Creating an accounting advisory council

Brought to you by the AICPA Pre-certification Education Executive Committee
Our deepest gratitude and appreciation is extended to Nancy A. Bagranoff, CPA, DBA, dean and professor of accounting at the Robins School of Business at the University of Richmond, for developing this resource with input from the AICPA Pre-certification Education Executive Committee. This resource is intended to foster enhanced relationships between academe and the business community that will lead to improved student resources and benefits as a result of these relationships.
A toolkit for creating an accounting advisory council (AAC)

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A toolkit for creating an accounting advisory council (AAC)

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, encouraged 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, the AAC may benefit from the addition of a member of the accounting academy from a different university.

The AICPA Accounting Advisory Council Toolkit provides some guidelines and best practices to use in building your own council of advisors. We surveyed some of the top accounting programs to provide you examples of successful councils. We should be clear that there is no ONE best formula for such an entity. Optimal membership size, composition, meeting frequency and agendas may be different for big schools versus small ones, public versus private schools, teaching versus research schools, universities in urban or rural areas, and so on. However, the toolkit is meant to provide you with the structure for making the best determination for your school about how to develop and maintain a successful council that fosters interaction between faculty and practice, provides a mechanism for obtaining professional updates and advice and creates learning and employment opportunities for faculty and students. An AAC should have written bylaws or a governing document. The bylaws will direct the purpose and strategy of the AAC to maximize its contribution to the accounting program and/or school.
Purpose

Accounting advisory councils are interchangeably called boards or councils. Their primary purpose usually is to provide a connection between an accounting department or school, and 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. Advice may be given about curriculum, professional development programs, career services, executive education offerings, priorities and strategy. Other purposes that the AAC might serve include:

- Be an ambassador for the department/school
- Mentor students
- Assist with development activities (e.g., identify potential donors)
- Provide internships and job opportunities for students
- Guest lecture as appropriate and needed
- Provide faculty with advice on practice issues and practice experience where possible
- Assist in student recruiting
- Help faculty secure data or subjects for research
- Provide financial support

Membership

An AAC typically has between 10 and 40 members. Members may all be alumni of the school or a mix of alumni and non-alumni. There is an advantage to having some non-alumni membership composition so that ideas from other educational experiences may be brought to the school. Alternatively, alumni usually are the strongest school advocates and may be more likely to engage. Representative employers are another good source for membership.

Members may or may not be asked to contribute financially. Donation participation may be stressed more than the amount requested. In some cases, the donation may be characterized as “dues.” Terms of service on the AAC are likely to be two or three years with the option for renewal. Current members of the AAC and/or university faculty or staff may nominate new members. The Offices of Alumni Relations, Career Services, and Development can be valuable resources in choosing members.

A diverse membership is advisable with respect to demographic characteristics, stage of career, and professional position. For example, the board should not consist of all large public accounting firm members, but might have a mix of corporate accountants, small firm practitioners, large firm public accountants and faculty at other schools (Ph.D. program alumni). Ad hoc members might include school leadership (e.g., auditor or CFO), student representatives (e.g., Beta Alpha Psi president) or a local member or leader in the state society or accounting organization.

The board may also include junior members who are early in their careers so that the board and department understand the needs of and pressures facing new accountants.

Board members may act as chair and vice-chair or the board or the department chair may fill the chair role. Other AAC member roles may be assigned if desired. Some AAC structures make use of standing committees and others have ad hoc committees or task forces as needed. If there are standing committees, it is important that they meet and have a purpose. Standing committee examples are for development, external relations, awards, strategic planning, and nominations. Ad hoc groups can be convened when there is a pressing issue or a special project, such as the development of a new strategic plan or creation of an alumni hall of fame.

