Accounting Careers

An Honors Thesis (HONRS 499)

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Date April 2002

Expected date of graduation: May 4, 2002
# Table of Contents

Abstract ........................................................................................................... 3

Acknowledgements ......................................................................................... 4

Public Accounting ............................................................................................ 5
  What is a CPA? .............................................................................................. 5
  Areas of Study .............................................................................................. 6
  Requirements to Become a CPA ................................................................. 11
  CPE Requirements ...................................................................................... 18
  Salaries ........................................................................................................ 18

Corporate Accounting ...................................................................................... 19
  Salaries ........................................................................................................ 22
  Certification .................................................................................................. 22
  Future of Corporate Accounting ................................................................ 25

Governmental Accounting ............................................................................. 26
  Federal Government ..................................................................................... 26
  State Government ........................................................................................ 32
  City and Local Government ........................................................................ 33

Not-for-Profit Accounting ............................................................................... 34
  Public School Systems .................................................................................. 35
  Colleges and Universities .............................................................................. 36
  Hospitals and Health-Care Facilities .......................................................... 37
  Voluntary Health and Welfare Organizations ......................................... 38

Educational Accounting ................................................................................. 39
  Business and Community College ............................................................... 39
  University Accounting Faculty .................................................................. 40
  Academic Administrator ............................................................................. 43

Conclusion ...................................................................................................... 44

Works Cited ..................................................................................................... 45
Abstract

This thesis examines the five different sectors of accounting and their requirements. The first section discusses public accounting and the role of certified public accountants in public accounting. The second section discusses corporate accounting and the different certifications available, such as Certified Management Accountant, Certified Internal Auditor, and Certified Information Systems Auditor. The third section discusses governmental accounting at three levels: federal, state, or city and local government. The fourth section discusses not-for-profit accounting in public school systems, colleges and universities, hospitals and health-care facilities, and voluntary health and welfare organizations. The fifth section discusses educational accounting in business and community colleges, university accounting faculty, and academic administrator. The thesis gives you an idea of the different sectors of accounting that are open to accounting majors.
Acknowledgements

I would like to thank my thesis advisor, Dr. James Schmutte, for being patient and allowing me time to complete my thesis. Thank you for the help that you have provided.
Your junior year of college starts and you are starting to think about what exactly you want to accomplish with your degree in accounting. There are so many choices to make, but the first choice to be made is what sector of accounting you want to work in. Accounting majors have many choices when it comes to what they want to do. An accounting major can work in public accounting, corporate accounting, governmental accounting, not-for-profit accounting, and educational accounting. Once you have decided what sector of accounting you want to work in, then you can decide what is required to meet this objective. The following paper will discuss each of the five sectors of accounting and what requirements are needed to work in that sector of accounting.

PUBLIC ACCOUNTING

Public accounting is an area of accounting concerned with the preparation and presentation of financial statements in a fair and consistent manner for external use by investors, creditors, and analysts (Gaylord and Ried 1). To work in this area, an accountant must usually become a certified public accountant (CPA).

What is a CPA?

“A CPA is a professional who possesses competence, objectivity, and is dedicated to his or her own career” (CPAs and Accountants: What’s the Difference). CPA’s are accountants who obtain certification to gain an advantage in the job market. There are many job markets open to CPA’s, but three main areas in the public accounting arena. Auditing

“Auditing is one of the most important and best known services provided by CPAs in public practice” (AICPA Career Paths). Auditors review a client’s internal control and financial statements to provide assurance to stockholders and other financial statement users. The auditors will then give an opinion on whether or not they believe the client’s financial statements are presented in
accordance with GAAP and free of material misstatements. Publicly held companies are required by the SEC to provide audited financial statements.

**Tax**

Tax accountants prepare tax returns, but they also do much more. In today’s complex tax environment, a tax accountant also provides consulting on many issues dealing with tax such as how to treat a merger or acquisition, deferral of taxes, when to expense items, and reorganizing a multinational company’s domestic or foreign operations. There are three primary areas of tax practice: tax consulting, tax compliance, and representation of clients before the Internal Revenue Service (IRS) (AICPA Career Paths). Tax accountants with a law degree in tax are increasingly in demand.

**Consulting**

Consulting in CPA firms is one of the fastest growing areas in public accounting. Consultants provide objective advice and technical assistance about a variety of business situations. Some examples of consulting projects would be “computerizing a company’s accounting and reporting function, projecting a company’s growth using trend analysis techniques, implementing an internal control system, facilitating mergers and acquisitions, assisting with production and marketing techniques, providing general suggestions on improving overall operating procedures, litigation support, business valuation, strategic planning, succession planning for family-owned businesses, and compensation and benefit plan design (AICPA Career Paths).

**Areas of Study**

CPAs must be broadly educated individuals to better serve the public in a complex and changing environment. They should have a good balance of accounting, business administration,
and liberal education (AICPA Areas of Study for Becoming a CPA). There are twelve subject areas that a CPA should specifically focus on to become well rounded.

**Accounting**

Accounting is obviously an essential area of study for becoming a CPA. There are four main areas in accounting that must be studied: financial accounting, managerial accounting, auditing, and taxation.

**Financial Accounting**

Financial accounting has been changing fast in recent years due to the development of complex financing arrangements and business combinations. This has caused the body of technical accounting knowledge to grow substantially. Financial accounting theory provides a conceptual framework of financial accounting and reporting. Applying financial accounting will acquaint you with problems that exist in the real world for CPAs and teach you how to apply accounting principles and practices (AICPA Areas of Study for Becoming a CPA).

**Managerial Accounting**

CPAs should be able to understand accounting and control issues and approaches from a management perspective. Control is how managers and staff employees carry out an organization’s strategies and plans. Cost determination and analysis will give exposure to a broad range of managerial accounting concepts and terminologies (AICPA Areas of Study for Becoming a CPA).

**Auditing**

Auditing theory includes “the concepts of gathering and evaluating financial information, various purposes and contexts for auditing, the responsibilities and risks assumed in the process, and the nature of appropriate communication” (AICPA Areas of Study for Becoming a CPA). Another key area in auditing is computer auditing. Computer auditing helps “understand how technology can
be used in a financial audit to obtain and develop evidence, provide decision support, collect and summarize data, and assist in administering the process” (AICPA Areas of Study for Becoming a CPA). Auditing can be understood through relevant audit problems and case studies.

**Taxation**

Tax theory gives an “understanding of the evolution of taxation concepts and the tax system employed in the U.S. and the role of taxation as a source of revenue” (AICPA Areas of Study for Becoming a CPA). A hands-on understanding of tax is also necessary, so you can apply tax principles and perform tax research leading to the solution of a complex problem.

**Behavioral Sciences**

Behavioral sciences should be studied, because they are an important tool for understanding management practices in business organizations. As a CPA you must deal with your own clients and to do this you must be aware of the human factors that are involved. A CPA needs to understand individual, group, and organizational behavior. Some specific topics of interest could include leadership and decision-making, learning and problem solving, motivation, interpersonal communication, conflict management, work-team development, and innovation (AICPA Areas of Study for Becoming a CPA).

**Business Law**

A CPA must know the meaning of constitutionality and jurisdiction, relationships between federal and state laws, and the roles of common law and equity, statutory law, and administrative regulation. A CPA also needs to be familiar with the law of contracts, agency, commercial paper, sales, property, wills, estates, trusts, and the law of torts (AICPA Areas of Study for Becoming a CPA).
Communications

Effective communication in any form is a skill that a CPA or any professional must possess. Effective communication is important to CPAs because they must communicate the identification, accumulation, and analysis of information to others. A CPA should be able to convey messages clearly, concisely, and precisely. The development of interpersonal skills is a mandatory for CPAs (AICPA Areas of Study for Becoming a CPA).

