality of Nonprofit Organizations](#)

Michelle Yetman, University of California-Davis; Robert Yetman, University of California-Davis;
Discussant: Daniel Tinkelman, Pace University

Concurrent Sessions August 9 & 10 2005

Auditing in the Nonprofit Sector (Government and Nonprofit)

Moderator: Douglas Ziegenfuss, Old Dominion University

[Non-Profit Audit Committees: Factors Associated With their Composition, Meetings and Interactions with External Auditors](#)

Thomas E. Vermeer, University of Baltimore; Kannan Raghunandan, Florida International University; Dana Forgione, Florida International University;

Discussant: Ola Smith, Western Michigan University

[The Relation between Auditor Selection and Adverse Audit Findings: Examination of Nonprofits Subject to the Single Audit Act](#)

Elizabeth Keating, Harvard University; Mary Fischer, The University of Texas at Tyler; Teresa Gordon, University of Idaho; Janet Greenlee, University of Dayton;

Discussant: Randal Elder, Syracuse University

[Nonprofit Organizations and Functional Cost Allocations: The Auditors' Perspective](#)

Teresa Gordon, University of Idaho; Elizabeth Keating, Kennedy School, Harvard University; Thomas Pollak, Urban Institute; Patrick Rooney, Indiana University;

Discussant: Thomas Vermeer, University of Baltimore

Government Accounting and Financial Reporting (Government and Nonprofit)

Moderator: G. Smith, Jr., Middle Tennessee State University

[GASB 34's Governmental Financial Reporting Model: Evidence on its Information Relevance](#)

Elizabeth Plummer, University of North Texas; Paul D. Hutchison, University of North Texas; Terry K. Patton, Governmental Accounting Standards Board;

Discussant: Douglas Ziegenfuss, Old Dominion University

[The Economic and Quality Properties of Local Government Earnings.](#)

Matt Pinnuck, The University of Melbourne; Bradley N. Potter, The University of Melbourne;

Discussant: Padakanti Laxmikantham, Addis Ababa University, Department of Accounting and Finance

[The Competitive Impact of Electronic Auctions and Auction Type in the Market for Municipal Bonds](#)

Kenneth N. Daniels, Virginia Commonwealth University; Jayaraman Vijayakumar, Virginia Commonwealth University;

Discussant: Barry Marks, University of Houston-Clear Lake

Research Forum

[The Use of Noisy Performance Measures in CEO Compensation Contracts](#)

Ola Marie Smith, Western Michigan University;

[Accounting and Navigating Legitimacy in NGOs.](#)

Mussa Assad, University of Dar Es Salaam; Andrew Richard Goddard, University of Southampton, UK;

GASB Update

By Terry Patton

The Governmental Accounting Standards Board (GASB) continues to encourage academic research that will help meet its goal of establishing high-quality standards that improve public accountability and that result in useful information to decision makers. As discussed at the AAA annual meeting in San Francisco and reported to GNP members through an e-mail, the GASB is offering a \$5,000 research grant. The details of the grant, including the topics that the GASB would like researched, can be found at the GASB website (http://www.gasb.org/gasb_request_for_research_fall2005.pdf). Proposals for research should be received by the GASB no later than November 1, 2005. The grant will be awarded by November 15, 2005.

The GASB has been relatively quiet in its standards-setting activities during 2005, issuing only Statement No. 47, *Accounting for Termination Benefits*, and Concepts Statement No. 3, *Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements*. In addition, a new guide for the implementation of GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, was issued.

Statement 47, issued in June 2005, establishes standards for the recognition of termination benefits and the disclosure of information about these benefits. Termination benefits generally are provided by employers to employees as an encouragement to hasten their decision to retire early. The Statement refers to

such termination benefits as *voluntary termination benefits*. At times, however, governments provide benefits to employees as a result of an involuntary termination of services, referred to as *involuntary termination benefits* in the Statement.

The timing of the recognition of voluntary and involuntary termination benefits differs. Employers should recognize a liability and expense for *voluntary* termination benefits when an offer is accepted by employees and the amount of the benefits can be estimated. Employers should recognize a liability and expense for *involuntary* termination benefits when a plan of termination has been approved by those with the authority to commit the government to the plan, the plan has been communicated to employees, and the amount of the benefits can be estimated.

Statement 47 completes the GASB's guidance on how to account for postemployment benefits. However, since their issuance in 2004, the GASB has been asked many questions about how to implement two other postemployment benefit standards—Statements 43 and 45. In response to requests for additional clarification regarding certain aspects of these standards, the GASB issued an implementation guide in August 2005. This guide comprises 257 questions and answers, a glossary of important terms, a discussion of actuarial cost methods and actuarial terminology, the Introduction and Standards sections of Statements 43 and 45, and examples of how to implement the standards.

