

Accounting Advisory Councils (AAC): A toolkit for CPA firms



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Accounting Advisory Councils (AAC): A toolkit for CPA firms

The Pathways Commission, a joint effort by the American Accounting Association (AAA) and the AICPA to chart a future for educating the next generation of accountants, encourages increased interaction between accounting educators and accounting professionals. One way to establish an ongoing dialogue between academe and practice is for academic accounting departments or schools to create an accounting advisory council (AAC) comprised primarily of practicing accountants. These members may be alumni, employers, representatives of the local accounting community, members of local or state CPA societies or all of the above. Additionally, an AAC may benefit from the addition of a member of the accounting department from a different college or university.

This toolkit is meant to provide information about the many benefits for your CPA firm as well as provide guidance for achieving the maximum return when participating in an AAC. We interviewed practitioners who are involved in existing accounting councils to provide you real-life testimonials of the benefits and expectations of involvement. Of course, there is no textbook for the perfect level of involvement. Optimal engagement will be different based on you and your firm's size, location, and intent. However, we hope you find some tips for becoming involved in a council that will foster interaction between faculty and practice, provide a mechanism for obtaining professional updates and advice and create learning and employment opportunities for faculty and students alike.

Accounting advisory councils

Purpose

Accounting advisory councils are interchangeably called boards or councils. Their primary purpose is usually to provide a connection between an accounting department or school, and real-world accounting practice. The word “advisory” is frequently used as part of the organization name to convey that the group serves in an advisory capacity to the academic unit and often to the college or university as a whole. Advice may be given about curriculum, professional and practice issues, new majors, career development, strategy, mentoring, advancement, fundraising and other matters.

Membership

An AAC typically has between 10 and 40 members, with a variety of demographic characteristics, stage of career, and professional position. Members may be alumni of the school or a mix of alumni and non-alumni. Members typically are a wide cross section of the profession, along with recognized business and community leaders. For example, there typically is a mix of CFOs and finance executives from industry and government, along with a mix of accounting firm members from small and large accounting firms. Ad hoc members might include school leadership (e.g., auditor or CFO), student representatives (e.g., Beta Alpha Psi president) and/or a local member or leader in the state society or accounting organization.

Most AACs have a standing committee structure with purposes such as curriculum, student mentoring, student recruitment, internships, diversity, accounting specialties, fundraising, awards, scholarships and the like. There is also a governing board which determines strategy, agenda, direction and identifies candidates for general membership.



Benefits for your CPA firm as a member of an accounting advisory council

Brand-building

AACs provide a wealth of opportunities for building name recognition for the firm. Committee work as AAC members provide meaningful opportunities to collaborate and network with other highly respected business and community leaders from the local financial sector. Other activities are with students and provide opportunities for the firm to be recognized as an attractive employer, regardless of firm size. The firm can promote its close association and participation with the college or university through its general marketing efforts and be recognized as a community leader having a culture of volunteerism. Receiving awards, sponsoring events or possibly endowing scholarships all add to elevating the firm's brand and prestige in the marketplace.

Access to the best and brightest

There is no question that recruiting talent continues to be a challenge for CPA firms. The many activities of AACs with students provide an inside track to the best and brightest candidates, along with identification of the most talented "up and comers." Activities include internships, sponsorships, participation at accounting student events, facilitating résumé and interview workshops, guest lecturing, participating in career forums, firm tours and more. Also, as relationships with the faculty build, direct referral of candidates and graduates occurs frequently. Another benefit to involvement is the ability to learn the habits, attitudes and opinions of future hires and bring intel back to the recruitment, marketing and hiring team at your firm.

Making a difference ... for many!

Being a member of an AAC is both personally and professionally rewarding. AAC members value the opportunity to "pay forward" the benefits they have gained from their careers in accounting. AAC members are respected voices in setting the direction of curriculum and learning methods that are reflective of real-world situations experienced with clients. Also, members influence curriculum by keeping faculty and students continually informed of the current trends in the profession. Both the profession and students benefit by having better-prepared graduates when entering the workforce. Additional ways AAC members may consider making a difference include participating in academic research, publishing and adjunct teaching.

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Maximizing success from inside the firm

Commit.