Meeting structure

The number and length of meetings will vary, particularly depending on the school’s location. An urban school with many local alumni may have more frequent meetings of shorter length. A school in a rural setting with distant alumni and business connections might have fewer in-person meetings that last at least a half-day and may involve overnight stays. The AAC would typically meet in-person one-to-three times each year. Short-duration meetings likely are to occur either over breakfast or in the early evening.
The meeting should include some opportunity for informal networking with faculty members and other board members. An agenda should be sent to the board members in advance of the meeting. Formal minutes may or may not be taken, depending on the personality of the school and the board.

**Meeting content**

It is important that meetings do not solely consist of one-way communications by the department or school. At the top of mind should be respect for members' time. There should be ample opportunity for discussion and a give and take of ideas. In each meeting, the department or school may call upon the expertise of the AAC members to address a specific issue. As an example, the accounting department might be interested in knowing how their graduates are perceived in the workplace. The department chair could send out a set of questions that will be addressed in the meeting, along with the agenda. The council itself should be solicited for meeting topics so that they participate in setting the agenda.

Some topics that a meeting might include on the agenda are:

- Course or curriculum content
- New programs under consideration
- Career development
- Graduation outcomes
- Faculty research or curriculum presentations
- Beta Alpha Psi or accounting club activities
- Accreditation issues
- Accounting credentials (e.g., Uniform CPA Examination preparation)
- Strategic plan development and implementation
- Financial resources
- Faculty recruiting and retention
- Student presentations
- Board member presentations on current issues in the profession

Special guests may be invited to meetings. AAC members typically enjoy meeting with students, so a group of students might be invited to at least one meeting each year. The dean or a university-level leader (e.g., provost, vice president or dean) may be invited to attend periodically. The meetings might include all departmental faculty or one or more faculty members associated with the meeting agenda.

**Member engagement**

AAC members are valuable resources for the university. They are donating their time to help the department or school in many ways. Members can be engaged outside the meetings of the AAC as mentors; guest lecturers; student organization speakers and advisors; and adjunct faculty. The more they are engaged with the school, the better they can serve. AACs can be invaluable to new school leadership by helping them connect to the profession and alumni. Inviting AAC members to informal events is a nice way to reward their service and incorporate them in the academic community. These events might be sporting events, campus tours, receptions, speaker events, award ceremonies and student organization activities or banquets.

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**Appendices**

I. Information about accounting advisory councils at six universities.

II. Template for accounting advisory council bylaws (Note that this is only a sample. The school should tailor the bylaws to its needs. The school may not desire the level of formality indicated in the template.)
Appendix I:
Information about accounting advisory councils at six universities

School A

1. Q: How many serve?
   A: 30.

2. Q: What is the length of service?
   A: Three-year renewable terms.

3. Q: Is there a required contribution?
   A: Yes, required annual contributions on a sliding scale, depending on the stage of the career.

4. Q: How many meetings do you have each year? How long are they?
   A: In-person meetings are twice each year, in April and October. Meetings are from 8:30am–3pm.

5. Q: How do you select members?
   A: Members are selected in consultation with the board chair, the school’s development team and the accounting department chair. Members rolling off the board may be invited to provide input about their successor. All members are alumni.

6. Q: What do you do in meetings?
   A: Updates on various programs and initiatives, faculty research presentations, dean and other administrative staff presentations.

7. Q: How do you seek member advice?
   A: The board is partitioned into six five-member committees: executive committee, curriculum committee, recruiting and diversity committee (i.e., attracting students into the MAcc program), alumni relations committee, fundraising development committee and extracurricular events committee. The specific committees may change over time. There are conference call meetings with committees during months between board meetings and there are break out committee meeting sessions at each board meeting.

8. Q: How helpful are they?
   A: The advice from the committees is moderately helpful. The opportunities for faculty connection to alumni and their organizations are invaluable.

9. Q: How do you engage members outside the regular meetings?
   A: Through committee engagement. In addition, the dean, the development team, and the department chair stay in touch with the AAC chair and other board members throughout the year. Please see (7) above.
School B

1. Q: How many serve?
   A: 20 to 30. Membership is determined by the board.

2. Q: What is the length of service?
   A: 2-year renewable term.

3. Q: Is there a required contribution?
   A: No fixed amount required but members sign a pledge indicating that they will support the department.

