A Look at the Accounting Internship Program

An Honors Thesis (ID 499)

by

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THE INTERNSHIP PROGRAM

A complete college experience influences a student's abilities not only within the classroom but also through extracurricular activities and programs specifically designed to enhance the depth of knowledge gained in a particular field. Programs such as this are often termed internships and are afforded students who have proven themselves in the classroom and seek to gain actual "on the job" experience in their chosen field. A field in which students, myself included, are often granted internships is accounting. By looking at the accounting internship program, my internship experience, and an evaluation of the accounting internship program, one will be able to clearly see the importance of the experience given by an internship and how such a program should work.

Definition

An accounting internship is open to students at any time after their junior year is completed. Whether it is a summer internship or one that takes place during one of the two senior semesters, as long as the student has completed the intermediate and cost accounting classes the student is eligible to be an intern. Qualifications also state, "Applicants must also be of good character and must exhibit a favorable personality and attitude."
Responsibilities of the Student

There are three primary responsibilities of the accounting intern. These are "to take the internship seriously and conduct himself in a manner which will reflect favorably upon the employer and Ball State University; to understand and comply with all of the rules of the employer and the internship program; and, to prepare weekly reports and a summary report at the conclusion of the internship experience."

Since the intern is a representative of Ball State University and its accounting program, the first of these responsibilities is the most important. The impression that an intern has on a company's management can strongly affect the hiring of future interns and could severe possibilities of the firm hiring graduates for permanent positions. The intern, then, should be very careful to consistently act in a professional manner and represent Ball State as well as possible.

In order to successfully complete the internship responsibilities for Ball State and the employer, the student must be careful to understand and comply with all of the rules set forth for him. Unless such an understanding is achieved, the student's obligations will go unfulfilled, negative goodwill
may result with the employer, and the student's experience will be hampered. To gain full advantage of the internship, understanding must be achieved and the rules must be complied with.

The weekly reports serve two purposes. First, they provide the accounting instructor with a tool to judge how valuable a learning experience the intern is having and how the program may be changed; and, second, they give the intern practical experience in preparing reports and allow him a chance to think reflectively on the work he is doing. These reports serve well as a check on the student's skills and give the accounting instructor a basis on which to grade.

The Internship Process

When a student has fulfilled the education requirements for the internship program, he becomes eligible to participate in its process. This process begins with a prospective employer notifying the accounting department of its intended participation. If it is felt that the employer would be beneficial to the program, the employer is instructed to set up interviews through the Office of Career Services.

After a prospective accounting intern has submitted an internship application to the accounting department, he is advised to sign-up for interviews with potential employers. These employers are allowed to choose the best candidate from
all potential interns and are expected to deliver an offer, by mail, to both the intern and the accounting department. The chosen intern is then responsible for responding, in writing, within two weeks to both the employer and the accounting department. Since there are many potential intern candidates and a limited number of employers, not all intern candidates will be extended an internship offer. Given this, the internship becomes a reward to outstanding students and good practice in interviewing and job hunting.

After a student has accepted an internship position, he may officially register for the internship class (ACC 481). Requirements set by the accounting department on the employing firm is that it offer a "fair" salary, that it set the duration of the internship to be at least 10 weeks, and that it provides the intern with a carefully planned, well supervised, and clearly explained work load. At the end of the internship duration, the employer is required to submit a report on the intern's performance and give suggestions for the improvement of the internship program. The student is expected to adhere to all rules and responsibilities set forth by the employer and will have 50% of his grade determined by the employer's final evaluation. The other 50% is based on the student's reports.
MY INTERNSHIP EXPERIENCE

During the summer between my junior and senior year, I was allowed the experience of an internship. The company was Public Service Indiana (PSI), and the internship proved to be one of the highlights of my college career. I interviewed with a PSI representative early in the spring of 1988 and after receiving an offer, I responded positively and so notified the university accounting department of my position. After registering for the class, I secured all needed materials from my accounting instructor and thus began my internship experience.

General Expectations

When given the internship, I was yet unsure of all the implications. I had visions of actual class time, many visits with and from my accounting instructor, and extensive obligations to the university to fulfill internship requirements. However, I was quite surprised when I learned the expectations of the university included only a weekly report, a final conclusion/evaluation report, and a professional attitude. The writing requirements were quite fair and were easily fulfilled within an hour or two each week, and the development of a professional working attitude was easily achieved given the discipline required to be an accounting student and the atmosphere presented in the PSI accounting department.
After grasping the expectations the university had of me, I developed a few expectations of myself. First, in order to insure accurate and complete periodic reports, I wanted to dedicate myself to keeping a daily journal. In order to get the most out of the internship, I committed myself to being inquisitive and open with my managers and co-workers. By not becoming an inhibited and "tight" intern, I would be more likely to have questions answered and develop a stronger, better working relationship with those around me.

