TEXAS: A STATE OF MIND
by Steve Limberg
Chair, Department of Accounting

The first accounting course was offered at The University of Texas at Austin in 1912. Twenty students enrolled. Today there are well over 600 students in accounting at UT. The last three years witnessed the two largest entering PPA classes ever. Already strong applications are on the rise in the stand-alone MPA program. Students are highly sought after and tremendously successful in their chosen careers. The Department’s programs continue to be among the top rated in the nation. These ongoing positive trends give pause to consider how an endeavor with such a long tradition of excellence sustains itself.

I believe that one key to the Department’s enduring success is deeply rooted in the culture of Texas. Always forward looking, the entrepreneurial spirit is endemic to the mentality of the State, University, College, and especially the Department of Accounting. A “can do” attitude reminiscent of the State’s great ranchers permeates. A conviction that “any thing is possible” reflects the heritage of wildcat oil drillers. In its latest progressive manifestation, Texas plays a leading role in high technology and international business. This is not a place that rests on its laurels while dwelling on the past. Texas has always been on the move.

Red McCombs Gives $50 Million To UT Business School — Largest Single Gift in UT History

AUSTIN, Texas - In the largest single donation in the 117-year history of The University of Texas at Austin, San Antonio businessman Red McCombs has given a $50 million cash gift to the University’s business school, UT officials announced at a press conference on May 11, 2000.

To honor McCombs for his extraordinary gift, the UT System Board of Regents has authorized the renaming of the UT Austin College of Business Administration and Graduate School of Business as the Red McCombs School of Business.

“Red McCombs has been a leader and visionary in Texas for many years,” said UT Austin President Larry R. Faulkner. “He is committed to expanding opportunities for all Texans and to building a better future for our state and nation. We are proud and grateful that he has chosen The University of Texas at Austin as the means to accomplish these aspirations. With this gift, Red McCombs is making a Texas-sized impact on the future of this state, now and for generations to come.”

“The gift by Mr. and Mrs. McCombs is philanthropy practiced at the highest level,” said Johnnie D. Ray, Vice President for Resource Development at UT Austin. “The quality and reputation of this University and its ability to...

Farewell Good Friend!

In a recent communique, Steve Limberg, Department Chair, announced that Don Tidrick accepted a tenure-track position as Associate Professor at Northern Illinois University effective fall of 2000. “Clearly NIU’s gain is our great loss. Don’s contribution to the Department has been profound since he arrived on the “Forty Acres” nine years ago. His commitment to UT has been uncompromising.”

Under Don’s leadership as PPA Director, the program has flourished, and the lyceum has become a preeminent feature known nationwide. In his capacity as Associate Chair, his activities have been invaluable to the Department. Don’s transition marks the departure of a valued colleague and friend of faculty, staff, and advisors alike. His presence will be no more missed than by the innumerable students who have greatly benefited from Don’s guidance, instruction and mentoring. Happily we can look forward to an on-going relationship with Don through our summer programs and/or the CPA review course.”

Subsequently, Professor Limberg announced that Rick Joseph has agreed to...

UT-Austin’s Graduate Accounting program moved up from fourth to second place in the April 2000 “U.S. News & World Report” rankings of Universities and Colleges.
CONFERENCE & WORKSHOP ACTIVITIES

Professor Steve Kachelmeier coordinated the 1999-2000 Accounting Colloquia. Research papers were presented by J ohn Phillips, U. of Connecticut; Merle Erickson, U. of Chicago; J aime Pratt, U. of Indiana; Amy Hutton, Harvard; J oan Luft, Michigan State; K. R. Subramanyam, Southern California; Kathryn Kadous, U. of Washington; I Ila Dichev, U. of Michigan; Rick Young, Ohio State; Ron Kasznik, Stanford; Ed Summers and Bill Cooper, both of UT-Austin.

As part of the series, doctoral students Haidan Li, Kristy Towry and Alex Yen presented their second-year summer papers.

The Tenth Annual Conference on Financial Economics and Accounting was held at the Texas Business School on October 29 – 30, 1999. Program Chairs were Professors Eric Hirsh and Senyo Tse, Accounting; Professors Robert Parrino and Ehud Ronn, Finance. The keynote speaker was Dr. Robert H. Litenberger of The University of Texas at Austin.

The conference was sponsored by the Texas Business School Department of Accounting and Department of Finance; The New Jersey Center for Research in Financial Services; The Review of Quantitative Finance and Accounting; The National Association of Securities Dealers. Over fifty-eight papers were presented and scholars from over 30 schools attended.