The time commitment to an AAC is reasonable. In most instances, there are two general meetings, two or three committee meetings, an annual banquet and a few student events. Some of these can involve others at your firm. Your firm will receive much more benefit from active participation in contrast to minimum participation. It's imperative to always "show up" and not be a "once-a-year" member who only attends the annual banquet. Having a consistent face behind the firm brand that is an enthusiastic champion of the AAC and the college or university will lead to more impact. An engaged participant will quickly find themselves as part of the "inner circle" of respected leaders within the AAC.

Integrate.

The firm can maximize the benefits from its participation when it integrates the output from its activity in the AAC into the existing marketing and talent recruiting processes inside the firm. As relationships are cultivated with other AAC members, their names and businesses can be included in the firm's marketing prospect pipeline or referral source listings, with follow up contact activity as appropriate. Similarly, many firms maintain a pipeline of student recruiting prospects and follow them through college and well after graduation with appropriate contact throughout.

Invest.

Realizing that the commitment of time and talent is an investment in and of itself, there are additional impactful ways to invest. Scholarships in the firm's name go a long way to demonstrate loyal support of the college or university and the accounting major. Annual scholarships do not have to be huge. Annual recurring scholarships of any amount are immensely appreciated and receive similar public recognition and recipient loyalty as the others.

Another way a firm can invest is to extend firm resources such as research software and libraries, participation at the firms continuing education classes and other firm development and learning events. Faculty especially appreciate being able to participate in these types of firm activities.

As a council member, you may or may not be asked to contribute financially or solicited for financial gifts. Donation participation may be stressed more than the actual amount requested. The groups as a whole might also fundraise for a specific purpose, such as a faculty chair or scholarship. In some cases, the donation may be characterized as "dues."

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Suggestions to improve or encourage change on existing AACs

There are instances when AACs can become complacent and a degree of redundancy or inactivity takes place from year to year. This is an opportunity for you and your firm to be the spark that ignites new life into the program, especially when combined with the exciting advancements in the profession taking place today. Developments in technology, analytics, artificial intelligence, specialization and more can provide the fuel needed to rekindle inactive and semi-active AACs. Following are some suggestions to improve or change the effectiveness of AACs:

Implement rotation of AAC members and leadership.

Many AACs do not establish or enforce term limits for their membership or leadership out of fear of offending a respected member or the loss of an annual financial contribution. As a result, over time the makeup of the AAC membership may not be as in tune to rapid changes in the profession and the actions necessary for accounting programs to be relevant today. To combat this, you may consider introducing term limits. AAC member terms can range from 3–5 years with the chair of the governing board rotating annually. The Council may consider an emeritus program, inviting those who have previously served to participate in select activities and events.

Embrace generational differences.

Few will dispute that generational differences today are re-shaping the world in which we live, including the accounting profession. Changes in attitudes about work/life integration, the need for increased diversity, learning styles, technology, study and work habits, global exposure and advanced learning are some of the factors affecting the accounting profession. AACs that involve students and recent graduates as AAC members or ad hoc additions to committees and embrace generational diversity will be the most robust and add greater value to the accounting program and its readiness for the future.

Build community.

Remember that AACs are comprised of accounting and business leaders having a common goal to enhance the accounting programs and the college or university as a whole. The more an AAC group can work together, the greater the benefits will be for all. Community building can be enhanced in a number of ways, including having a highly active working committee structure with clearly stated missions, expected outcomes and timelines. Examples of working committees and related assignments may be:

- **Communications and Networking Committee**
 - Communicate the accomplishments of accounting students and faculty to the local and professional community.
 - Plan and attend alumni reception involving alumni, student, faculty, and Council members.
 - Identify opportunities to communicate with alumni who reside outside of the immediate geographic region.
- **Membership Committee**
 - Identify firms, companies, organizations and/or governmental entities that would be desirable to have represented on the Council.
 - Develop orientation materials for new members.
- **Student Recruitment Committee**
 - Liaise with representatives from the Undergraduate and Graduate Admissions Offices.
 - Attend and assist at open houses.
 - Foster relationships with and assist with recruiting from target high schools.
- **Curriculum Review Committee**
 - Participate in course review brainstorming sessions with faculty.
 - Review and provide feedback on course syllabi and textbooks.