Experiences

Once I got into PSI, I knew I had opened myself up to a vast collage of experiences. The managers told me from the start they intended to allow me the privilege of working in as many of the accounting departments as possible. My official assignment was to the department known simply as "Corporate Accounting." Its primary obligations were to examine all financial statements (internal and external), proof all documents, compile all data requested from an outside department or company, and to complete any special projects needed by accounting administrators. During the duration of my stay, I got a taste of each of these obligations, a few of which will soon be addressed, and also inputted journal entries, took a three day computer training course, and attended training sessions targeted at all staff accountants. The department to which I was assigned was ideal
for an intern and allowed me a most well-rounded experience by putting me in the center of the accounting department and allowing me direct contact with all the other accounting departments which utilize its services.

PSI participates actively in not only Ball State's internship program, but also in those of other universities. The position which I held is a continual one filled many times throughout the year. Up to the week I started, a student from Indiana University of Indianapolis had filled the position, and when I began, I simply picked up where she left off. Consequently, PSI has had much experience working with interns, and working with the company was made quite easy. The management and staff were very congenial, sensitive to my needs, and always were eager to answer my questions. PSI had outlined obligations and expectations of me, and because of its experience, my internship experience was much more structured and beneficial.

To provide examples of what types of projects I was given during my eleven week internship, I would like to discuss the two that proved most interesting and educational. These include a Preferred Stock Analysis and a Vehicle Mileage Study.

The Preferred Stock Analysis was the first project I was given during my internship. The purpose of the project was to compile a listing of how all the utilities that redeemed preferred stock reported the gain or loss attributable to them.
This list was to be used as a source for a speech that was going to be delivered by a PSI executive at a conference. The project entailed digging through all of the annual reports of utilities from all across the nation and determining first, if they redeemed preferred stock and second, if so, how they reported it. I was surprised to find in the company's files annual reports from almost every utility in America. I spent over a week going through these reports and finally had the raw information to work with. 

After I had pulled the basic information out of the reports, I moved to a computer work station and worked on a Lotus spreadsheet. Since Ball State had prepared me to work on this software package, I was allowed to skip the normal tutorial and went straight to inputting the information I had collected. I set it up in a way that would be easiest to understand and was careful to document it as the company requested. After I proofed my work, I forwarded it up the chain of command and moved on to my next project. Eventually, it was passed back to me with a few suggestions which I heeded and then printed off a final draft. 

Another project which proved very interesting and educational was a Vehicle Mileage Study. For this project, I was required to compile the total cost per mile for an average employee driving a mid-size car, and then, to perform a
break even analysis to determine when it would be in the company's best interest to have an employee drive a company car instead of his own.

The project began with research to find an average number of miles an employee drives for the company during a month. To do so, I pulled literally thousands of numbers off of vouchers for the three months chosen for me to study. Next, I called insurance companies, gas stations, and many other places to collect prices involved in purchasing and maintaining an automobile. All of this information was compiled in a Lotus spreadsheet making use of many formulas. The finished product of this part of the study was a worksheet that allows a user to input the price, yearly mileage, miles per gallon, and number of years of a car's usage and then outputs to the user the total cost per mile and the total cost per business mile. This information was to be used by management to determine if PSI should follow the IRS lead and reimburse at $.22 per mile or to keep the current $.20 reimbursement rate.

To complete the breakeven analysis, I was again allowed to set the entire study up on Lotus and was required to use many formulas and, of course, global protection. After requesting information from the many different accounting departments, I compiled all the costs associated with the company leasing a car. I learned much about leasing and was surprised at how depreciation was set up as one large rate that includes all the
company's assets. After compiling this information, I compared it against the information I compiled the previous week concerning the use of a privately owned car. My analysis showed that as long as an employee drives at least 17,000 miles in a car a year, a $.22/mile reimbursement would be appropriate. After 17,000 miles, though, the cost per mile drops significantly; so, it would be more efficient for an employee to drive a company car. All this information was then passed up the chain of command and used for decision making.