All papers presented in the 2000 J ATA Conference held on February 25 were authored or co-authored by either a UT grad or a UT faculty member and are as follows: "The Effect of Taxes on Acquisition Price and Transaction Structure," Wayne Shaw Professor, Southern Methodist University (Ph.D. ’85 UT-Austin); Steve Henning, Southern Methodist University; Toby Stock, University of Colorado.

"The Effects of Goodwill Tax Deductions on the Market for Corporate Acquisitions," Ben Ayers, Assistant Professor, University of Georgia (Ph.D. ’86 Texas), Craig Lefanowicz, Assistant Professor, Michigan State (Ph.D. ’90 Texas); J ohn Robinson, Professor, UT-Austin (Ph.D. Michigan ’81).

"Divestiture Structure and Tax Attributes: Evidence from the Omnibus Budget Reconciliation Act of 1993," Connie Weaver, Assistant Professor, UT-Austin (Ph.D. Arizona State ’97).

"Joint Ventures Between Non-profit and For-profit Organizations," Richard Sansing, Associate Professor, Dartmouth (Ph.D. ’90 UT-Austin).

The 2nd Annual BMAS Academic Conference, Assurance Research Opportunities Using Analytics, was held on the UT-Austin campus on Friday, March 3, 2000 and attended by 36 invited faculty and doctoral students from 22 universities around the country as well as 34 professors and students from UT-Austin. The BMAS Director, Bill Kinney, began the day by outlining how technology changes the roles of measurement and assurance services. Professor Joel Demski, the Frederick E. Fisher Eminent Scholar at the University of Florida, presented a workshop on the use of analytic models in improving information quality for decision-making.

Professor Demski was followed by Rob Bloomfield, Cornell University; Rachel Schwartz, Washington University; Bente Villadsen, University of Iowa; and Frank Gigler, Northwestern University, who presented assurance services research in progress using analytics and experimental economics. The conference ended with discussion of publication opportunities led by Raffi Indjejikian, University of Michigan, and Steve Kachelmeier, University of Texas at Austin, both associate editors of The Accounting Review.

The 2000 Conference was the second in a planned series of five. In 1999, Robert Libby of Cornell University addressed research opportunities using experiments. The conferences introduce leading young professors and their Ph.D. students to analytic research opportunities in business measurement and assurance and provide some tools and contacts to address the problems. The BMAS series is designed to have a multiplier effect on business measurement and assurance research and teaching across the country. The 2001 Academic Conference will feature management accounting issues and internal control in providing relevant and reliable information for internal decision-making. Future conferences will emphasize managerial use of technology in risk assessment, internal control, and decision-making.

The BMAS Center provides a forum for UT-Austin accounting and business faculty, Ph.D. students, others in the Graduate School of Business, and still others from around the country to collaborate on projects and research pertaining to assurance services.
PROMOTIONS & NEW FACULTY

Steve Kachelmeier has been promoted to Professor effective the fall of 2000. He holds the PricewaterhouseCoopers Endowed Fellowship in Accounting and is the Graduate Advisor of the Accounting Doctoral Program. Professor Kachelmeier received his B.B.A. from the University of New Mexico in 1980 and worked as an audit professional with KPMG until 1983. He earned his Ph.D. from the University of Florida in 1988. An award winning teacher, Professor Kachelmeier specializes in financial accounting and auditing. In addition to teaching in the undergraduate and graduate programs, he is the Accounting Ph.D. Program Graduate Advisor.

Shane Dikolli joined the faculty as Assistant Professor in January 2000. He received his Ph.D. from the University of Waterloo, Canada, in 1998. He graduated with distinction from the Curtin University (Australia) bachelors (1986) and masters (1994) programs. He was admitted as a Certified Accountant (Australia) in 1990. Shane’s work experience includes Hendry, Rae & Court (Chartered Accountants, Australia); budgets administration with Curtin University; teaching appointments at Curtin and at Wilfrid Laurier University (Canada); and KPMG in Amsterdam. Shane’s primary research interest is in investigating the determinants and consequences of contractible performance measures. Shane’s area of teaching interest is cost and management accounting.

Karen Sedatole accepted a position as Assistant Professor with the department and will start August 2000. Karen received a B.S. in Engineering (1987) from Baylor University and an M.B.A from UT Austin (1989). Following her graduate work at UT Austin, Karen worked as a consultant for an Austin-based software firm where she worked in the design, implementation and installation of Decision Support Systems and Executive Information Systems for clients across a variety of industries. She taught accounting at Stephen F. Austin State University for five years before attending the University of Michigan where she received her Ph.D. in accounting (2000). Her area of teaching is managerial accounting and her research interests include performance measurement, management control systems, cost management and organizational design. ★

ALUMNI NOTES

Dick Townsend (PhD ’72 UT-Austin) received the 1999 Tennessee Society of CPA’s Lifetime Achievement in Accounting Education Award. He teaches financial accounting and serves as the Director of the Master of Accountancy program. He is a frequent discussion leader in continuing education courses for CPAs in the Southeast and has co-authored two continuing education course for the AICPA. In addition to several College of Business teaching awards, he is also a recipient of The University of Tennessee’s Alumni Outstanding Teaching Award.

