

FEDERATION OF SCHOOLS OF ACCOUNTANCY
Board of Directors Meeting
Minutes of the Meeting on Sunday, February 8, 2009
Renaissance Nashville Hotel—Nashville, TN

Present: Kathy Schaum, Mary Stone, Paul Shoemaker, Jerry Trapnell, Larry Walther, Larry Tunnel, Fred Mittelstaedt, Martha Doran, Bruce Behn, Casper Wiggins, Gary McGill

Guests: Michelle Phillips, Denny Reigle

The meeting was called to order by President Casper Wiggins at 9:10 a.m.

1. Casper welcomed everyone to Nashville.
2. The minutes from the August 3, 2008 meeting were approved with no corrections.
3. Treasurer Larry Walther presented the financial report. He reported that the negative balance in cash is due to prepayment of AAA fees. He reported that we are generally on track, albeit with less interest income. All bank accounts are under the FDIC limit. Suggested that we develop better tracking documents on agreements with other groups on cost sharing, etc. Discussion ensued on membership dues from other than university members (e.g., State/CPA organizations, State Societies). Questions arose as to whether these groups should even be members. Mary Stone pointed out that strategically, we should keep these groups in the loop (150 hour requirement changes, etc.) Larry noted that the FSA has no investment policy. We've always done CDs. Questions whether we should consider alternative investments. The financial report was approved.
4. Michelle reported on the electronic newsletter (the first one was in January). There were no complaints about not getting a paper copy. Michelle noted that invoices sent electronically were working better. FSA student award information was being sent out in two weeks and the FSA faculty consortium was being planned. Noted that this is the first year of the Mark Chain award. Other awards being given at the luncheon later in the day.
5. Report on FSA Faculty Consortium to be held May 14 & 15, 2009 by Paul Shoemaker. Ideas discussed included:
 - a. Professional judgment and implications for accounting education
 - b. Auditing Standards Board presentation
 - c. SEC chief accountant
 - d. Something on law and psychology
 - e. Speaker from FASB
 - f. Presentation on Project Discovery at Illinois.
6. Larry Tunnel reported on APLG/FSA joint meeting. Over 210 attendees expected. The themes are communication, international accounting, and fund raising. Larry reported on the need for

FSA volunteers for introductions of speakers. Several people volunteered for open slots. Larry was thanked for the quality of the program.

7. Discussion about possible future attendance problems at meetings in general with university budget cuts. Submissions were down at western regional meetings according to Martha Doran.
8. Bruce Behn presented slate of nominations for officers: President - Paul Shoemaker, Vice President - Larry Walther, Secretary – Gary McGill, Treasurer – Mary Stone, Board Members – Mary Stone, Fred Mittlestaedt, Martha Doran, Larry Tunnel, Shaun Budnik, Kathy Schaum, and Violetta Urba.
9. Bruce Behn reported on AAA publication on non-tenure track faculty. PQ faculty numbers are growing. Bruce reported on the Bea Sanders and Mark Chain awards. Bea Sanders award may be presented elsewhere in the future because it is an AICPA award, not an FSA award. Will need an FSA person to work on the Mark Chain award and Bruce will do this next year. Discussion that the timing of awards at APLG works because it makes sense. General idea that leaving Bea Sander's award at the APLG meeting is a good idea. Will have to coordinate with APLG president next year.
10. Bruce reported that PhD advisors breakfast at AAA has been successful for last two years. Bruce hopes we can continue this going forward. Lots of uncertainty about ADS, who qualifies, etc. Noted that it is important that we keep PhD advisors talking. Everyone wants to continue this program.
11. Casper announced awards to be given at FSA/APLG luncheon.
12. Casper discussed NASBA report on 120/150 hour issue. FSA sent a response letter outlining our opposition. Still open for comments. The AICPA and AACSB have commented. All board members encouraged to not hold back on making comments. Jerry Trapnell pointed out that much more work needed on the method used by NASBA to reach the conclusions in its report. This is an important and difficult issue, but the board raised concern about the backing off of 150 requirement to sit or be certified.
13. Denny Reigle talked about the AICPA perspective on 150 hours and his personal opinion. AICPA has been a believer in 150 hours for sitting and licensing and still supports this collectively. There is pressure on getting people to sit for exam sooner at 120 hours and also state revenue implications. He believes there are lots of negatives if we return to 120 for sitting for exam (why have 150 to license if one can pass exam with 120). For public protection the 150 hour rule gives more comfort. Denny discussed the validity of the NASBA arguments. There are lots of problems with the numbers. Master degree graduates do better on first time test if looked at carefully and the more hours the better the scores. NASBA needs to release complete data for analysis. He is concerned that NASBA is a political response. Regarding his personal views, the idea that 150 hour rule is reducing accounting enrollments doesn't seem to be true. Enrollments are up. Why in 2009, with all economy issues, should we move backwards by going to 120 hours. NASBA has the idea of setting a "minimum" standard, rather than the "bar", with the idea that 120 hours is fine as a minimum. The idea that we put forth should be our own ideas about licensing, not simply a response to NASBA. Suggested that we need to get business users of financial statements involved in pushing for 150 hours (not just universities and accounting firms). Questioned whether we should get FSA more

involved in lobbying the decision makers not NASBA. For example, go direct to legislatures in various states.

Larry Walther suggested that we form a task force to execute a strategy to contact each state legislator, etc. with the FSA position on 150 hours. Otherwise, they will think NASBA speaks for the profession. Maybe letters should come from State Societies. The FSA can develop talking points, determine member schools in each state to talk with state board and state society members. Larry Walther emphasized that getting directly to state legislators is important. We need to be a voice. Larry Walther, Mary Stone, Jerry Trapnell, Bruce Behn, and Gary McGill will work on a task force to deal with a response.

14. Casper discussed APLG agreements. We've had informal agreements for 5 years. Kevin and Casper drafted a set of agreements regarding sharing costs/revenues. Discussion regarding how firms are billed for contributions. FSA financial commitments, contracts, and billing arrangements are summarized in a document prepared by Larry Walther. Discussion and comments on the APLG agreement ensued. Casper will create new draft with all the comments considered.

15. Next year's site for the FSA/APLG meeting may be Albuquerque, NM.

The meeting was adjourned at 11:00am.

Respectfully submitted,

Gary McGill, Secretary