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Regularly updating the entire committee on the progress of working groups can ensure that progress is being made. Frequent communication can also lead to potential leverage with other committees or individual members of the group. In addition, active faculty involvement in committees and activities of the AAC is important in building an overall sense of community. Involvement of students and recent graduates as discussed above is also an essential part of the community building process.

Establish strategic direction.

It has been said, "If you don't know where you are going, you will never get there." A highly functioning governing board of an AAC should undertake a strategic planning process at a minimum of every three years, if not annually. Evaluating strategic direction regularly can help the committee avoid operating under a "same as last year" philosophy, only changing direction when market forces dictate, or budget cuts occur. Many CPA firms can facilitate strategic planning sessions thus enabling committees and leadership to better understand their charge and execute accordingly. Some AACs may benefit greatly by a complete re-invention often attained through a strategic planning process.

Not involved right now? Here is how:

Gather information.

It's not difficult to become a member of an AAC. Passionate volunteers are always welcome although there are limits on the overall size of the group. The easiest way to start is to seek the help and guidance of alumni in the firm or within the firm's client base. Much of the information about a college's or university's accounting program and its AAC can also be found on their website. Using these resources, discovering the names of the faculty advisors, current AAC members and the committee structures is easy. State CPA societies are also good resources. Then make contact with the faculty advisor, board member or other acquaintance as appropriate and learn more about their specific appointment process.

Determine the best fit.

Next, determine if you or another member of your firm is the best candidate considering background and enthusiasm. Review the list of committees (and the current members) and pick a few that pique interest. Certainly, an alumnus is a great fit but also consider the firm's immediate reasons for participating. If recruiting is the top priority then consider generational fit, gender and business acumen. A young partner or emerging partner could be a great candidate in that case. If marketing and firm brand building is a top priority, then perhaps a more seasoned partner may be the best fit. But, in the end, it gets down to enthusiasm, passion and a strong sense of community and professional responsibility.

Take the leap!

Once you've identified your or your firm's preferred involvement, just put your hat in the ring in accordance with the process for admitting new AAC members. It may be asking the faculty advisor, the board chair, a general AAC member or a combination of all to put the selected name to represent the firm forward. Be ready with the reasons you or the firm's candidate would make a great AAC member! Just one caution — be patient as rotation normally happens in annual cycles.



No Accounting Advisory Council at your local college or university? Lead the formation of one.

The benefits are far-reaching.

If your local college or university does not have an Accounting Advisory Council, you and your firm have an incredible opportunity to lead the formation process together with the college or university and the accounting faculty. Being the founder of an AAC at a college or university is an achievement that recognizes your firm's leadership in the profession and the community that lasts for decades. This brand building activity cements your firm solidly in the history of college or university and the accounting department.

The AICPA has created an excellent toolkit [Creating an Accounting Advisory Council](#) that spells out the steps to get it accomplished. It also includes data from a number of existing AACs and a template for creating bylaws.

Resources available

- Partner with AICPA and state societies for resources and information you can share with faculty and students.
 - [Start Here, Go Places](#). (resources for high school students)
 - [This Way to CPA](#) (resources for college students and CPA exam candidates)
- [CPA Exam Overview](#)
- [AICPA Presenter Toolkit](#)
- [Creating an Accounting Advisory Toolkit](#)

The **Private Companies Practice Section (PCPS)** is a voluntary add-on firm membership section of the AICPA that supports CPA firms in the everyday intricacies of running a practice. PCPS provides targeted and customizable practice management resources in the areas of technical toolkits, business development, human resources, benchmarking and succession planning to over 6,500 firms of all sizes nationwide.

The PCPS Executive Committee, made up of CPA volunteer practitioners, steers the development of resources and programs to help improve the quality of services and operating success of PCPS member firms. The PCPS Executive Committee promotes the importance of firm practice management by endorsing this biennial survey.

It pays to be a member. The price of membership (\$35 per CPA, up to \$700 per year) is more than matched by the thousands of dollars in member benefits and discounts. If you have questions about membership, call us at 800.CPA.FIRM or email PCPS@aicpa.com.



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