Economics

"A CPA should have a basic understanding of both macroeconomics and microeconomics" (AICPA Areas of Study for Becoming a CPA). Macroeconomics gives an overview of how the economy operates including consideration of income measurement, monetary and fiscal theories and policies, employment, economic growth, international economics, business cycles, forecasting, and government policies related to taxation, spending and economic planning. Microeconomics is the effects of economic forces on organizations and the interactions between them including the relationship of price to demand, the factor of elasticity, and effect of degrees of competition. The basics of macroeconomics and microeconomics should also include economic theory, the monetary system, and how the institutions of the banking system work (AICPA Areas of Study for Becoming a CPA).

Ethics

All professions require their members to maintain the highest standard of ethical conduct. A foundation course in ethics can give a sense of responsibility to society and to one’s profession. A CPA must be aware of the underlying ethical concerns when analyzing business and accounting situations. A CPA should have an in-depth understanding of the codes of ethical conduct for the
state accounting boards, the AICPA, and other accounting organizations (AICPA Areas of Study for Becoming a CPA).

**Finance**

CPAs should understand the concepts and tools used in financial analysis such as what data go into financial analyses and how they are used. A CPA should possess knowledge in the following areas: cash-flow perspectives, process of acquiring and allocating capital, the impact of inflation on accounting information, valuation models and the effects on the valuation process of capital structure, dividend policy, timing of cash flow and risk. In today's growing global markets, a CPA should also be familiar with the structure and terminology of domestic and international financial markets and institutions and with the various types of financial instruments (AICPA Areas of Study for Becoming a CPA).

**Globalization**

Globalization is part of everyday business in today's society. Domestic companies and corporations must often do business internationally to successfully compete. This has caused an understanding of the international aspects of finance, economics, marketing, and accounting to be crucial to a CPA (AICPA Areas of Study for Becoming a CPA).

**Information Systems**

Information systems are the means by which the accounting function is carried out. Therefore, and understanding of these technologies and their applications and limitations are essential to a CPA. A CPA "should be familiar with the functions of and interrelationships between hardware components and with the capabilities and applications of software—from spreadsheet and database programs to word processing" (AICPA Areas of Study for Becoming a CPA).
**Legal and Social Environment**

Government and the private sector provide a regulatory and legal framework to protect the public interest that a CPA must understand. A CPA should know the responsibilities and function of federal and state agencies, the courts, self-regulatory organizations, and other private and professional organizations. CPAs should also pay attention to the social forces that affect businesses such as consumer activism, environmentalism, organized labor, urban blight, and minority rights (AICPA Areas of Study for Becoming a CPA).

**Marketing**

A CPA should have a general idea of how marketing functions and detailed knowledge of operations that require accounting information in the making of business decisions and the solution of problems. A CPA should also be familiar with how an organization uses price, promotion, and distribution strategies to meet the needs of the marketplace (AICPA Areas of Study for Becoming a CPA).

**Quantitative Applications**

A CPA should be familiar with the quantitative techniques that apply to the solution of business and accounting problems including sampling, correlation and regression analysis, statistical decision theory, and the combination of subjective and objective evidence (AICPA Areas of Study for Becoming a CPA).

**Requirements to Become a CPA**

There are three requirements to become a licensed CPA based on the state or jurisdiction in which you wish to practice. An accounting student must have earned 150 credit hours at a college/university before they can sit for the CPA exam. The student must then pass a rigorous two-day Uniform CPA Exam. The third requirement is that a student must have so much work
experience before they can receive their CPA license. The following paragraphs each of these three requirements.

150 Hours

Why is the emphasis on 150 credit hours of education? The idea behind the 150 hours is that it will improve the overall quality of work performed by CPAs in a complex and constantly changing business environment. Some of the reasoning behind that comes from the fact that there has been significant increases in official accounting and auditing pronouncements and new tax laws. Business methods have also become more complex, because of federal, state, and local regulations and improvements in technology. The 150 hours will allow the CPA to achieve a well-rounded education (AICPA 150-Hour Requirement).

How do I meet the 150-hour requirement? An accounting student does not have to get a master's degree to meet the 150 hours. You can meet the 150 hours through extra courses at the undergraduate level or you can get a bachelor's degree and take some courses at the graduate level. Here are a few of the choices that a student has to achieve the 150 hours. You can combine an undergraduate accounting degree with a master's degree at the same school or at a different school. You can combine an undergraduate degree in some other discipline with a master's in accounting or an MBA with a concentration in accounting. You can enroll in an integrated five-year professional accounting school or program leading to a master's degree in accounting. Most of the time a graduate degree is the best way to achieve the extra hours, because it will help you fully develop skills such as communication, presentation, and interpersonal relations while integrating them with the technical knowledge being acquired. Often students who have graduate level education have a higher rate of success on the Uniform CPA Exam. Students with a master's degree also often start at salaries 10 to 20% higher than those with a bachelor's degree (AICPA 150-Hour Requirement).
Therefore, students have a few options on how to achieve the 150 hours, but a master’s degree seems to be the best way to go.

What states have the 150-hour requirement? Not all states are required to adopt the 150 credit hours of education. However, many of the states have thought it best to require the 150 credit hours. As of January 1, 2001, 45 of the 50 states and the District of Columbia, Guam, and Puerto Rico have passed the 150-hour education requirement (AICPA: States That Have Passed the 150-Hour Education Requirement). The five states that have not passed the 150-hour education requirement are California, Colorado, Delaware, New Hampshire, and Vermont. If you plan on practicing in one of these five states, then at this point in time the 150-hour education requirement does not apply to you. However, completing the 150 hours could only help you in your profession.

Uniform CPA Exam

What is the Uniform CPA Exam and why must accountants take it? The Uniform CPA Exam is a test used by the boards of accountancy to measure the competence of CPA candidates. The CPA Exam is a prerequisite for the CPA certificate. The boards of accountancy also may use interviews, letters of reference, investigation of educational background, affidavits of employment, or an ethics examination to ensure that a candidate has the necessary technical abilities and character attributes to become a CPA (AICPA Uniform CPA Exam).

What does the CPA Exam test? There are four sections in the CPA Exam. The four sections are auditing, financial accounting and reporting, accounting and reporting, and business law and professional responsibilities. The auditing section tests the “knowledge of generally accepted auditing standards and procedures and the skills needed to apply them in auditing and other attestation engagements” (AICPA Content Specifications: Auditing). The auditing section also covers information technology and the skills needed to apply it in auditing and other attestation
engagements. The financial accounting and reporting section tests the “knowledge of generally accepted accounting principles for business enterprises and the skills needed to apply them in public accounting engagements” (AICPA Content Specifications: Financial Accounting and Reporting).

This section will require candidates to obtain and document entity information for use in financial statement presentations; evaluate, analyze, and process entity information for reporting in financial statements; communicate entity information and conclusions; analyze information and identify data relevant to financial accounting and reporting; identify financial accounting and reporting methods and select those that are suitable; perform calculations; formulate conclusions; and present results in writing in a financial statement format or other appropriate format. The accounting and reporting section tests three general areas: federal taxation, governmental and not-for-profit organizations, and managerial accounting. This section tests the “knowledge of principles and procedures for federal income, estate, and gift taxation, managerial accounting, and accounting for governmental and not-for-profit organizations, and the skills need to apply them in public accounting engagements” (AICPA Content Specifications: Accounting & Reporting-Taxation, Managerial, and Governmental and Not-for-Profit Organizations). The federal taxation area will require candidates to analyze information and identify data relevant for tax purposes; identify issues, elections, and alternative tax treatments; perform required calculations; and formulate conclusions. The governmental and not-for-profit organizations area will require candidates to analyze and identify information relevant to governmental and not-for-profit accounting and reporting; identify alternative accounting and reporting policies and select those appropriate in specific situations; distinguish the relative weight of authority of differing sources of generally accepted accounting principles; and perform procedures, formulate conclusions, and present results. The managerial accounting area will require candidates to analyze and interpret information as a basis for decision making; determine product
and service costs; and prepare and interpret information for planning and control. The business law and professional responsibilities section tests "knowledge of a CPA's professional responsibilities and of the legal implications of business transactions, particularly as they relate to accounting and auditing" (AICPA Content Specifications: Business Law & Professional Responsibilities). This section will cover a CPA's professional responsibilities, business organizations, contracts, debtor-creditor relationships, government regulation of business, the Uniform Commercial Code, and property. This section will require candidates to recognize relevant legal issues; recognize the legal implications of certain business situations; and apply the underlying principles of law to accounting and auditing situations. The laws will be based on federal and widely adopted uniform laws or laws of the majority of jurisdictions. The professional ethics are based on the AICPA Code of Professional Conduct. The aforementioned sections are what is covered on the CPA Exam.

