

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Review of a Proposal for a Master of Accounting
Program at Iowa State University
Date: January 19, 2000

Recommended Action:

Refer the proposed Master of Accounting Program to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendations.

Executive Summary:

Iowa State University is requesting approval of a new M.A. program in Accounting. ISU's proposed program (MAcc) is a response to revisions in the Iowa CPA law which becomes effective January 1, 2001. That law will require Iowa CPA candidates to complete 150 hours of college education before they may receive their CPA certificate. This law is similar to CPA laws passed in many other states. The most common response by higher education institutions elsewhere has been to develop a program similar to the one proposed. In Iowa, the three Regent institutions may all develop MAcc programs, albeit with somewhat different foci. If approved, the ISU program would likely begin in Fall 2000.

The Department of Accounting maintains that the new degree program is consistent with the departmental mission and the strategic plan of the College of Business and the University. It is consistent with the Board of Regents' Key Result Area 1.0.0.0 of quality and Objective 1.1.0.0, improving the quality of existing and newly created educational programs.

The faculty proposes that the new program (MAcc) would be a one-year program comprised of 32 credit hours. Of that number, 15 hours would be in accounting, 15 outside of accounting, and would include a two-hour creative component, in lieu of a thesis. The program conforms to standards of the American Association

of Colleges and Schools of Business (AACSB), containing communication, global, and technological components designed to help Master of Accounting students prepare for the changing accounting environment.

Effective January 1, 2001, the State of Iowa will require that an individual seeking CPA certification have 150 credit hours of post-secondary education. The new law permits students to take the CPA examination before completing the 150 credit hours, provided they have completed 24 credit hours of accounting beyond elementary accounting and business classes. It is likely that some students may finish their required undergraduate course work, sit for the CPA examination, and then pursue a Master of Accounting degree to complete the additional credit hours necessary for obtaining the CPA certificate.

The primary objective of the proposed Master of Accounting (MAcc) program is to build on the strengths of the undergraduate program. It will enhance their accounting training and give students the knowledge and skills necessary to be successful in the profession, as well as to be consistent with the new 150-hour requirement of the Iowa law.

The proposed program meets the standards of the AACSB and the International Association for Management Education, which require a minimum of each of the following: 30 semester hours before the undergraduate business degree; 15 semester hours in accounting (at least 12 of which must be in courses designated primarily for graduate students); 70% of the credit hours be in courses primarily for graduate students; and nine semester hours of non-accounting courses.

Pages 3-9 contain the University's responses to the Regent Program Approval Questions.

Charles R. Kniker

Approved: _____
Frank J. Stork