4. Q: How many meetings do you have each year? How long are they?
   A: We have one in-person meeting of the entire board annually, quarterly members of the executive committee (includes committee chairs and board chair). Committees meet at least quarterly and sometimes more frequently.

5. Q: How do you select members?
   A: The department chair selected initial members from a pool of alumni who were either significant financial supporters of the department or liaisons to the department from companies and firms that recruit the majority of our students. Subsequent members have been selected by the board’s membership committee (primarily, but not always, alumni who are both prominent and enthusiastic supporters of the university).

6. Q: What do you do in meetings?
   A: The department chair provides a one-hour update on the department. The board (committee reports, brainstorming, interfacing with specific folks from campus, etc.) determines subsequent activities.

7. Q: How do you seek member advice?
   A: We use group collaboration software for the most part (basecamp).

8. Q: How helpful are they?
   A: The board has been very helpful. They have played a significant role in a recent overhaul of our curriculum. They have created or made available some important resources for faculty research, and they have also done a great job in alumni outreach and helping our development function.

9. Q: How do you engage members outside the regular meetings?
   A: Through committees and group collaboration software.
Appendix I:
Information about accounting advisory councils at six universities (continued)

School C

1. Q: How many serve?
   A: Around 30 active members.

2. Q: What is the length of service?
   A: Minimum of three years.

3. Q: Is there a required contribution?
   A: $1,000 per year dues.

4. Q: How many meetings do you have each year? How long are they?
   A: One or two. Thursday dinner and Friday five to six hours.

5. Q: How do you select members?
   A: Members are selected by the faculty.

6. Q: What do you do in meetings?
   A: We discuss the current status of our programs, plans for the future, internships, graduate recruitment, introduce faculty, accounting regulations, developments in the profession, etc.

7. Q: How do you seek member advice?
   A: Always allot time for Q&A at every session.

8. Q: How helpful are they?
   A: That varies. On some topics, very helpful.

9. Q: How do you engage members outside the regular meetings?
   A: Yes, but not 100% of the members.
School D

1. Q: How many serve?
   A: About 15.

2. Q: What is the length of service?
   A: 2-year renewable term.

3. Q: Is there a required contribution?
   A: Unlimited. If a person stops coming and stops responding (that’s only happened once or twice), we simply remove them.

4. Q: How many meetings do you have each year? How long are they?
   A: Normally one per year. Meetings are usually last two to three hours.

5. Q: How do you select members?
   A: Have to be a graduate of the accounting program. We select individuals who have seemed interested in the program. It needs to be someone who really seems to “care” about the ongoing success of the program. We try to balance the members across industries and firms and age groups. We also have selected people primarily geographically from the local area.

6. Q: What do you do in meetings?
   A: We describe the issues we have faced over the previous year and talk about the issues we are facing going forward and ask for their input about the professional environment. The members tend to be very much willing to express their opinions.

7. Q: How do you seek member advice?
   A: Normally just through meetings but the department chair will contact any of them if I have a question or need advice.

8. Q: How helpful are they?
   A: The meetings have always been very worthwhile. The key is to have meetings when input is needed. A meeting every semester has appeal but I’m not sure we have enough to discuss to make it worthwhile. People have been willing to come because the meetings have been productive.

9. Q: How do you engage members outside the regular meetings?
   A: Probably not enough.
Appendix I:
Information about accounting advisory councils at six universities (continued)

School E

1. Q: How many serve?
   A: About 25. It varies based on how soon we can replace people.

2. Q: What is the length of service?
   A: For four junior board members (graduates who have been out of school fewer than five years) its three years. However, we don’t enforce this as well as we should because we have to identify new people, and the current junior board members don’t want to roll off. The other members don’t have terms, but we would recommend three-year terms that are renewable. This way, members have an incentive to show up and participate.