What is the format of the CPA Exam? The CPA Exam is given over a two-day period two times a year, once in May and once in November. The business law and professional responsibilities section is 3 hours long. The auditing section is 4.5 hours long. The accounting and reporting section is 3.5 hours long. The financial accounting and reporting section is 4.5 hours long. The questions are four-option multiple choice, other objective questions, and essays or problems. All four of the sections are 50-60% four-option multiple-choice questions. The business law and professional responsibilities, auditing, and financial accounting and reporting sections are 20-30% other objective answer formats whereas the accounting and reporting section is 40-50% other objective answer formats. The business law and professional responsibilities, auditing, and financial accounting and reporting sections are 20-30% essays or problems. Essays will be selected from the three sections to assess candidates' writing skills and 5% of the total points available on each of these sections will be allocated to writing skills. The following six elements will be considered for effective writing:
coherent organization, conciseness, clarity, use of standard English, responsiveness to the requirements of the questions, and appropriateness for the reader. Calculators will be provided at the exam for the accounting and reporting and the financial accounting and reporting sections. Calculators are not permitted on the business law and professional responsibilities and auditing sections of the exam (AICPA Uniform CPA Examination Summary).

How does a candidate prepare for the CPA Exam? The AICPA offers a comprehensive study kit for CPA candidates with three study aids: Information for CPA Candidates, 14th Edition, which includes content specification outlines for each section and instructions for the examination day; Selected Questions and Unofficial Answers Indexed to Content Specification Outlines; and a calculator identical to the one used during the exam. There are also a number of CPA Review Courses, such as Becker Convisor Professional Review, MicroMash CPA Review, and Wiley CPA Review to name a few. For more information visit the AICPA Uniform CPA Exam website at http://www.aicpa.org/nolimits/become/exam/index.htm.

Currently, the CPA Exam is all done by paper and pencil. However, a new computerized version of the CPA Exam is being prepared. A paper-based exam is limited to its ability to test higher-level skills. A computer-based exam will more closely reflect the real world environment. The computerized exam will have the ability to test the recall of foundational knowledge, research skills, analytical skills, and integration. The computerized exam will have a new structure to the four sections. The four sections will consist of the following auditing and attestation, accounting and reporting, regulation, and business environment and concepts. The auditing and attestation section will test auditing procedures, generally accepted auditing standards, other standards related to attest engagements, and the skills needed to apply these procedures and standards. The accounting and reporting section will test generally accepted accounting principles for business
enterprises, not-for-profit organizations, and governmental entities. The regulation section will test federal taxation, ethics, professional and legal responsibility, and business law. The business environment and concepts section will test general business environment and business concepts to understand underlying reasons and implications of business transactions, the skills used to apply knowledge in an audit and attest engagement. The format will be objective multiple choice and short answer questions and case-based simulations, which will replicate the real world by assessing research and analytical skills. The computerized test will be 14 hours long, whereas the paper-based version is 15.5 hours long. The audit and attestation section will 4.5 hours long. The accounting and reporting section will by 4 hours long. The regulations section will by 3 hours long. The business environment and concepts section will be 2.5 hours long (American Institute of Certified Public Accountants). Currently, under the paper-based exam a candidate must pass 2 sections to earn conditioning credit and only have to take the remaining two sections with up to 3 years to complete. The recommendations for the computer-based exam are that the sections can be taken individually and in any order. If you fail a section, you cannot retake it within the same window of time. The credit for passed sections will be retained on a “rolling” 18 months basis. The tentative implementation date is November 2003. Estimated costs will be around $600 for the complete exam varying somewhat by state.

Work Experience

The third requirement to obtain a CPA license is work experience. Not all states require that a candidate have professional work experience before they are eligible to obtain their CPA license. In the state of Indiana, you must have three years of public accounting or six years of private accounting to meet the experience requirement (150 Hours: Preparing Now to Sit for the CPA Exam Later). Obtaining a master’s degree counts towards one year of experience and also helps to fulfill
the 150 hours needed to sit for the CPA Exam. A candidate can contact their state board of accountancy to find out more about the experience requirements needed for a CPA license.

**CPE Requirements**

Once a CPA has earned their CPA license, they are not completely done. The accounting environment is constantly changing and CPAs must keep up with these changes. Therefore, CPAs are required to accomplish so many hours of Continuing Professional Education (CPE) credits depending on the state practiced in and any organization requirements. The AICPA stipulates that a CPA in public practice must have 120 hours over 3 years or a minimum of 20 hours per year and CPAs in industry must have 90 hours over 3 years or a minimum of 15 hours per year. The GAO Yellow Book, which is for any accountant involved in governmental audits, requires 80 hours over 2 years or a minimum of 20 hours per year. The Indiana State Board requires CPAs in public practice or industry to have 120 hours over 3 years or a minimum of 20 hours per year. The Indiana State Board also requires that 10% or 12 hours of the total required hours must be in accounting and auditing and no more than 50% or 60 hours can be completed through self-study. Only courses and sponsors approved by the Indiana State Public Accountancy can qualify for CPE credit (Licensing/CPE Requirements). For more information, contact your state board of accountancy.

**Salaries**

Salaries vary depending on size of firm, size of city, and amount of experience. In a large firm, such as the Big 5, a staff accountant with less than 1 year experience will make between $33,500-$37,750. A staff accountant with 1 to 3 years experience will make between $37,500-$44,250. A senior will make between $43,000-$51,250. A manager will make between $54,250-$69,750. If you have a graduate degree add 5% more and if you have a CPA license add 10% more (AICPA Accounting Salaries). Some of the advantages of working in a Big 5 firm are the name,
because it can open many doors in future jobs. A second advantage is the mobility of working at a world-wide company. A third advantage is that the top firms will pay top price for their employees, because they want the best. There are also disadvantages of working with a Big 5 firm. Employees are expected to put in many overtime hours especially during tax season and sometimes large firms can have an impersonal corporate culture (Big Five, The). These advantages and disadvantages should be compared and contrasted to a medium or small size firm.

In a medium size firm, a staff accountant with less than 1 year experience will make between $29,250-$33,000. A staff accountant with 1-3 years experience will make between $32,750-$39,750. A senior will make between $39,000-$48,250. A manager will make between $50,750-$66,000. If you have a graduate degree add 5% and if you have a CPA license add 10% (AICPA Accounting Salaries). Some of the advantages of working in a regional firm are a wide range of accounting service to local companies. A regional firm can help give new accountants a broader range of knowledge in all areas and not just in a particular specialty. Often the senior partners will be more open and have better connections with the new accountants than at a Big 5 firm. The corporate culture of regional firm is often less hierarchical. The disadvantages of working at a regional firm are money, mobility, and less brand name (Regional Accounting Firms). You should compare and contrast these advantages and disadvantages to figure out what area is right for you.

CORPORATE ACCOUNTING

Corporate accounting is based on a hierarchy. At the top is the vice-president of finance or chief financial officer (CFO) who is head of the treasurer and controller. The treasurer is head of the manager of credit and collections, manger of investor relations, cashier, and manager of insurance. The controller is head of the director of cost accounting, director of budgeting, director of tax
accounting/planning, director of general accounting, and director of internal auditing. The following paragraphs will describe each of these positions from the top.

