

FEDERATION OF SCHOOLS OF ACCOUNTANCY
BOARD OF DIRECTORS MEETING
MINUTES OF MEETING ON SUNDAY, FEBRUARY 12, 2006
HILTON PALACIO DEL RIO – SAN ANTONIO, TEXAS

Board Members: Bruce Behn, Jim Benjamin, David Donnelly, Andy Judd, Blane Ruschak, Tom Schaefer, Kathleen Shoztic, Jerry Trapnell

Guests: Zoe Cheung, Tim Fogarty, Dan Hollingworth, Ross Jennings, Tom Linsmeier, Bea Sanders, Paul Shoemaker, Casper Wiggins

The meeting was called to order at 9:30 a.m. by Andy Judd.

Minutes

Bruce Behn passed out the minutes of the last board meeting. The minutes of the August 7, 2005 Board Meeting were approved with one minor change recommended by Jerry Trapnell.

Financial Review

Tom Schaefer (Treasurer) presented and briefly reviewed the preliminary (audit not finalized at this stage) FSA financial statements. Tom thanked J.H. Cohen for providing the audit for the FSA free of charge as a service to the AICPA. Tom stated that the FSA was in a strong financial condition. Tom also mentioned that last year's joint APLG/FSA meeting was a success and that the meeting made a small profit that was going to be placed into a reserve account to cover potential unexpected costs at the next meeting. All representatives (APLG, FSA, KPMG, and Deloitte) agreed that this was the best course of action.

Given the current strong financial condition of the FSA, a discussion ensued as to what was the appropriate level of funding required for contingencies and what additional potential value-added projects could the FSA take on in the future. As a result of this discussion a motion was made, seconded, and passed unanimously that the FSA would provide a \$10,000 donation to enhance the excellence of the 2007 joint APLG/FSA meeting (e.g., money could go towards bringing in a top speaker that otherwise we could not get). A question was raised that the number of accredited accounting schools has been increasing but the FSA membership has remained flat. Jim Benjamin suggested that FSA could be more proactive with our membership by calling and talking with certain schools that are not current members. Andy Judd and Dan Hollingsworth were going to look into this issue.

Administration Review - AICPA

Andy Judd introduced Zoe Cheung and thanked her for the wonderful job she is doing as our AICPA liaison. Zoe passed out the FSA accounts receivable listing. She explained that a few member schools have not yet paid their membership fees. Dan Hollingsworth and Andy

Judd were going to follow up with these schools and explain the value in continuing with FSA membership. Some of the information on the school listings appeared out of date, so Zoe was going to check into these issues. Jerry Trapnell and Dan Hollingsworth were going to check into more efficient ways to keep this information updated accurately. Bea Sanders talked about the move of some of the AICPA offices and responsibilities to Durham, North Carolina and explained how service levels will be maintained during the transition. Bea also explained that she will be retiring from the AICPA. Andy Judd (and many others) thanked her for all her support over the years.

Deloitte/FSA Faculty Consortium

Kathy Shoztic (working with Bruce Behn, Mark Chain, D.J. Gannon, Dan Hollingsworth, and Bill Platt) discussed the upcoming Deloitte/FSA Faculty Consortium which will be held at the Drake Hotel on May 18 & 19, 2006. Kathy stated that program is almost complete. This year's theme is "Perspectives on the New International Financial Reporting Environment," and will include many influential individuals from practice, standard setters, academics and industry. Kathy stated that the program specifics will be finalized by February 21 (via conference call) and invite letters would be sent out in early March. Bruce thanked Kathy and Deloitte for all their help and support.

NASBA Education Task Force

Jerry Trapnell explained that an exposure draft of the revisions to Rules 5-1 and 5-2 of the UAA was issued in February 2005 to which numerous comments were received and, as a result, the ED was tabled for further review. As part of this review an education task force was put together (including Judy Rayburn, Jan Williams, Jerry Strawser, Billy Atkinson, and Melanie Thompson) to provide input into the revision process. The framework for revision includes several specific areas of concern, including: ease of administration, role of accreditation, accounting course component, business course component, communications in accounting, independent study, internships, and ethics. This committee expects to have a completed response within the year. Much discussion took place expressing various concerns from the FSA group. Jerry wants input from all concerned parties so if you have comments please let this group know.

Joint Meeting with APLG

Tim Fogerty (meeting co-chair), did not having exact numbers , but noted that the joint APLG/FSA appeared to be well attended again. Tim noted that effort was made to create panels of non-experts in order to create more discussion on topical areas. Tom Linsmeier (APLG liaison) noted that the APLG board was looking at Charleston 2007 and San Diego 2008 for the next joint meetings. Again, this schedule depended on the number of bids received by Dee Strahan (to date only one hotel in Charleston has bid). The dates for these meetings will probably be the second week in February, because that seemed to work well for everyone. Tom also noted we needed better coordination between the FSA/APLG boards

and coordinators for future planning of meetings. Andy Judd noted that since our board/business meetings now coincide with the AAA annual meeting, this coordination should be enhanced. Dan Hollingworth stated we should put some formal process in place to make this happen. Dan and Andy were going to facilitate such a meeting at the upcoming AAA annual meeting in August. Dan Hollingsworth and Andy were going to follow up with the 2007 APLG program chair once the FSA program chair was selected to begin this process. Andy and Dave Donnelly thanked Tim for all his efforts.

Other Business

A discussion ensued about invigorating the committee structure within the FSA to deal with all the special issues dealing with accredited graduate schools of accountancy (i.e., strategic planning, accreditation, joint APLG/FSA meeting, NASBA etc.). Dave Donnelly stated that the FSA has real opportunity to address critical issues facing graduate accounting education and has the financial health to put some real support behind these efforts. Jim Benjamin also stated that FSA has a real advantage because it can address things quickly given its independent structure. A discussion ensued that outlined in more detail issues that could be addressed by the future leadership of the FSA.

The meeting adjourned at approximately 11:00 a.m.