



2008-2009 Annual Report

June, 2009

Executive Summary

The School of Accounting enjoys a reputation for excellence in teaching and our graduates are in high demand. Employment opportunities for accounting graduates remain high despite a weak economy. Additionally, CPA Exam Pass rates are significantly higher than the national average with the School identified as among the top 25 colleges or universities in the country. The School continues to be successful in attracting new faculty. Faculty members are active in academic and professional organizations, maintain their professional and academic qualifications, and continue to publish academic, professional, and educational materials.

Annual Report 2008-2009

Accounting Program

I. Mission Statement

School of Accounting Mission Statement: (approved 9-28-06)

The School of Accounting is committed to preparing students to be active and engaged citizens who are able to apply accounting and business knowledge for the betterment of individuals and organizations. We value an environment of educational excellence in which: (1) students develop both technical and interpersonal skills necessary for successful professional accounting careers; (2) faculty create and disseminate meaningful intellectual contributions and actively participate in the academic and professional communities; and (3) stakeholders, including alumni, recruiters and others, desire long-term and mutually beneficial relationships with the School.

Undergraduate Mission:

The mission of the undergraduate accounting program is to prepare students for entry into high-quality graduate programs and for positions in business that do not require postgraduate education. Since the BBA degree is part of the College of Business, it reflects the distinctive competencies of the College. In addition, the program delivers foundation accounting courses to all students in the College of Business and to students in a variety of programs across the University.

Graduate Mission:

The mission of the graduate accounting program is to provide a strong regional presence for advanced professional education that prepares students for success in the accounting profession by strengthening the students' technical expertise, enhancing their understanding of professional responsibility, and improving their business skills necessary to compete in today's complex and ever changing business environment.

II. 2008/2009 Unit Accomplishments

New Faculty: The School of Accounting recruited Dr. Sandra Cereola as an Assistant Professor of Accounting. Dr. Cereola will join JMU in the summer of 2009 and teach managerial accounting courses in the undergraduate accounting and *Master of Business Administration* programs.

CPA Review: The School hosts a CPA Exam review in the summer following students' graduation. Sixty-six JMU students took the review in the summer of 2008. Fifty of those answered a survey regarding their success on the exam. Pass rates for the students who answered the survey and knew their results appear in the following table:

	JMU CPA Review Students	National averages (2007)
Financial Accounting	93 %	48 %
Regulation	93 %	48 %
Auditing	93 %	47 %
Business Environment	98 %	47 %

Employer support: Ten firms sponsor annual faculty fellowships, providing funds to support faculty or professional development activities. Four faculty hold professorships supported by endowments or continuing donor commitments.

Faculty Fellowships	Professorships
Beers and Cutler	KPMG Professorships (2)
Cherry Bekaert Holland	
Deloitte	Journal of Accounting Education Professorship
Frank and Company	
Goodman and Goodman	
Hantzmon Wiebel LLC	Jackson E. Ramsey Centennial Chair
Johnson Lambert	
PBGH LLP	
Robinson Farmer Cox	
Veris Consulting	

III. Student Activities

Reputation: The professional services industry is dominated by four international accounting firms (called the Big-4). These firms rank schools on the basis of number and quality of graduates hired as entry-level staff. Generally speaking, the top tier includes 35 to 60 schools, nationwide. James Madison University is now ranked in the highest tier by three of the firms on their national ranking. The fourth firm does not have a national ranking, but ranks by region. Again, JMU is ranked in the top tier of its MidAtlantic region.

Employment: The School conducts a census of spring semester graduating seniors and MSA students. Among the items surveyed is information regarding plans after graduation. These are summarized in the following table. Despite a declining economy, employment statistics are very good. The School is considered to be a major supplier of professionally qualified accountants for the mid-Atlantic region and is regarded as a prime recruiting school by public accounting firms.