The CFO has the job of trying to stabilize the flow of funds to ensure availability when needed, directs and supervises the work of the controller and treasurer, and has administrative responsibility for the personnel and performance of these departments. The CFO also advises the president on matters concerning financial reporting, financial stability, and liquidity and maintains contact with stockholders, the investment community, and financial institutions. A person usually becomes a CFO when he or she has had 15 to 20 years of experience in the field of business, holds a bachelor's degree in accounting or finance, and many have a master's degree in business (Gaylord and Ried 32-34).

A treasurer, who reports to the CFO, has the job of receiving, disbursing, and protecting the company's cash; investing surplus funds; managing pension and trust funds; determining the optimal cash position for the organization; governing overall credit policy; investigating insurance coverage; negotiating loans; and maintaining banking relationships (Gaylord and Ried 34).

The following positions described below report to the treasurer. A manager of credit and collections develops and administers the credit and collection policy. "The policies must be tight enough to assure minimum debt expense, but loose enough to avoid loss of sales and customers" (Gaylord and Ried 34). A manager of investor relations develops and maintains a market for the company's securities by communicating with the stockholders, security analysts, and investment bankers. A cashier endorses checks, deposits cash, and maintains a record of cash receipts and disbursements. A manager of insurance is responsible for the firm's insurance coverage, including the bonding of employees. This person will evaluate all tangible assets and determine the adequate level of insurance for them, identify potential losses and risks that should be discussed with
management, and evaluate the amount of life insurance and professional liability insurance coverage the company needs to carry on key employees (Gaylord and Ried 34).

A controller, who reports to the CFO, develops forecasts, measures actual performance against expected results, and interprets the data. The controller is responsible for all financial and managerial accounting and reporting by reporting to stockholders, creditors, investors, and compiling and reporting figures for internal use. A controller should have an in-depth understanding of the general business environment in addition to accounting and finance (Gaylord and Ried 35).

The following departments described below report to the controller. The cost accounting department develops and modifies a cost accounting system that is developed to meet the informational needs of management. In a manufacturing firm, this department will produce reports on labor, material, overhead charges, and product costing. The cost accounting department will also look for variances and investigate any that are found to be significant. The budgeting department prepares operational budgets, capital budgets, and cash budgets. This department is very important to a company. The tax accounting/planning department prepares and files all federal, state, and local income tax returns. This department will also complete research in buying and selling fixed assets, acquiring and/or selling subsidiaries, investment tax credits, issuing and retiring bonds or stock, purchasing and/or selling investment securities, and foreign tax calculations. The general accounting department journalizes transactions, maintains employee payroll records and prepares paychecks, sends out statements, maintains balance sheet and income statement accounts, and authorizes and disburses payments. If a company has the need for an international accounting function, then it is often found in this department. The international accounting area deals with foreign currency translations and the effects on a company’s books, consolidating foreign subsidiaries, and any other effects on the parent company. The internal auditing department completes an independent appraisal
of the performance of various levels of management with regard to efficiency and adherence to company policies, continuous review and recommendations for improvements in a system of internal checks and protective measures in the organization, and periodic assessment of the reliability of financial records and effectiveness of processing methods. This department will most often complete operational or management audits, because of independency issues (Gaylord and Ried 35-37).

Salaries

Salaries vary depending on the size of the corporation and the amount of experience. In a large company, an accountant with less than 1 year of experience will make between $30,500-$36,000. An accountant with 1-3 years experience will make between $34,750-$45,000. A manager will make between $52,750-$72,500. If you have a graduate degree and/or a CPA license, add another 10% for either or both. If your job requires substantial travel, add another 5% to your salary (AICPA Accounting Salaries).

In a small company, an accountant with less than 1 year of experience will make between $27,250-$32,500. An accountant with 1-3 years experience will make between $31,000-$38,000. A manager will make between $43,750-$55,500. The increase in salary also applies with a graduate degree, CPA license, or substantial travel as in a large company (AICPA Accounting Salaries).

Certification

Many corporate accountants also have a CPA license. However, there are few different certifications that a corporate accountant might want to think about that are specifically designed for corporate accounting. The Certified Management Accountant (CMA), Certified Internal Auditor (CIA), and Certified Information Systems Auditor (CISA) are all certifications that could be useful to a corporate accountant depending on what they plan on achieving.
Certified Management Accountant (CMA)

The CMA is "designed to recognize the unique qualifications and expertise of those professionals engaged in management accounting" (Certified Management Accountant (CMA)). The CMA has four objectives: to establish management accountants as recognized professions by identifying the role of the professional, the underlying body of knowledge, and a course of study by which such knowledge is acquired; to encourage higher educational standards in the management accounting field; to establish an objective measure of an individual's knowledge and competence in the field of management accounting; and to encourage continued professional development (Certified Management Accountant (CMA)).

What are the requirements to obtain a CMA license? A candidate must file an application for admission with the Institute of Certified Management Accountants (ICMA) and register for the exam; be a member of the Institute of Management Accountants (IMA); pass all four parts of the CMA exam; satisfy the experience requirement; and comply with the Standards of Ethical Conduct. To be eligible for the CMA, a candidate must hold a bachelor's degree from an accredited college or university, hold a CPA license, or have a score in the 50th percentile or higher of GMAT or GRE. The experience requirement is two continuous years of professional experience in management accounting and/or financial management. Once the CMA license has been achieved, a CMA must satisfy the continuing education requirement; comply with the Standards of Ethical Conduct; and maintain membership in the IMA (CMA Requirements).

What is the CMA exam? The CMA exam is multiple-choice computer-based questions. There are four parts to the exam. Part 1 consists of microeconomics; macroeconomics; international business environment; domestic institutional environment of business; working capital policy and management; long-term finance and capital structure; and organizational structures, management,
and communication. Part 2 consists of development of accounting standards; advanced topics on the preparation of financial statements; interpretation and analysis of financial statements; and external auditing. Part 3 consists of cost measurement; planning; control and performance evaluation; and behavioral issues. Part 4 consists of decision theory and operational decision analysis; investment for decision analysis; quantitative methods for decision analysis; information systems; and management controls (About the CMA). If a candidate has successfully completed the CPA exam, then he/she can have Part 2 waived. The CMA requires 30 hours of CPE credit each year. Credit is given for subjects relevant to a CMA’s career development and employer needs (CMA Requirements). Each section of the exam is $80 domestically plus a $50 fee for new candidates.

Certified Internal Auditor (CIA)

The Institute of Internal Auditors (IIA) was founded in 1941 to represent the professional of internal auditors, develop a professional status of internal auditing, and provide for the interchange of ideas and information among practicing auditors. The CIA exam is sponsored by the IIA and offered two times a year. Candidates must have a bachelor’s degree from an accredited college-level institution in any major. There are four parts to the exam. Part 1 consists of the internal audit process including auditing, professionalism, and fraud. This part has 70 multiple-choice questions and 1-2 essay questions. Part 2 consists of internal audit skills including problem solving, communication skills, behavioral skills, and statistics/mathematics. This part has 50 multiple-choice questions and 2-3 essay questions. Part 3 consists of management control and information technology including organizations and management, information technology, managerial accounting, and quantitative methods as a management tool. This part has 100 multiple-choice questions and other types of objective questions. Part 4 consists of the audit environment including financial accounting, finance, economics, international/government, tax, and marketing. This part
has 80 multiple-choice questions. A candidate must complete all four parts of the CIA exam within two years of eligibility. Before receiving a CIA license, the candidate must complete two years of internal auditing experience. After receiving a CIA license, the CIA must have 120 hours of CPE credit every three years (Gaylord and Ried 43-45).