3. Q: Is there a required contribution?
   A: No.

4. Q: How many meetings do you have each year? How long are they?
   A: Two live meetings per year. We generally have a dinner the night before starting around 5:30, and the meeting runs from 8am to 3pm the next day. The fall meeting is usually the Friday before a football game. We then host a tailgate on the day of the football game. In the spring, we tie the board meeting to our awards banquet. The banquet is on a Thursday, and the meeting is the next day.

5. Q: How do you select members?
   A: Each of the Big 4 has two representatives. We also have one from Grant Thornton, one from Crowe Horwath, a law professor, the university controller, and a mix of people from industry. We generally also have a professor from another school. One junior board member comes from each of the Big 4 initially, but some of these people change jobs before their term ends. Sometimes the Big 4 representatives change firms, and we keep them on the board and ask a new person from the Big 4 firm. We sometimes appoint people suggested by our development group. Sometimes we meet people that we think would be good. Most members are alumni. Our approach is not very formal.

6. Q: What do you do in meetings?
   A: We always give an update on college majors, placement, strategic plan in the fall, progress on the strategic plan in the spring, hiring, graduates in Ph.D. programs, graduates at the Big 4, and senior and MSA demographics. We also discuss freely issues that concern us. We usually have a discussion of curriculum. It could be one course or an area. We usually have someone from the college or the university speak. We often have students present. We sometimes have someone from the MSA program speak. We have three to four members of the board speak about issues they are facing. We generally give each one a theme, and then others chime in. Our professors like this part the best. We began this feature during the financial crisis, and have kept it. We also began the junior board members during the financial crisis. We thought we needed to get the perspective.
7. **Q: How do you seek member advice?**

   **A:** Sometimes the department chair calls them individually. Most of the advice comes from interactions at the meetings. We are very open about issues we are facing.

8. **Q: How helpful are they?**

   **A:** They are very helpful in reacting to curriculum changes and providing advice on how to resolve some of the department issues. We also like the sessions on issues facing the profession. They also help with recruiting students to the accounting major, and meet with the peer review team when we have accreditation visits.

9. **Q: How do you engage members outside the regular meetings?**

   **A:** I always send small Christmas gifts to them and thank them for their service. As I mentioned in question 8, they always talk to the peer review team during the AACSB visit. Sometimes, I follow-up via email on issues that arose in the meetings, or I announce significant news (e.g., reaccreditation, professor promotions). I interact with some members on an individual basis when they are on campus interviewing or when the department is having a joint event with their firm. I also have individuals help with presentations to students. In addition, individual professors and I will contact specific board members with questions related to teaching or research. Finally, I may get reactions or advice from two or three members via telephone occasionally rather than asking the entire board.
Appendix I:
Information about accounting advisory councils at six universities (continued)

School F
1. Q: How many serve?
   A: 40.

2. Q: What is the length of service?
   A: Three years.

3. Q: Is there a required contribution?
   A: No.

4. Q: How many meetings do you have each year? How long are they?
   A: One all-day in-person meeting in the fall; one conference call during the summer.

5. Q: How do you select members?
   A: Based upon recommendations for alumni who sit on the board.

6. Q: What do you do in meetings?
   A: Review the state of the school; discuss trends in the profession.

7. Q: How do you seek member advice?
   A: Generally via email.

8. Q: How helpful are they?
   A: They have proven to be impactful as it relates to potential curriculum changes.

9. Q: How do you engage members outside the regular meetings?
   A: Via electronic means, with invitations to events, speaker series, requests for assistance for faculty research.
Appendix II:
Template for accounting advisory council bylaws

1. **Name of the organization**
The name of the organization shall be the Accounting Advisory Council (AAC) of the NAME School of Accounting or Business at the NAME University.

