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Experiential Learning for Accountants: The Not for Profit Project

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Abstract

Although the teaching of accounting is becoming more case oriented and involves active learning, critical thinking, and other non-lecture modes of learning, accounting students do not have much chance in class to apply the material they are learning. Some may take part in the Volunteer Income Tax Assistance (VITA) program; others find internships with major and local firms. To give other students a taste of what accounting is like in the "real world," our not for profit project has students work with budgets and other parts of a proposal for funds from a corporation. Students simulate the experience of working for a local not for profit, designing a fund raiser, writing a realistic budget, and persuading a corporation to donate some seed money to get the event going.

Integrating Communication Skills Into the Accounting Curriculum

A communication course, Reporting for Accountants, has been part of the accounting curriculum at San Diego State University since 1980. In 1995, we began teaching an expanded version of this course (now four units) that includes more oral presentations and emphasis on small group communication. The revised accounting curriculum also includes more emphasis on improving communication skills both in writing and speaking to prepare students for career needs to explain technical accounting material to various stakeholders from peers, to clients to regulators. This was one of the first such courses nationwide; a course objective is to prepare them to talk about numbers in an analytical rather than descriptive way.

San Diego State University is a large regional university with a nationally known business school. Our accounting graduates typically have one of the highest national pass rates on the annual CPA exam. Our accounting curriculum, revised to meet Accounting Education Change Commission goals, now uses teams extensively both in and out of class to teach students problem-solving and interpersonal skills. In keeping with the AECC recommendations (1990 Objectives of Education for Accountants: Position Statement #1), developing stronger computer and communication skills is also

stressed. One strong point of our program is that subsequent Accounting courses require students to use the communication skills taught in the IDS course.

Importance of Communication Skills for Accountants

Integrating writing and speaking in several courses rather than offering communication only as a separate course is a very effective way of improving student skills. Our students get several courses in which to apply what they have learned about critical thinking, problem solving, information competency listening, working in teams, and effective informational, analytical, and persuasive communication, both written and oral. Using assignments that include narrative and budgets, flowcharts, and accounting formats begins to give accounting students a simulation of writing skills required in their future careers. Team presentations of project findings give students needed practice in presenting accounting information clearly to a variety of audiences. They also learn to evaluate business sources, use professional document and visual design, and communicate technical material clearly to a variety of audiences. Critical thinking, active listening, and professional proofreading are important in fulfilling the assignments successfully.

The Not For Profit Project Assignment

The not for profit project has four related parts: an individual briefing memo to a boss asked to be on the board of a not for profit; a team proposal asking a corporation to give some seed money for an event planned for the organization; a team presentation to the corporation's board of directors; and team questions as they act as the "Board" for another team. Here are the assignment instructions.

Individual Briefing Memo Report

Your role: Professional Staff Accountant
Audience: Manager in a Public Accounting firm who has been asked to serve on an Advisory Board of a not-for-profit organization, social agency, or public service group.
Task: Select a local not-for-profit organization focusing on a societal concern (the arts, literacy, family

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planning, domestic violence, etc.) as your manager's NFP. Prepare a 1-2 page briefing report in memo form to your manager describing what the agency does, how it is funded, what other financing options are available. You may want to interview someone involved in the organization; use its home page, check for recent articles on the organization to see if red flags exist, and find out what kinds of fundraisers the organization is already holding. GET APPROVAL of your organization.

Required: Attachment listing all research sources in appropriate MLA or APA format. CITE SOURCES in text when borrowing through paraphrase OR quote.

Team Proposal, Presentation

Your Role: Members of a not-for-profit organization

Audience: Board of Directors of a corporation which you are asking for money.

Task: Each team selects one agency or organization for the individual briefing papers by team members. Prepare a team presentation and accompanying documentation that requests funding and demonstrates the value of your cause/project, the benefits to the sponsoring organization, and your overall business expertise.

Scenario: Your organization is requesting funds from a corporation to help underwrite the costs of a community service or fund raising event that will raise awareness to combat a social problem (gangs, health concerns, aging, literacy, family violence, access to the arts, etc.) You need a donor to underwrite the basic costs of organizing and setting up the event. You need to convince the donor of the soundness and value of your proposal. Originality counts (DO NOT copy an existing event).

Required Proposal: Transmittal letter, Executive summary (2 page limit), Pro Forma budget, and assumptions used in preparing the budget.

Presentation: Prepare a 10-12 minute presentation to the Board of Directors of the donor including appropriate visual aids and handouts. Minimum inclusions: necessary budgets, a list of the assumptions used to formulate the budgets.

Board Questions (Team as "Board of Directors")

Your Role: Board of Directors of a corporation being solicited for money.

Audience: Members of a not-for-profit organization

Task: Using a copy of another team's report, prepare a list of questions that will help you decide whether to fund its request. Write a list of questions (use a mix of types: limiting or expanding the information, gathering facts, opinions and values) that follow a logical pattern showing why you are asking these specific questions. Pose these questions at the end of the presentation and turn in a typed copy of your questions.

Integrating Community Service Learning Into Existing Assignments

This type of project could be expanded into a full community service learning assignment if students actually put on a fund raiser, but even the current proposals are helpful to the not for profit groups as they contain nearly-professional budgets and persuasive writing about the organization. As more and more schools begin to investigate using service learning as a component of their curriculum, we as professors need to consider how projects we ask our students to develop might be useful both as writing and presentation assignments (their current use) and as a part of a service learning requirement.