Certified Information Systems Auditor (CISA)

Data processing is a very important part of today's business environment. A well-controlled information system must have properly trained data procession personnel (technicians) who have knowledge of controls and users and managers who understand systems development. Therefore, in 1979 the Electronic Data Processing Auditors Foundation had the Educational Testing Services develop an exam for CISA. The exam is 200 multiple-choice questions and is held on a Saturday in June each year. The exam has two three-hour sessions covering five areas. The five areas covered are information systems audit standards and information, systems security, and control practices; information systems organization and management; information systems process; information systems integrity, confidentiality, and availability; and information systems software development, acquisition, and maintenance. A candidate must pass both sections. In addition to the exam, candidates must have five years of qualifying information systems auditing work experience or a combination of experience and education. After obtaining CISA certification, the CISA must have 120 hours of CPE credit every 3 years or take the current examination (Gaylord and Ried 45-46).

Future of Corporate Accounting

More than 60% of all accountants work in some area of the corporate business world. Some experts believe that being an accountant not a manager is one of the fastest ways to the top a corporation. Corporate accounting is a different world from public accounting, but maybe this is the area for you.
GOVERNMENTAL ACCOUNTING

The single largest employer in the United States is the federal government. The 50 state governments and over 78,000 local governments employ over 10 million people. It is estimated that 110,000 accountants work for the municipal, county, state, and federal government. The government hires accountants to examine the records of government agencies, businesses, and individuals (Gaylord and Ried 47). There are three areas that a governmental accountant could work in: the federal government, the state government, and the city or local government.

Federal Government

"The legislative branch levies taxes and authorizes expenditures through a budget. The executive branch prepares the budget and carries out the programs. The judicial branch interprets the laws" (Gaylord and Ried 48-49). Accountants will be required in both the legislative and executive branch.

GS Levels

Salaries for federal employees are based on a scale called the General Schedule or GS. "The GS rating is based on the quality and extent of education and experience" (Gaylord and Ried 49). Grade levels 1-4 contain clerical and technical positions. Grade levels 5-11 are similar to lower middle management in industry. College graduates usually enter at 5, 7, 9, or 11 levels. Each grade level contains pay steps, which are the range of compensation based on competent job performance (Gaylord and Ried 49-50). See table below.

26
Effective January 2001
Annual Rates by Grade and Step (in dollars)\(^1\)

<table>
<thead>
<tr>
<th>Grade</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
<th>Step 5</th>
<th>Step 6</th>
<th>Step 7</th>
<th>Step 8</th>
<th>Step 9</th>
<th>Step 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>GS-1</td>
<td>14,244</td>
<td>14,719</td>
<td>15,193</td>
<td>15,664</td>
<td>16,139</td>
<td>16,418</td>
<td>16,884</td>
<td>17,356</td>
<td>17,375</td>
<td>17,819</td>
</tr>
<tr>
<td>GS-2</td>
<td>16,015</td>
<td>16,395</td>
<td>16,926</td>
<td>17,375</td>
<td>17,571</td>
<td>18,088</td>
<td>18,805</td>
<td>19,122</td>
<td>19,639</td>
<td>20,156</td>
</tr>
<tr>
<td>GS-3</td>
<td>17,474</td>
<td>18,056</td>
<td>18,638</td>
<td>19,220</td>
<td>19,802</td>
<td>20,384</td>
<td>20,966</td>
<td>21,548</td>
<td>22,130</td>
<td>22,712</td>
</tr>
<tr>
<td>GS-4</td>
<td>19,616</td>
<td>20,270</td>
<td>20,924</td>
<td>21,578</td>
<td>22,232</td>
<td>22,886</td>
<td>23,540</td>
<td>24,194</td>
<td>24,848</td>
<td>25,502</td>
</tr>
<tr>
<td>GS-5</td>
<td>21,947</td>
<td>22,679</td>
<td>23,411</td>
<td>24,143</td>
<td>24,875</td>
<td>25,607</td>
<td>26,339</td>
<td>27,071</td>
<td>27,803</td>
<td>28,535</td>
</tr>
<tr>
<td>GS-6</td>
<td>24,463</td>
<td>25,278</td>
<td>26,093</td>
<td>26,908</td>
<td>27,723</td>
<td>28,538</td>
<td>29,353</td>
<td>30,168</td>
<td>30,983</td>
<td>31,798</td>
</tr>
<tr>
<td>GS-7</td>
<td>27,185</td>
<td>28,091</td>
<td>28,997</td>
<td>29,903</td>
<td>30,809</td>
<td>31,715</td>
<td>32,621</td>
<td>33,527</td>
<td>34,433</td>
<td>35,339</td>
</tr>
<tr>
<td>GS-8</td>
<td>30,107</td>
<td>31,111</td>
<td>32,115</td>
<td>33,119</td>
<td>34,123</td>
<td>35,127</td>
<td>36,131</td>
<td>37,135</td>
<td>38,139</td>
<td>39,143</td>
</tr>
<tr>
<td>GS-9</td>
<td>33,254</td>
<td>34,362</td>
<td>35,470</td>
<td>36,578</td>
<td>37,686</td>
<td>38,794</td>
<td>39,902</td>
<td>41,010</td>
<td>42,118</td>
<td>43,226</td>
</tr>
<tr>
<td>GS-10</td>
<td>36,621</td>
<td>37,842</td>
<td>39,063</td>
<td>40,284</td>
<td>41,505</td>
<td>42,726</td>
<td>43,947</td>
<td>45,168</td>
<td>46,389</td>
<td>47,610</td>
</tr>
<tr>
<td>GS-11</td>
<td>40,236</td>
<td>41,577</td>
<td>42,918</td>
<td>44,259</td>
<td>45,600</td>
<td>46,941</td>
<td>48,282</td>
<td>49,623</td>
<td>50,964</td>
<td>52,305</td>
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<td>GS-12</td>
<td>48,223</td>
<td>49,830</td>
<td>51,437</td>
<td>53,044</td>
<td>54,651</td>
<td>56,258</td>
<td>57,865</td>
<td>59,472</td>
<td>61,079</td>
<td>62,686</td>
</tr>
<tr>
<td>GS-13</td>
<td>57,345</td>
<td>59,257</td>
<td>61,169</td>
<td>63,081</td>
<td>64,993</td>
<td>66,905</td>
<td>68,817</td>
<td>70,729</td>
<td>72,641</td>
<td>74,553</td>
</tr>
<tr>
<td>GS-14</td>
<td>67,765</td>
<td>70,024</td>
<td>72,283</td>
<td>74,542</td>
<td>76,801</td>
<td>79,060</td>
<td>81,319</td>
<td>83,578</td>
<td>85,837</td>
<td>88,096</td>
</tr>
<tr>
<td>GS-15</td>
<td>79,710</td>
<td>82,367</td>
<td>85,024</td>
<td>87,681</td>
<td>90,338</td>
<td>92,995</td>
<td>95,652</td>
<td>98,309</td>
<td>100,966</td>
<td>103,623</td>
</tr>
</tbody>
</table>

Accountant

An accountant in the federal government will perform the following duties: collect and evaluate accounting data; maintain accounting records; establish and revise accounting systems; prepare and analyze financial statements; safeguard and maintain control over assets; maintain cost systems; incorporate a budget into the system; and comply with all federal regulations. Education and experience will determine at what level of GS rating the accountant will enter. Entering at the GS-5 level, the applicant must meet one of the following criteria: four years of accounting in college; three years’ accounting experience; equivalent combination of education and experience; or a CPA certificate. Entering at the GS-7 level, the applicant must meet the GS-5 requirement plus one year of graduate study in accounting or one additional year’s experience in accounting. Entering at the GS-9 level, the applicant must be a college graduate with an accounting major or have a CPA license. Three to five years of experience is required for the GS-9 level. Three to six years of experience is required for the GS-11 through GS-15 levels (Gaylord and Ried 50-51).
Auditor

An auditor in the federal government will investigate the accounting records of government units and agencies and give an opinion to interested users. Audits of grant programs, cities that wish to issue bonds, and state and local governments that receive certain amounts of federal financial assistance are required. Governmental auditors must have an analytical mind and be knowledgeable about government accounting principles and methodology; communicate clearly through oral and written reports; ability to handle responsibility, work with little supervision, and to concentrate on details without overlooking long-range goals; mental flexibility to quickly absorb facts and make judgments; curiosity; and persuasive and tactful in dealing with people. Beginning auditors in the government can advance in two to three years. Certification is often helpful and sometimes required. A government auditor is required to complete 80 hours of CPE credit every 2 years and at least 24 of these hours must be related to the government environment and government auditing.

