

**Federation of Schools of Accountancy
Town Hall Meeting**

Friday, December 10, 2021

Via Zoom

11:00am – 12:00pm CST

Present:

Gary Peters, FSA president (University of Arkansas)
Richard Dull, FSA past president (West Virginia University)
Anne Magro, FSA secretary (George Mason University)
Kathy Hackett (AICPA)
Jan Taylor (AICPA)
Several FSA members

Welcome

Gary Peters current FSA President introduced himself. Gary gave a brief overview of the mission of FSA. FSA was established in 1978 and early emphasis was promoting professional schools of accounting, prior to the 150 hours and the accreditation. Current mission statement is to promote and support high-quality accredited graduate accounting programs.

2022 Key Activities

- **Midyear FSA/APLG Meeting** – As of now this will be an in-person event scheduled for February 18-19, 2022 in Dallas, TX.
- **Deloitte/FSA Consortium** – Scheduled for May 13-14, 2022, this is a joint project between Deloitte & FSA, in-person at Deloitte University. Working on what the focus will be from an agenda/program perspective, so if you have any requests or would like more information about topic X, let Gary know.
- **Revamped newsletter** – Looking for opportunities to highlight program updates from individual schools or if there is a new department head/chair, we want to know.
- **Membership review** – The board is looking at FSA membership, who they are, where they're at, what their needs are. In addition, hoping to draw in those schools who are accredited but are not members.
- **Professional Group Engagement Opportunities** – Gary was able to attend the AICPA council meeting and is looking forward to interacting and re-engaging with other external member organizations
 - NASBA, AICPA Council, AACSB
- **Website redesign** – If you visited the website as of late, you may have noticed that a few things are missing or need to be updated. Working with Kathy on some options that the FSA might want to consider.
- **Mission and merger** – Making some decisions regarding the mission statement and/or the possible merger

Financial Aspects of FSA

Pulled excerpts from the audited financial statements from the past several years, 2017, 2018, 2018 & 2020. Also, made a projection of where FSA will end up this year.

- **Revenue streams come from three different places:**
 - Membership revenue – the only one shown below
 - From mid-year meetings
 - Contributions made from firms like KPMG for awards

Financial and Membership Pro Formas

For Discussion Purposes Only

	2017*	2018*	2019*	2020*	2021**
Membership Revenue	\$ 61,050	\$ 61,800	\$ 61,350	\$ 55,600	\$ 51,350
Meeting and Travel Expenses	1,462	2,891	3,918	4,596	2,000
Awards and Recognitions	11,537	12,391	15,303	12,763	17,048
Administrative (AICPA Services)	38,500	40,000	40,000	40,000	40,000
Professional Services	2,271	2,500	2,123	2,343	2,944
Net Increase (Decrease) in Assets	\$7,280	\$4,018	\$6	(\$ 4,102)	(\$ 10,642)
Cash and Cash Equivalents			<u>139,938</u>	<u>134,606</u>	<u>123,964</u>

*Audited Amounts from 12/31 Financial Statement

**Projected Amounts

- A member asked about the administrative services with the AICPA and wondered how much the person's time at the AICPA is being spent on FSA. Feels like the \$40K is quite high.
- Gary explained that over the years, the AICPA had lots of institutional knowledge of the FSA, where as the FSA leadership changes year to year. Perhaps there was an over-reliance on the AICPA. This topic should be discussed.
- A big take-away is looking at the cash and cash equivalents, which has been declining over the years.

Membership

FSA has five different types of membership:

- Full members – accredited = 123
 - Accredited affiliates = 3
 - Affiliates = 28
 - Non-profit = 4
 - Private enterprise = 4
- There is currently a total of 188 AACSB Accredited Accounting Programs. Who are the programs and why are they not part of FSA? Hoping that this will be something the board can take on.

Merger and Mission Discussions

Gary provided a brief overview of the history of merger discussions

- 1990/2000 – Focus on Accredited Graduate Programs
- 2005 – Joint Mid-year Meeting with APLG
- 2010/2012 – APLG Collaboration Exploration
- 2018 – Joint Committee Report
- 2019 – Joint Committee Proposal

- **Major/primary findings of both reports include:**
 - Shared missions and audience
 - Limited and overlapping volunteer pool
 - Cost savings
 - New organization mission and activities
 - Updated governance structures

- **2020 Board Questions/Caveats – where did things leave off?**
 - Financial transition?
 - Membership types?
 - AICPA relationship?

- **Attendees were sent to breakout rooms to discuss the following questions in three smaller groups:**
 - How might the FSA refresh its Membership Services?
 - Should Merger Pursuits continue? Suggestions/concerns?
 - Are there Alternatives to our Administrative Agreement?

Member comments or reactions from the breakout sessions include:

- **Group 1:**
 - Currently, we are experiencing a decline in graduate accounting education, so the genesis of FSA is no longer there. There is not that rationale for it.
 - Will FSA retain its identity or is it going to dissolve in some other form over the course of the future and what are some of the specific benefits that we get from being an FSA member. An example is beyond the Deloitte consortium or the student awards program and both of those things would remain as there has been conversations with Deloitte to remain a partner with these events.

- **Group 2:**
 - There didn't seem to be a lot pushback about merging. Most of us in our group support the idea of the merger.
 - One question that did come up is, would there be a name change to recognize that APLG had a history and they think it's important that if we were to merge, and the names remain APLG, then we would appreciate a recognition of how FSA would be an valuable contributor in the new or merged organization.
 - In conversations with others, there is this idea of how will the merger work, will one organization remain and the other go away? Most see it as two forces joining together, but from an FSA perspective, there's really a unique way of preserving and sustaining the legacy of the FSA, i.e. where it started, what it has provided

over the course of the years and where our academia and profession is moving in the future. A kind of preservation of the achievements and the contributions of the FSA as oppose to saying it just goes away.

- There has been about a half dozen name suggestions.
 - In conversations with AAA, they recognize the university membership versus the individual membership. They are willing to consider some kind of alternative membership arrangement.
- **Group 3:**
 - We just talked about the administrative function, because that was like the third question on there and you know it seems like Kathy does a lot of work for the FSA and it seems like one of the questions is what would be the alternate arrangement. It seems like \$40K isn't really a lot of money if you have accurate support. The merger doesn't seem like a bad idea, especially if APLG is going to pick up that support and handle the administrative function.
 - Incorporating that unique mission of the FSA versus the APLG would be hopeful in some kind of recognition. As a junior faculty member who attended the FSA conference, I probably wouldn't have attended the APLG especially so early in my career.

Wrap-up comments from Gary

- One of his goals as FSA president this year, is to get across the finish line with the merger conversation in one way or another - merge or not merge.
- Make the effort to let the membership have input on the merger.
- In thinking about the upcoming year:
 - 1) **Mid-year meeting** - please send your program directors because there will be some very interesting sessions, which would be helpful to them. It's also a great way to help groom them into other avenues of leadership in your programs or in academia, so be sure to take advantage of that.
 - 2) **Membership dues** – will be sending out a new round of membership dues in January/February. The consortium alone pays for that in terms of the benefit your individual program gets out of it by being able to send a faculty member.
 - 3) **Highlight programs** – let us know what's going on with your individual programs as we want to highlight that information in the newsletter.