Call for Papers

The second International Public Procurement Conference (IPPC) to be held in Rome, Italy, September 21- 23, 2006 is looking for papers focused on public procurement to answer key questions, explore new issues, and provoke discuss on an extensive range of topics.

Driven by the demand for more control over public spending and more efficient acquisition processes, procurement has become a key public function. Significant technological changes, international trade, and global competition have forced governments and public institutions to extend policy interests beyond cost minimization, and to pursue new challenges including innovation, competition, transparency and reforms. In addition, policy makers have become aware of the role of public procurement for many other socioeconomic purposes.

The second IPPC aims at extending and deepening the topics of major interests that arose from the first IPPC that was held in Fort Lauderdale, USA, by selecting theoretical, empirical, practical and institutional contributions on a variety of topics. We welcome papers that include—but are not limited to:

- Public procurement and institutions (law, politics, public finance);
- Public procurement in developing and developed countries (capacity building, reforms);
- Lessons learned for example case studies or benchmarking;
- Procurement and Innovation (new technologies, e-procurement, firms' investments on R&D/innovation);
- Accountability and transparency (preventing corruption, ethical codes) in public procurement;
- Impact of competition on public procurement (impact on SMEs, competitiveness, antitrust, FTAs);
- Procurement processes and performances, business models;
- Public tendering such as procedures, auction design, reverse auctions;
- Socio-economic change on public procurement policies such as environmental or employment concerns;
- Administration of public procurement, structures, policies, centralization, decentralization; and
- Corporate governance models and public procurement.

Key Deadlines:

- October 31, 2005: Abstract Submission

Please submit an abstract of up to 120 words (including paper title) by October 31, 2005 to Prof. Gustavo Piga and Prof. Khi V. Thai at

procurement2006@economia.uniroma2.it

We will inform proposal acceptances by November 15, 2005. Papers will be only accepted for the IPPC2 once evaluated in their full form once submitted by:

- April 30, 2006: Full Paper Submissions

For detailed information about conference registrations, please visit

<http://www.economia.uniroma2.it/e-procurement/>

Publications

Submitted papers are peer-reviewed and selected for publications in the Journal of Public Procurement, Rivista di Politica Economica and Palgrave-Macmillan's *Central Issues in Contemporary Economic Theory and Policy* series.

Best Manuscript Awards:

There will be three best manuscript awards that will be presented at the Conference:

- 1st prize: US\$1,000.00;
- 2nd prize: US\$500; and
- 3rd prize: \$200.00.

The Journal of Public Budgeting, Accounting & Financial Management (JPBAFM)

seeks new accounting manuscripts in the not-for-profit and governmental areas. JPBAFM is a quarterly, peer reviewed journal now in its seventeenth year. Information concerning the journal, including manuscript submission guidelines can be found online at: <http://pracademicspress.com/about-jpbafm.html>. You can submit accounting research papers electronically to Donald Deis, Government Accounting Section Editor, (ddeis@cob.tamucc.edu).

Allied Academies at <http://www.alliedacademies.org>

added a new Academy of Governmental and Not for Profit Issues with a new Journal of Governmental and Not for Profit Issues. As its editor, Treba Marsh is soliciting manuscripts for the new journal. Please send your papers to:

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Box 13005 SFA Station

Nacogdoches, TX 75962-3005

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ANNOUNCEMENTS

AICPA Issues Recruiting Video for Government Accounting Careers

A new AICPA video to promote accounting careers in government entitled, "CPAs in Government: Shaping the Future," is available online at:

<http://www.aicpa.org/stream/index.htm#recruit> .

The video is about eight minutes in length and depicts CPAs working at the federal, state, and local levels. The video was developed by AICPA's Government Performance and Accountability Committee (called "GPAC" and was formerly known as "Members in Government"). Current college students and recent graduates with one to five years of experience are the target market for the video. Besides using the online streaming video, you can request a DVD copy by following the instructions on the web page address provided above.

AICPA Produces Audit Committee Toolkits for Not-for-Profits and Governments

Following the release of the toolkit for audit committee member of publicly held companies, the AICPA has issued two new toolkits for the public sector. Both are available online at:

<http://www.aicpa.org/audcommctr/homepage.htm> .

Please plan to attend ***BenchMark 3: 2006 Conference on Nonprofit and Philanthropic Studies***, hosted by the Arizona State University Center for Nonprofit Leadership and Management. The conference will be held March 16-19, 2006 in Tempe, Arizona. The conference invites wide participation of U.S. based and international scholars, teachers, nonprofit practitioners, association leaders involved in training programs, funders, students, alumni and other stakeholders interested in the field of nonprofit/NGO education, philanthropic studies, education for a civil society, and related fields.