Government audits fall into two categories: financial and compliance audits or performance audits including economy and efficiency audits and program results audits. Financial and compliance audits determine whether the entity is presenting fair and complete financial statements in accordance with all required regulations. Economy and efficiency audits determine whether an entity is managing their assets in an economic and efficient manner. Program result audits determine whether an entity is fairly presenting the results of various governmental programs. Governmental auditors have the same educational and experience requirements as governmental accountants at the different pay scales (Gaylord and Ried 51-53).

Internal Revenue Service Agent

An IRS agent “examines and audits accounting books and records of individuals, partnerships, fiduciaries, and corporations to determine their correct federal tax liability” (Gaylord

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1 General Schedule of Annual Salary Rates
An IRS agent could specialize in one area such as dealing with corporate audits, but he/she does not have to specialize. The IRS audits every kind of business, so an agent will have a high degree of client diversity. An IRS applicant must have four years of college with an accounting major, three years' of experience comparable to four years of college, an equivalent combination of education and experience, or a CPA certificate. Serving as an IRS agent usually involves travel, but positions are available that involve less travel. Entry positions with the IRS are at the GS-5 or GS-7 level (Gaylord and Ried 53-54).

Securities Investigator

Securities investigators examine the books, records, and financial statements of national securities exchanges, over-the-counter brokers, and investment advisors to determine their financial condition and compliance with the law. Securities investigators also investigate fraud cases. An applicant must have accounting, auditing, investigative, or administrative experience in the securities field. Education may substitute for experience. GS-9 level requires three to five years experience and the GS-11 level requires three to six years experience (Gaylord and Ried 54).

Special Agent, Internal Revenue Service

An IRS special agent conducts investigations of alleged criminal violations of the federal tax laws, makes recommendations with respect to prosecution, prepares technical reports, and assists U.S. attorneys in the preparation of a case and trial. All IRS special agents are accountants. IRS special agents have a great deal of flexibility and diversity in their work. An applicant must have three years’ experience and knowledge of accounting and auditing, four years of college with 12 semester hours of accounting, or a law degree. Entry-level positions begin at the GS-5 or GS-7 level (Gaylord and Ried 54).
Special Agent, Federal Bureau of Investigation

Certified public accountants are greatly in demand by the FBI for white-collar and organized crime. Applicants must be U.S. citizens between 23 and 35, in excellent physical health, and available to travel anywhere in the United States. CPA special agents are often used to trace the flow of funds used to finance narcotics operations; examine political corruption; and investigate contamination of consumer products, bank robbery, kidnapping, and extortion. FBI special agents are trained in a school near Quantico, Virginia. The training is a 15-week course in FBI rules and regulations, investigative techniques, criminal court procedure, and proficient in the use of firearms and defensive tactics. Applicants must take a written exam, personal interview, and extensive background check. Special agents begin at the GS-10 level and serve a one-year probationary period before becoming a permanent employee (Gaylord and Ried 54-55).

Tax Technician

"A tax technician represents the IRS when consulting with taxpayers to identify and explain tax issues and to determine correct tax liabilities" (Gaylord and Ried 55). College graduates should have 24 semester hours in accounting, business administration, finance, and economics. Tax technicians begin at the GS-5 or GS-7 level. A tax technician with a master’s degree or two years of experience will state the GS-9 level (Gaylord and Ried 55).

General Accounting Office (GAO) Accountant or Auditor

The GAO watches over all of the executive agencies and is the internal audit department of the U.S. government. The GAO is headquartered in Washington DC with 20 offices throughout the United States. GAO accountants and auditors review programs of the various federal agencies to ensure against duplication; evaluate the cost, efficiency, and success of these programs; settle claims against the government; and collect debts. The following units of the GAO that need the use of an
accountant or auditor are the policy and program planning, the accounting and financial management division, the energy and minerals division, the federal personnel and compensation division, the field operations division, the general government division, and the international division. The policy and program planning oversees that the audit work of the GAO is planned, coordinated, and reported. The accounting and financial management division coordinate automatic data processing, internal auditing, accounting and financial reporting, fraud prevention, and financial statement audits. The energy and minerals division provide audit coverage for the Department of Energy, the Nuclear Regulatory Commission, and similar agencies. The federal personnel and compensation division provide audit coverage for the Office of Personnel Management, Selective Service System, and others. The field operations division conducts audits throughout the U.S., Puerto Rico, and the Virgin Islands. The general government division provides audit coverage for the Departments of Justice and the Treasury, the District of Columbia government, the U.S. Postal Service, the judicial branch of the federal government, and various agencies and commissions. The international division provides audit coverage for the Department of State, the Central Intelligence Agency, the Export-Import Bank, the Office of U.S. Trade, the International Trade Commission, and other organizations (Gaylord and Ried 55-57).

Benefits

Federal employees can earn 13 days of vacation a year for the first 3 years and 20 days a year for the next 12 years. After 15 years, a federal employee can have 26 days of vacation a year. Federal employees receive 9 paid holidays per year: New Year's Day, Martin Luther King Jr.'s Birthday, President's Day, Memorial Day, Independence Day, Columbus Day, Veteran's Day, Thanksgiving, and Christmas. Employees can have 13 days per year of sick leave and unused sick leave can be accumulated for future use. Many federal agencies have adopted a flexible work
schedule, which allows employees to work biweekly 80 hours in fewer days by working 9- to 10-hour days. Many federal agencies also provide childcare centers. Federal employees also receive the usual fringe benefits such as life insurance, medical insurance, and a retirement pension. The health insurance has a variety of plans and provides immediate coverage from the date of enrollment. The life insurance policy is based upon salary and has options to increase the amount of coverage and include family members. The retirement plan has several options and allows a person to take it with them after a minimum number of years (Gaylord and Ried 59-60).

**State Government**

*Junior Accountant/Auditor*

A junior accountant maintains accounting records, supervises clerks who journalize and post, maintains a general ledger, and prepares financial statements. A junior auditor examines the records of states and local agencies for accuracy and legality, reconciles bank statements, verifies financial statements, and reviews payroll. State auditors complete financial and compliance audits for state and local governments. Four years of college with 24 semester hours in accounting or an equivalent combination of education and experience is required for both of these positions (Gaylord and Ried 60).

*Tax Examiner*

A tax examiner audits tax returns of individuals and businesses either in the office or in the field. The tax examiner will specialize in one of the following areas: commodities tax, corporate tax, state income tax, state sales, tax, or state franchise tax. The commodities tax bureau checks the accounting records and inventories of distributors of alcoholic beverages, motor fuels, cigarettes, etc. The corporate tax bureau completes field audits of corporations, verification of corporate tax reports, location of delinquent corporations, and examinations of bankruptcies. The state income tax bureau
examines individual tax returns, reviews questionable items, and approves assessments and refunds. A tax examiner requires a college degree with an accounting major or an equivalent combination of education and experience (Gaylord and Ried 60-61).

Salaries

Salaries vary between different geographic locations and the size of the population. Salaries range from $18,000 to $67,200. Employees work 40 hour weeks and are covered by retirement systems (Gaylord and Ried 61).

City and Local Government

Accountant

The accountant will maintain accurate book of original entry and subsidiary ledgers; the preparation of journal entries, postings, trial balances, and reports; and periodic examination of receipts, warrants, purchases, vouchers, payroll records, and billings to make sure transactions and documents are prepared according to established procedures. The accountant will make sure that internal checks and balances are operating efficiently; make recommendations for modifications in accounting and office forms and procedures; and audit cash receipts, ledgers, journals, and inventories. The accountant must have a bachelor’s degree in business administration with a major in accounting from an accredited college and one year of experience. The annual salary ranges from $27,574 to $36,766 (Gaylord and Ried 61-62).