2. **Purpose and activities of the organization**
The primary purposes of the AAC are to:

- Act as ambassadors at large for the Accounting Department (School).
- Actively assist in outreach activities helping to develop contacts, working relationships, and networking opportunities.
- Provide introductions and cultivate targeted prospects for the Office of Advancement.
- Act as an advisory body and general consulting resource for the accounting chair.
- Enhance and enrich the accounting curriculum by participating as guest speakers and panel members, providing materials for case studies, and acting as a mentoring resource for students and faculty.
- Recruit graduates for member organizations.
- Provide student internships within member organizations.
- Mentor students.
- Actively participate in AAC meetings and committee activities.
- Provide financial support to the university.

3. **Membership**
The AAC will be comprised of members of the accounting profession, including public and private accounting firms, business and not-for-profit corporations, and/or professional associations or boards. Membership will include alumni and other representatives of the accounting and business community, reflecting inclusivity and diversity with respect to demographics, industry and expertise. Nominations will be solicited annually. Members must have the capability and willingness to contribute advice and counsel, participate in meetings, and help with specific activities through contacts and personal assistance to achieve the school's mission. Members will be asked to financially support the university.

Membership is subject to approval by the executive committee.

4. **Service terms and council size**
The total number of AAC members will be based on the needs of the department or school as determined by the department chair and the degree of active participation by each of its members, but will generally range between XX and XX people.

AAC members will be elected to three-year terms. These terms will be staggered. AAC members may be reappointed to additional consecutive three-year terms. Retired AAC members may be reappointed after being off the AAC for one year.

Nominations for AAC membership will be solicited each spring and referred to the executive committee, which will make the decision to accept the nomination and contact the nominee to learn of their interest. The slate of nominees will be submitted to the membership for an electronic vote prior to the first Fall meeting.

5. **Officers**
Department chair or director — The ultimate authority of the AAC shall be vested in the department chair of the school, who serves as a permanent member of the executive committee and ex-officio member of all committees and task forces.

Chair — The executive committee will appoint the chair for a two-year term, with the council’s endorsement. The chair may be reappointed for a second two-year term.
Appendix II:
Template for accounting advisory council bylaws

Vice chair — The executive committee will appoint the vice chair for a two-year term, with the council’s endorsement. The vice chair may be reappointed for a second two-year term.

Immediate past chair — The immediate past chair will be a member of the executive committee for a two-year term following their service as chair.

These officers are exempt from membership term limits until the end of their position terms.

6. Meetings
Regular meetings — There will be at least XX regular AAC meetings each academic year. The meetings will include discussion and advice to the department chair on significant issues facing the department, the accounting profession and accounting education. Additional meetings may be set by the executive committee.

Special meetings — When the executive committee deems it necessary, special meetings may be called. At least five business days’ notice shall be given to the membership, and this notice will state the reason for the called meeting.

Events — AAC members will be invited to many departmental or school events. They are encouraged to be engaged and involved in activities of the department and university.

Quorum — One-third of AAC members shall constitute a quorum for all meetings.

General procedure — Meetings will be conducted in a manner designed to obtain full discussion. Robert’s Rules of Order will be used to govern the meetings. An agenda, with complete supporting materials, will be distributed to all members at or prior to the announced time for the meeting. The department chair or school director will appoint a staff member to record each meeting and to distribute the agenda. A majority vote of the membership present at a full quorum meeting will be necessary for a ratified decision.

7. Committees
Standing committees — The executive committee shall consist of the department chair, the council chair, the council vice chair and the immediate past AAC chair. It will act as the administrative arm of the council and also approve all nominations for new regular members.

Ad hoc committees — They shall be formed and appointed at the pleasure of the dean or the chair.

(Note: Additional committees may be described here as needed or desired, such as development/advancement, strategic planning, curriculum.)

8. Amendments
Proposed amendments to these bylaws shall be presented in writing to the chair of the AAC and distributed by the chair to members at, or prior to, the next scheduled meeting. At which time, ratification shall be a majority vote of the members present at a meeting of a quorum of the AAC.

9. Adoption
These bylaws shall be adopted by a majority vote of the initial membership present at a quorum meeting of the AAC.