Topics will include issues of curricular content, pedagogy, technology, enrollment trends, impact measures, and other essential ingredients of educational programs. The variety of topics will be considered across a range of educational levels including undergraduate, graduate, professional development (continuing education) and executive education programs.

Only two previous conferences on the development of the field of nonprofit management education have been held. The first was in 1986 and was followed by a second, larger conference in 1996. These two conferences were organized and hosted by the

University of San Francisco's Institute for Nonprofit Organization Management. ***BenchMark 3***, the third decennial conference, will reflect on how far the field of nonprofit and philanthropic studies has come since the first conference, describe current conditions, and consider future trajectories.

To be placed on an e-mail distribution list for news as conference plans unfold, including logistical information regarding conference location, costs, etc., please send your request, complete with full contact information, to: benchmark3@asu.edu.

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Studies in Managerial and Financial Accounting CALL FOR MONOGRAPH AND BOOK MANUSCRIPTS

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Elsevier Science is pleased to announce that it is continuing to expand its monograph series Studies in Managerial and Financial Accounting and is looking to publish additional manuscripts that are advances in any area of accounting literature. As with their other research publications in accounting, they are emphasizing high quality material that will help accounting teachers and students to better advance the research, teaching and practice of accounting.

The manuscripts could be extensive research studies or invited collections of papers on a particular topic. The books will likely be 250-350 pages in length and will be published in cloth cover. They should be of interest to professors, students and libraries. They might also be of interest to practitioners but that is not the primary focus of the series. The series would also be appropriate for high quality books that are not of interest to traditional commercial publishers due to their limited market. This might include material oriented toward senior and graduate seminars in addition to the academic community.

We are looking for manuscripts in any stage of production - from completed manuscripts ready for immediate publication to manuscript ideas in their infancy. The first fourteen volumes have been published.

Golfers of the AAA GNP Section: UNITE!!!!

We are finally having our mid-year meeting in a nice, warm climate again. What would you say to a round (or two) of golf. I'll set up some tee times for those that are interested on the Thursday before the meeting *and* the Sunday after the meeting, if anyone is interested.

Also, I want to do the same thing at the AAA meeting in Washington next Summer. Ed Douthett and I played at the Presidio this year in San Francisco, and—although the course could have been in better shape and it was *cold* out there—we had a good time. So, think about it, and we'll see if we can set up our own mini-tournament on the Saturday before the meeting (since AAA steadfastly refuses to do so).

Finally, for those of you who think your President-Elect thinks only of golf, you are close to correct! You would think, though, for all the thinking I do about it, I would be better at it. If only thinking made it so!

Come on folks, let's have some fun!

Let me hear from you at smitty@mtsu.edu.

Transition to email technology

As you know from earlier in this newsletter, the Section has made the decision to no longer print the newsletter for mailing to everyone. Rather, it will now be distributed electronically. If you are one of those folks that just can't handle this change (and I know that there are some of you out there), call (615-898-2345), e-mail (smitty@mtsu.edu), or write (G. Robert Smith, Jr.; Department of Accounting; MTSU Box 50; Murfreesboro, TN 37132) me, and I will make sure you get a paper copy at no cost to the Section. I will warn you, though; it will lack all the fancy formatting that Louis will be putting into it. However, we don't want anyone leaving the Section just because they can't get their paper newsletter any longer. Thank you for your support!

Stay Connected with the GNP Section

Do you know Smitty? Well, he wants to know you; or, more precisely, he wants to know your e-mail address.

Smitty is the person responsible for sending out e-mails announcing various Section activities. Smitty knows he doesn't have everyone's e-mail address. So, if you are not currently receiving e-mail messages from Smitty, please send him your address. We want the Section's distribution list to be as complete as possible. Please send your e-mail address to: smitty@mtsu.edu

GNP Website:

GNP archives are up on the website. You can click on the "section archive" item in the border of the website and view files dating back to 1976. These are the items that John Engstrom compiled. Please take a look at the site <http://aaahq.org/GNP/index.htm> and send any corrections, updates and suggestions to Suzanne at: Suzanne.Lowensohn@business.colostate.edu

The Government & Nonprofit News is published three times a year (Spring, Summer and Fall) as a service to the GNP Section Members of the AAA.

The deadline to submit items for inclusion in the next issue of **Government & Nonprofit News** is **January 15, 2006**. Submit newsletter items (max 350 words per item) to:

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