What Students Learn Doing the NFP Project

In the required Reporting for Accountants class, this one major clustered project among several such assignments contains four segments that help students learn more about the not for profit community, fund raising, and persuasion. Students write *individual briefing memos* about self-chosen not for profits: What does this organization do? Who else deals with a similar population or projects? What amounts of money come in and go out of the organization? Where does the money come from (large donors? lots of grants?)? Where does the money go (percentage to administration, fund raising, to actual projects?)? What projects has the organization accomplished lately? To obtain this information, students perform Internet research, collect actual newsletters and brochures, and often interview organization employees and beneficiaries.

In teams of four to six students, students then choose one of their not for profits and develop a *persuasive proposal to a corporation* to obtain seed money for a fund raiser for the chosen organization. The proposal includes a persuasive letter to a specific person at the corporation; a two-page executive summary outlining the organization's goals, needs, fund-raising event, and the corporation's donation; a budget for the event showing all income (including in-kind donations of good and services) and all expenditures (including how the money earned at the event will be used); and attachments about the planned event (invitations, brochures, flyers, newsletter, program, schedule) and the capability of the not for profit to carry it off successfully (resumes, letters offering assistance, articles about previous successful events).

After delivering their proposal to another team assigned as their corporate board, each team gives a *10-12 minute board presentation* to the class and their board. Students need to reorganize their written proposal to be able to present it effectively, adding visuals that "sell" the proposed event and motivate the audience to donate to the chosen cause. After the presentation, the *board asks questions* written from members' reading of the complete proposal.

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Since 1995, over 1300 students (in 27 regular session classes of 40-45 each, seven winter/summer classes of 25-30 each, and an initial Fall 1995 section of 15 students) have completed this project with individual exposure to a local not for profit. During that time, teams prepared 262 persuasive proposals to corporations. This is a large number of business students who have learned about opportunities to give back to their communities.

Importance of Learning Persuasive Communication

One of the most critical skills a prospective businessperson or not for profit director can learn is how to impart information factually but persuasively to various stakeholders. Business people have many persuasive communications short of marketing letters and plans, such as proposals, position papers, and collections. Not for profits need to deliver information so the community can understand it *and* be motivated to donate money and time to the cause. Students learn to use specifics for selling an idea, to prove that they have the qualifications to run a successful event, and to prepare a thorough and credible budget.

Learning that business and not for profits can work together to better their communities is a valuable lesson for business students, often criticized for their over-emphasis on a profitable bottom line. Many not for profits could benefit from learning business skills both to monitor and manage cash flow and to convey plans and results better to potential donors and volunteers. Our not for profit project teaches students important communication skills (using specific facts to bolster an argument, figuring out what will motivate an audience to take the desired action, developing strong printed materials to define and support a fund raising event). Through the class publicity generated by presenting the project, several agencies have been able to raise needed funds from outside donors and philanthropic groups.

Sending 80-90 students out into the community every semester to actually work with not for profits on a concrete project would take a great deal of professor and student time and quite possibly not create any more goodwill than the existing project. Students know more about community needs and types of fund raisers when they complete the course, and they have learned to communicate persuasively. If one goal of service learning is to raise awareness of the needs of not for profits in the community, our not for profit project more than meets this goal without adding unnecessarily to faculty or student time loads, already burdened by increasing academic and professional accreditation requirements.

Selected Bibliography: Community Service Learning

- An Introduction to Community Service Learning*. Compiled by the CSU Chancellor's Office of Community Service Learning (Spring 1999) A thorough overview of service learning; includes sections on Definition and Criteria (best practices), Research on the Effects of Service Learning, Reflection, Assessment and Evaluation, Publishing Opportunities, Resources in Service Learning, Service Learning in the CSU, Risk Management. Spiral bound and updated annually. Service-learning in the CSU, Mail #288, 401 Golden Shore, 6th Floor, Long Beach CA 90802-4210.
- Driscoll, Amy, et al.(April 1998) *Assessing the Impact of Service Learning: A Workbook of Strategies and Methods, 2nd ed.* Center for Academic Excellence, Portland State University. Thorough discussion of measuring service learning by students, for faculty promotion files, for community evaluation, and for the academic institution.
- Driscoll, Amy and Ernest A. Lynton. (1999) *Outreach Visible: A Guide to Documenting Professional Service and Outreach*. Faculty Forum on Faculty Roles and Rewards, American Association for Higher Education: 1999. Thorough look at writing up and evaluating professional service in designing and running service learning projects. Includes portfolio samples showing ways of presenting your work in promotion and tenure files.
- Eyler, Janet, Dwight E. Giles, Jr., and Angela Schmiede. (1966) *A Practitioner's Guide to Reflection in Service Learning: Student Voices and Reflections*. Nashville, TN: Vanderbilt University. Includes a bibliography on reflection as well as lots of material on using and organizing student reflection on service learning activities.
- Hatcher, Julie A. And Robert G. Bringle. (Fall 1997) "Reflection: Bridging the Gap Between Service and Learning" *College Teaching* 45, No. 4 153-158.
- Performance Assessment: What's Out There and How Useful Is It Really?* (1991) Northwest Regional Educational Laboratory. Lengthy annotated bibliography.
- Rama, D. V., ed. (1998) *Learning by Doing: Concepts and Models for Service-Learning in Accounting*. American Association for Higher Education Series on Service Learning in the Disciplines (18 vol. Specific descriptions of accounting students' involvement in their communities, both in classes and professional associations. Other volumes are planned in

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communication, management, and engineering, among others. Publications order desk is (202) 293-6440, x11 for more information on publication schedule.

Helpful Websites

CSU Service-Learning Website:
<http://www.co.calstate.edu/aa/csl>

National Service-Learning Cooperative Clearinghouse:
<http://www.nicsl.coled.umn.edu/ric> Adjunct
Clearinghouse at University of Minnesota, St. Paul.

Service-Learning Internet Community (SLIC):
<http://www.slic.calstate.edu> Collaborative database of
service-learning information and pedagogy