Evaluation of my internship experience

By looking at the aforementioned projects one can easily tell that my internship experience was one that proved educational and interesting. To offer a more complete evaluation of my experience, I will break it down, again, to the company and personal levels.

The company was quite willing to help me in any way possible. Each week I sat down with my manager and discussed my thoughts, her opinions of my work, and any questions I had. She always made it a point to ask, "Are there any other aspects of accounting you would like to work in?" By her doing so, not only did I feel comfortable working, but I also had a say on the different areas I would be working. After a few weeks of work, I asked to input journal entries, and thus, I did. Later, I asked to be allowed to participate in payroll, and again, I did.
It is because of the company's willingness to meet me at my level and afford me the experiences I desired that my internship proved a renaissance experience. The company did an excellent job, and its role in my internship was one to be applauded.

On a personal level, my internship proved itself an excellent, educational experience. By shifting from department to department, working with many managers, and being assigned projects from account analyses to vehicle expense studies, I received a well-rounded example of what corporate accounting is all about. Plus, simply by being able to penetrate the corporate setting I was given a good taste of how a company can work and how I, as a prospective employee, could fit into its network. On the whole, I regard my internship experience as a complete and total success. I met all of the requirements for the university, fulfilled all expectations from the company, and completed the purpose of the internship program.
EVALUATION OF THE INTERNSHIP PROGRAM

Having discussed the internship program in general and used my internship experience as an example, I would now like to relate an evaluation of the three levels of the internship program: the student, school, and company level. For each, I will identify negatives and positives and offer suggestions for change.

Student level

It requires much discipline for a student to get as much as possible out of an internship. If he fails to give 100% to his position and chooses not to dedicate himself to keeping proper inventory of what he is doing and why, he could easily pass through the internship program without gaining the valuable experience it offers. The internship offers a student an excellent taste of his chosen profession, gives him practical experience in both his field of study and the business world, and it can give him an "in" with a company. Negative aspects on the student level include the low number of positions available to students, the limited amount of preparation afforded the intern, and the lack of communication between interns.

As possible improvements for the internship program on the student level, the following may be considered. First, I propose that the internship, in some cases, be shortened so that
more students will be allowed to participate. By offering to companies and students a three hour internship lasting only five weeks, more students would be able to gain advantage of its benefits. Another possible change to counter the low number of positions problem is a shift in emphasis towards having students work harder to solicit their own internship company. By providing more specific guidelines for students to follow to capture their own position and encouraging them to do so, more students, again, should be able to join in on the internship program. Finally, since the internship experience is one that can prove most important to one's education, I propose a requirement be added to the accounting curriculum making students serve as an intern. For students not gaining such a position, a thesis or other creative project should serve in its place.

School level

On this level, the internship serves as a strong link between businesses and Ball State University. By having Ball State students go into companies to work for a temporary time, companies receive a good taste of the caliber of the university's students. This is important in that it promotes the chances for graduates to be hired in such companies and encourages the possibility that a company may financially support the university. Other positive aspects on this level
include the use of the periodic report and the improvement in the education afforded to students. Negative aspects include the possibility for a student to slide through without doing much work, the lack of communication during the course of the internship between the intern and the accounting instructor, and the lack of student preparation for working in the corporate setting.

As possible improvements for the internship program on the school level, the following may be considered. First, as a check on the student's accurate and complete reporting of his activities, he should be required to have his manager sign his periodic reports before he sends them in. Such a requirement would force interns to issue accurate reports that would give the accounting instructor a fine summation of their performance.

As part of the program, the intern should be required to attend three classes during the internship period. The first would take place before an intern actually begins his position. It would focus on proper behavior and attitudes in the corporate setting and require the student to record his personal and educational goals. Such a class could be sponsored by Career Services and, if needed, take place on a Saturday. The second class would fall in the middle of the internship and focus around a mid-internship evaluation. It would be run as an open forum and allow students to discuss their progress towards the
attainment of their set goals. By hearing others discuss their activities, students may develop ideas of activities to request involvement in and be able discuss commonly faced issues. The final class would take place immediately following the internship and allow students to share their experiences and do an end-of-internship evaluation. These changes would promote contact between interns and communication with the accounting instructor. Also, such changes would allow better feedback and more encourage interns to get the most out of their experience.