Staff Accountant

A staff accountant applies accounting principles to install, develop, and maintain the accounting system; supervise accounting work for a particular function of considerable size and complexity; supervise the installation of accounting controls; set up ledgers, journals, and reporting procedures; assign account codes and classifications to transactions; implement changes to improve
efficiency or control; prepare detailed financial analysis or projects, proposals, and federal reports; and provide accounting information and financial advice to the administrative staff as requested.

The staff accountant needs a bachelor’s degree in accounting from an accredited college or university and four years of professional accounting experience. “A master’s degree in arts or business administration and one year of professional accounting experience may be excepted in lieu of the four years of professional accounting experience” (Gaylord and Ried 63). The annual salary ranges from $30,650 to $40,867 (Gaylord and Ried 62-63).

**Accounts Administrator**

An accounts administrator provides assistance and guidance to accounting personnel in accounts payable, accounts receivable, budget control, payroll, and data entry; resolves special projects and problems; oversees general administrative duties for the division; prepares cost distribution reports; provides assistance to other departments regarding accounting-related problems; and prepares a variety of complex reports and analyses. Applicants are required to have a bachelor’s degree in accounting from an accredited college or university and five years of accounting experience. A master’s degree in business administration and two years of experience may be accepted in lieu of five years of experience. The annual salary ranges from $34,698 to $42,264 (Gaylord and Ried 63).

**NOT-FOR-PROFIT ACCOUNTING**

Not-for-profit accountants are needed to maintain appropriate records and prepare financial statements for the organization’s contributors, directors, executives, and for the government agencies that regulate them. Not-for-profit organizations have special accounting standards to meet their objectives, nature of their resources and programs, and their methods of operations (Gaylord and
There are many different not-for-profit organizations and a few of them will be discussed in the next paragraphs.

**Public School Systems**

**Financial Director**

Financial directors are being hired with backgrounds in business administration and/or accounting. The financial director’s administrative duties include managing the general operations of the school system under the direction of the superintendent of schools; supplying the public with information when it is requested; meeting with the teaching and custodial staff and with the unions; supervising the buildings and grounds; and complying with local, state, and federal laws and regulations. The financial director’s financial duties include preparing budgets; financing capital projects; meeting interest and principle payments on long-term debts; monitors the flow of cash; accounting for the school system’s revenue and expenditures; and filing tax forms. Financial directors salaries range from $50,000 to $75,000 depending on the size of the school system. A financial director works full time with holidays, two- to four-weeks’ vacation, medical and life insurance, and a state pension upon retirement (Gaylord and Ried 72-73).

**Treasurer**

A treasurer must meet one of the following qualifications: bachelor’s degree in accounting; associate degree in accounting with related training; bachelor’s degree in field other than accounting with hours in governmental and financial accounting; and high school diploma with three years of experience as a school treasurer or fiscal officer in a government entity. A treasurer has several responsibilities: depositing all monies of the district; keeping a record of cash receipts; reporting current cash balances to the board of education; preparing and distributing invoices; signing purchase orders and contracts; signing checks to disburse money; keeping a records of all...
expenditures; maintaining the payroll function and payroll records; preparing and supervising the bidding process for repairs and capital improvements; assisting in developing school bond issues and operating levies; investing excess funds on a short- and long-term basis; assisting the superintendent or financial director in developing the annual budget; preparing the resolution for annual legal authorization to spend funds, subject to board approval; submitting monthly and annual financial statements to the board; submitting required financial reports to the county auditor, state auditor, and state department of education; and supervising all personnel in the treasurer's office. Salaries vary depending on the size of the school system. Salaries can range from $53,274 for a very small system to $73,342 for a large system (Gaylord and Ried 73-75).

**Colleges and Universities**

*Treasurer, Controller, and Bursar*

Depending on the size of a college or university, these functions may be separate or together. The treasurer supervises the financial affairs of the institution including planning and decision-making. The treasurer's major duties include determining and advising the board of trustees regarding short- and long-term financing needs; preparing reports for the board of trustees; delegating authority for receiving and disbursing funds; forecasting the future financial position; and investment of excess funds. The controller's major duties include responsibility for the accounting function of the university; separate accountability for all funds, which are restricted; establishment of the annual budget and its incorporation into the accounting system; and preparing financial statements for the institution. The bursar's main duty is collect and disburse the money. The treasurer, controller, and bursar together are responsible for the financial health of the academic institution. The controller and/or treasurer hold a bachelor's degree in accounting, a CPA license, or a CMA license and has prior experience in public accounting or with another academic institution.
The salary will be dependent on the size of the institution and the funds available. Salaries will often be comparable to controllers and treasurers in industry. The treasurer, controller, and bursar will also have medical, dental, and life insurance coverage and a pension. They usually work 40 hours a week and have a two- to four-week vacation (Gaylord and Ried 75-77).

*Budget Officer, Fiscal Officer, Accountant*

A budget officer will formulate an annual budget. A fiscal officer will collect, manage, and disburse the institution’s funds or revenue. An accountant will perform routine accounting duties. Internal auditors will perform a continuous review of the accounting system and assess the reliability of financial records. Salaries can range from the low $20,000s for an inexperienced staff accountant in a small institution to $60,000 for an experienced accountant in a large institution. 40 hour workweeks are common and holidays, vacations, insurance coverage, and a retirement pension will be similar to those granted to other staff members (Gaylord and Ried 77).

*Hospitals and Health-Care Facilities*

*Hospitals*

Hospitals need accountants to complete the same purposes as an accountant in the corporate industry. General and cost accountants in private, public, or hospital accounting earn comparable salaries. Senior accountants can earn from $37,000 to $42,500. Patient account managers can earn from $39,600 to $77,300. The vice-president of fiscal affairs in a hospital is responsible for the financial and managerial department in a hospital. They will maintain and supervise the accounting department. The vice-president of fiscal affairs should have a bachelor’s degree in accounting, a master’s degree in accounting or business administration, and be a CPA. Salary will vary depending on the size of the institution and the revenue available. However, salaries are often comparable to chief financial officers in the corporate world. A budget director in the hospital is responsible for the
budgetary process and works with the department directors in forecasting revenue and in reviewing each line item of expense. The budget director will compile all departmental budgets into a master budget and support it with statistical and cost reports. Each month, the budget director will prepare a report comparing the budgeted amounts with the actual costs incurred. A budget director needs a bachelor's degree in accounting with a specialization in hospital and management accounting.

Salaries for a budget director will range from $56,000 to $85,000 a year depending on the size of the hospital (Gaylord and Ried 78-79).

Voluntary Health and Welfare Organizations

"Voluntary health and welfare organizations (VHWOs) are nonprofit organizations that receive their support primarily from public contributions" (Gaylord and Ried 80). These agencies have extensive accounting systems, because their system must differentiate between sources of revenue and budgets are incorporate into them. A fiscal officer is the person responsible for an agency's fiscal operations. A fiscal officer's responsibilities include maintaining daily control of receivables and cash; preparing monthly financial statements for the board of trustees, the United Way, an outside auditor, and/or any other interested parties; preparing operating budgets and comparing them monthly with expenditures; using a cost system to determine hourly costs of programs provided; maintaining internal control and meet all auditing requirements; and complying with policies established by the board of trustees and will all legal requirements that may affect the agency's operation. The fiscal officer is also required to perform the following administrative duties: supervising all fiscal staff members; conducting finance and investment committee meetings; attending board meetings and all other committee meetings; reviewing and updating manuals as needed; and reviewing personnel data and reporting results of the salary survey to a committee. A fiscal officer usually has a master's in business administration or a master's in public administration
that is accounting oriented and a bachelor’s degree in accounting. A fiscal officer usually has had
previous employment experience in a corporation and/or a health-care facility. A fiscal officer must
be bondable and often is a CPA. Salaries will range from $35,000 and on up depending on
experience, whether a CPA, and the length of service. All benefits including insurance,
hospitalizations, and retirement, are paid. Agencies are often liberal in granting vacations and
providing paid holidays (Gaylord and Ried 80-81).