	BBA Graduates	MSA Graduates
Plans after graduation – Graduate School Employment	59 % 41 %	- 100 %
Plans after graduation: Employment:		
Public Accounting - Big Four Accounting Firm	15 %	38 %
- Other Accounting Firm	36 %	52 %
Industry Accounting	0 %	2 %
Nonprofits and Government	4 %	4 %
Seeking employment	45%	4 %
Salary		
< \$ 35,000	4 %	-
35,001 – 45,000	9 %	4 %
45,001 – 50,000	9 %	26 %
50,001 – 55,000	39 %	44 %
55,001 – 60,000	35 %	22 %
> 60,000		4 %
Average Number of Employment Offers	1.5	2

IV. Faculty Activities:

Every member of the faculty is either a Certified Public Accountant or a Certified Management Accountant. They all participate in continuing education and faculty development activities which maintain their certificate status. The School's faculty exceeds AACSB accreditation standards for professional and academic qualifications. Significant faculty achievements in the areas of teaching, research and service are highlighted below:

Teaching

The School of Accounting enjoys excellent teaching faculty. Several of these serve as instructors or graders outside of the University.

- **Robert Richardson** was named a *Master Instructor* for KPMG's Advanced Auditing for Associates Training program.
- **Robert Richardson, David Fordham** and **Alex Gabbin** have all been recognized in recent years as the outstanding teacher in the College of Business.

Faculty Research

Faculty research activities are summarized in the following table:

Frequency that School of Accounting Faculty are listed among the authors				
2008/2009 Activity	Articles Accepted and Appearing in Refereed Journals	Articles Accepted for Publication in Refereed Journals	Textbooks	Published Textbook Ancillary Material
Total	29	5	1	7

Service

Members of the School of Accounting Faculty are active in School, College, University and professional service. Many serve on the editorial boards of professional and academic journals. Several members of the Faculty hold service positions of national significance:

- **Michael Riordan** is Associate Editor of the American Accounting Association's journal, *Issues in Accounting Education* and serves on the editorial board of the *Journal of Accounting Education*.
- **Diane Riordan** serves on the Editorial Board of the *Journal of Legal Tax Research* and the *Journal of Business Disciplines*.
- **Nancy Nichols** is the President of *Beta Alpha Psi*, the international accounting fraternity, and serves as Associate Editor of the *Journal of Legal Tax Research*.
- **Tim Louwers** serves as past President of the *Accounting, Behavior and Organizations Section* of the American Accounting Association and as Associate Editor of the *Journal of Forensic Accounting*.
- **Alex Gabbin** is Chair of the National Alliance of African American Athletes *Franklin D. Watkins Award Selection Committee*.
- **David Hayes** is a member of the Board of Directors of the *Accounting Information Systems Educators Association*.
- **Paul Copley** serves on the *Virginia Society of CPAs Education Foundation*, and is Editor of *Research in Governmental and Nonprofit Accounting*.
- **Molly Brown** serves as a scorer on the national Certified Public Accountants Exam and as accountant of the Virginia Association of Commonwealth's Attorneys.

- **Charles Baril** chairs the American Accounting Association's Teaching & Curriculum Continuous Learning and Learning Value Chain committee. The Committee's charge is to identify the gaps between university education and firm training as perceived by practitioners.

Other members of the faculty hold state and local chapter positions with professional organizations, serve on committees of the American Accounting Association, Virginia Society of CPAs, or Institute of Management Accountants, and many volunteer locally with community and nonprofit groups.

V. Unit Challenges

The current economic downturn will have several effects on the Accounting program at JMU:

- Although tax and audit compliance engagements are less sensitive to general economic conditions, a significant portion of the discretionary services provided by public accounting and consulting firms are curtailed during periods of economic downturn. As a result, the demand for accounting majors is expected to be lower in the coming year. This is apparent especially for those students seeking to leave school with less than the 150 credit hours required for CPA certification in most state.
- The declines experienced in the stock market have reduced the value of existing endowments which in turn reduces the earnings available for student scholarships.
- Private sector economic problems manifest in fiscal problems for the state government. State funds, particularly in support of faculty development activities, will likely decline.