Company level

For the company, the internship offers good, cheap labor, an opportunity to push "busy work" on someone other than staff accountants, and it gives some tax advantages. Most importantly, it often gives the company a chance to test a prospective long-term employee on a short-term basis. Many times, an intern will be given the opportunity to work for the company with which he interned. The company, having sampled his abilities, will be assured of his capabilities and be able to strongly determined whether he would be an asset to the company or not. The major negatives include interns that interviewed well but do little to serve the company and the fact that every intern has to spend the first part of the internship receiving training.
As possible improvements for the internship program on the company level, the following may be considered. Before the intern steps in the door, the company should have a prospective outline of duties the intern is to perform. This would provide the intern with a clue as to where he is going in his position and allow for a more structured experience. Weekly meetings with the internship supervisor should be mandatory. Such a time provides for better communication, allows the intern to ask questions, and will facilitate his feeling comfortable at work. Finally, the company may wish to require weekly or bi-weekly reports on the intern's impression of the company and his position. A report in this manner would give the company good feedback and keep the intern on his toes.
CONCLUSION

The internship has been defined as a program, examined as a personal experience, and evaluated on different levels. As a conclusion, the personal level will be addressed even more in depth. An analysis of personal reactions and some recommendations to future interns should prove helpful to those considering an intern position and add meaning to the program on a more humanistic level. Finally, the purpose of this thesis will be reviewed.

Personal reaction

Internships sometimes take place near one's own hometown; however, sometimes they are performed in an "out of town" setting. For those required to work away from home, a new experience may take place. The internship might prove to be the first time a student is required to locate housing on his own, meet all of his own needs unassisted, and be required to fulfill all of the demands of an 8 to 5 job--such as wearing a suit and tie every day and conforming to company expectations. This was the experience for me. It was the first time I stepped out from under my parent's and the university's wings and took on more of the responsibilities of being an adult.

To secure housing, I received much assistance from the company. It was quite helpful and gave me numbers I could call to arrange a lease. With this help, I easily made arrangements
in advance and, next, had only to prepare myself for such a living experience. My parents were helpful in providing eating utensils and cooking equipment, and a new line of credit at JC Penney's provided a few suits to start me out. With all these pre-position details secured, I only had left to tackle the psychological and emotional aspects of the position.

A mistake commonly made is going into the company with a false vision of what it consists of. I had imagined a tense, serious, and dry environment promoting only the concerns of the business. Consequently, I was soon to realize the company was made up of nothing more than people, warm, compassionate people. Everyone from the controller to the newest staff accountant reached out to me to offer help and friendship. What I gained was not only an experienced staff to give me assistance when needed, but also a group of caring friends. This point is one well to remember because it makes going into and working in any company much easier.

Recommendations to future interns

Going into any new environment can prove a frightful and overwhelming experience. The key to succeeding as an intern is to be open and honest with those you work with and yourself. Interns are not expected to be perfect; they are just expected to do the best job they can. Managers expect interns to require additional assistance by nature of their position and do not
think twice about questions they ask. If an intern goes in with a sincere interest and a willingness to work hard, the company will respect him as a person and most likely be pleased with his performance.

Specific recommendations I would like to offer future interns include developing a friendship, keeping a journal, and going the extra mile. First, to best understand the "ins and outs" of the company, a relationship should be built with a co-worker. Preferably it should be someone close to the intern level (a staff accountant) and someone knowledgeable about the unwritten rules of the company. The relationship may start by buying him a cup of coffee and should continue through daily lunches and possibly outside-of-work activity. This person can prove to be of unmeasurable value during the course of the internship by providing help and guidance when the managers are unavailable. To best keep track of both personal and educational experiences, the intern should commit himself to keeping a daily journal. Such a journal proves invaluable when preparing the periodic and end-of-internship reports and helps the intern keep good perspective of his internship obligations and developments. Finally, the intern should always strive to go the extra mile. Managers know the difference between a job completed and a job well done, and it is this same distinction that proves an intern as excellent rather than average.
Summary

Having looked at the accounting internship program, my internship experience, and an evaluation of the accounting internship program, one should be able to clearly see the importance of the experience given by an internship and how such a program should work. Interns heeding the mentioned recommendations will find them both helpful and crucial to getting the most out of the internship position. By examining some of my experiences, any student will be better able to cope with the pressures of beginning as an intern. My internship experience was instrumental in the decision of whether I would pursue a career in my chosen field of study or not. It allowed me a sample of where I can go and what I can be—a sample of great importance. It is because of this I write and wish for every student the same opportunity for which I had the privilege.