ACCOUNTING EDUCATION

Accounting educators are very important in the professional accounting world. If you do not
have somebody to educate the students in accounting, then you will not have accountants. There are
three types of accounting educators: business and community college; university accounting faculty;
and academic administrator.

Business and Community College

Business and community colleges offer classes in principles of accounting, financial
accounting, cost accounting, and tax accounting. The student is only prepared for a
“paraprofessional position in the accounting world” (Gaylord and Ried 94). A business or
community college teacher will teach, give and grade tests, and counsel students. Business and
community college faculty specialize in teaching certain courses and generally work from 35 to 40
hours per week (Gaylord and Ried 94).

Qualifications

A business or community college teacher is only required to have a four-year degree with a
major in accounting from an accredited university. However, a master’s degree and a CPA
certificate are helpful for promotion. Often, many of the faculty in a university-related college will
have a doctorate (Gaylord and Ried 94-95).
Salary

In a business or community college, salary increases are determined by education, CPA certification, and length of service. A community college may or may not assign rank to faculty members. The ranks for a faculty member are instructor, assistant professor, associate professor, and professor. Salaries will vary by institution, state, and geographic region. The following salaries are the average salaries for a two-year college faculty: professor $51,190; associate professor $42,790; assistant professor $36,790; and instructor $32,510 (Gaylord and Ried 95).

University Accounting Faculty

Four-year university faculty presents an in-depth study of theory and practice of accounting. A faculty member will teach by lecture, discussion, and other means. University faculty is required to publish research in scholarly journals. Accounting faculty members will often specialize in one area of accounting, such as financial, managerial, tax, auditing, and not-for-profit organizations. Financial accounting is taught in introductory accounting courses, intermediate, and advanced accounting and it deals with accounting principles and understanding of financial statements prepared for stockholders, bankers, creditors, and others outside the business entity. Managerial accounting includes costs, budgeting, decision making, and reports and information generated for internal use by management. Tax accounting will include taxation for individuals, partnerships, corporations, estates, trusts, tax planning, and tax research. Auditing includes accounting systems, electronic data processing, computers, and computer programming. Not-for-profit accounting includes local, state, and federal governments; hospitals; universities; voluntary health and welfare organizations; and other nonprofit entities that use fund accounting. Often, college faculty will not have as many hours in the classroom teaching, because of the emphasis on doing research and on publishing (Gaylord and Ried 96).
Qualifications

University faculty are required to at least have a master's in business administration (MBA) or a master's in accounting (MA) degree with a CPA certificate or CMA (Certified Management Accounting) certificate. A faculty with just these minimum requirements will be hired at the lecturer or instructor rank for a maximum of three or four years. If a person wants to become a college professor, then they should complete a Ph.D. program or doctorate in business administration (DBA) in accounting. A doctorate requires the completion of a dissertation involving original research in an area of accounting specialization. A doctoral program will normally take four to seven years of full-time study. The dissertation with the help of a faculty advisor will normally take one or two years of full-time work. A person with a Ph.D. or DBA and no experience will normally be hired at the assistant professor level in an undergraduate or graduate school. Graduate schools require faculty to hold doctorates. Newly hired faculty will generally have temporary contracts for five to seven years. After this time, the faculty's record of teaching, research, and service will be reviewed and tenure might be granted. There are several factors that play an important role in the hiring process: impressions made during the personal interview; recommendations; graduate school record; caliber of university attended; quality of doctoral thesis; publications; ability to do research; and professional involvement. These factors will help determine employment level, undergraduate or graduate, and the starting rank. University ranks are as follows: instructor; assistant professor; associate professor; and professor (Gaylord and Ried 97).

Salary

The following are average salaries for university professors by rank: professor $73,610; associate professor $51,920; assistant professor $43,680; instructor $31,060, and lecturer $35,900.

In 1996 and 1997, most colleges offered new hires a salary from $49,000 to $54,999. Universities
attempt to adjust starting salaries every year for inflation, but it is difficult. Other income for university faculty might include teaching summer school, teaching seminars and adult continuing education courses, textbook royalties, teaching CPA and CMA review courses, consulting for industry, or research through grant monies (Gaylord and Ried 95,98).

_Evaluation, Tenure, and Promotion_

Faculty teaching at the college level is usually evaluated at least once a year. The evaluation is the basis for annual salary increase, tenure, and promotion to a higher rank. Tenure is when a professor is granted job security. When tenure is granted, a faculty member cannot be removed without just cause. Tenure is granted at various years of service for different ranks based on the university. The criteria used in the evaluation process are teaching, publishing, professional activities, and service to the university and community. Each criterion will be weighted with the highest percentages usually allocated to teaching and publishing. Weightings for criterion will vary at different universities. Teaching evaluations include the ability to communicated knowledge to students, stimulate their thinking, motivate their performance, and increase their desire to learn. However, these areas are very difficult to evaluate in a concrete and quantitative manner. Some other items that could be taken into consideration are the level and number of courses taught, development of new courses, and innovative teaching methods. Professors must set aside a certain amount of time to research and publish articles and books in their related fields. Editorships and staff positions on professional journals are very helpful. A professor can contribute to professional activities by presenting papers, giving speeches, and attending seminars. Professors are encouraged to hold an office or chair a committee for a professional organization. Some of the different types of service activities contributing to the university include chairing and serving on committees within the department, college, or university. Serving as an officer or faculty advisor in an organization
such as Beta Alpha Psi is very helpful. University faculty is also encouraged to be active in the community. They can accomplish this by speaking before civic groups, belonging to and participating in community organizations, and serving as directors on the boards of community agencies. All of the aforementioned criteria are considered when granting tenure, promotion, and merit salary increases (Gaylord and Ried 98-99).

Work Satisfaction

"The university professor enjoys a stimulating and challenging environment" (Gaylord and Ried 100). University environments encourage professional growth and lead to satisfaction through independence, self-expression, service to others, stability of employment, opportunity for advancement, good salaries, and availability of positions. University faculty often has very flexible time schedules allowing them to participate in a variety of activities. It also provides time for research and consulting within the community. Outside experience is very valuable, because it helps enhance classroom teaching. Faculty members also have the option of teaching summer classes at additional compensation. Sabbaticals may be requested to pursue a research project. This will free the faculty member from teaching duties, but at a reduced salary. Most universities require a certain number of years of teaching before a faculty member can apply for a sabbatical. Faculty members are often allowed to take additional undergraduate course work free of charge or a reduced rate at most universities. Some universities will also allow a faculty member’s spouse and children to obtain a bachelor’s degree free of charge. Faculty members also have the usual benefits of medical and dental insurance, life insurance, and retirement plans (Gaylord and Ried 100).

Academic Administrator

An academic administrator is the chairperson of the accounting department at a community college or university or the administrator of a business college. Academic administrators often have
reduced or eliminated teaching to provide time for handling the responsibilities that go with administering a department or college. Some of the various responsibilities include attending numerous meetings, staying abreast of curriculum changes, hiring new faculty, negotiating the budget, and handling public relations. Some colleges and universities will rotate the five-year department chair among faculty members. The range of salaries for an accounting department chairperson is $62,200 to $144,700 and for a director of a school of accounting is $73,000 to $156,200. An academic administrator is required to have management skills including developing budgets, writing statements of objectives, learning methods of evaluation, and delegating tasks. Academic administrators must demonstrate skills required of a top executive (Gaylord and Ried 100-101).

CONCLUSION

This paper has given you a look at the five different sectors of accounting: public accounting, corporate accounting, governmental accounting, not-for-profit accounting, and educational accounting. This paper can only help each individual achieve a better understanding of the sectors of accounting. You must make your own decision as to what best meets your need and goals as a professional accountant. I hope that you have found this paper informative in the careers paths for accountants.
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