Sandra Vera-Munoz (PhD ’94 UT-Austin), Assistant Professor, Notre Dame, is recipient of the Department of Accountancy’s 2000 Dincolo Award for Excellence in Undergraduate Teaching.

Priscilla Slade (PhD ’90 UT-Austin) was named President of Texas Southern University on October 27, 1999. Dr. Slade joined TSU in 1991 as Chair of the Accounting Department and was named Dean of the Jesse H. Jones School of Business at Texas Southern in 1992. Dr. Slade received a B.S. degree in Business Administration from Mississippi State; an M.P.A. in Accounting from Jackson State and PhD from the University of Texas in 1990.

Dr. Slade’s achievements are fueled by her quest for excellence in her own life. She currently serves on the Quality Review Oversight Board for the State of Texas. Additionally, she serves on the Finance Committee of the Board of Directors of the Houston Area Urban League; the Board of Directors of Junior Achievement, Inc.; and, the Board of Directors of the American Association of Collegiate Schools of Business, and a member of the Administrators of Accounting Programs Group. Her dedication to academia includes publications in refereed journals and proceedings.

The new president of TSU has accomplished much in her life but nothing gives her as much pride as being the mother to two sons. Dr. Slade enjoys playing bridge, backgammon and tennis. She is a member of the Windsor Village United Methodist Church choir; Alpha Kappa Alpha Sorority, Inc.; the National Association of Black Accountants; the American Accounting Association; Beta Alpha Psi Accounting Fraternity; and the American Association of Women Accountants. ★

PPA Class of ‘90 Plans Ten-Year Reunion This Fall

Plans are underway for our Ten-Year Reunion this fall, and we need to hear from you! The weekend festivities will include a reception and dinner Friday evening with either brunch or dinner on Saturday depending on kickoff time.

Dr. Gary Waters, former PPA Director, is planning to attend the Friday night events.

We have a choice of either October 21 (Missouri) or October 28 (Baylor) for the reunion. Please vote for your preference as soon as possible.

In addition, we’re trying to establish a contact list for the whole class. Please email Allan Sih at asih@alumni.utexas.net or call him at 212-640-2583 today for reunion information and to place your name on the mailing list. Thanks! ★
TEXAS... CONTINUED FROM P. 1

The state of mind that is Texas is inseparable from the Department’s collective mindset. Programs are continuously pushing the vanguard as with Professor Bill Kinney’s pioneering curriculum and research in assurance services and business measurement; progressive courses in computer audit and systems security, and audit and control for e-commerce; advanced student interactions and business collaborations; and, avant-garde programs such as the 15-year old PPA and internship models that have been widely emulated, to name just a few examples.

As with the State, the faculty’s scope is global. Recently, accounting faculty members have had numerous meaningful foreign business experiences ranging from living abroad to shorter academic visits. Locations have included Brazil, Canada, Chile, Finland, France, Jamaica, Mexico, Spain, South Africa, Taiwan, and Thailand to name a few.

Yes, the Department has an outstanding tradition—a tradition of change, innovation, agility, high aspirations, and successes as big as the State itself. It is hard to envision enduring excellence in any other setting.

McCombs... CONTINUED FROM P. 1

transform lives for the benefit of society has been materially lifted. Texas and the nation are the ultimate beneficiaries.”

Robert G. May, Dean of the College of Business, said, “I’d like to emphasize how proud we are that a person of Mr. McCombs’ stature would bestowed such a generous and important gift on our school. He represents the things we value in preparing outstanding new business people—entrepreneurial spirit, good business judgment, integrity and community leadership. He’s a real Texan and he honors us doubly with his great financial help and by associating his name with everything we do.”

McCombs attended UT Austin in the late 1940s as a business administration student and has become a legend in Texas business. He is a recipient of the UT Austin Distinguished Alumnus Award and a member of the Texas Business Hall of Fame.

McCombs is well known for his generous philanthropy, particularly to humanitarian efforts, education and health organizations. His gift provides half the capital for a planned $100 million endowment fund to further increase the school’s stature. Disbursed annually over eight years, the gift will permit the school to greatly increase faculty productivity, attract more star-quality faculty, improve student programs and become one of the leading providers of business education in the world.

For detailed information, visit http://www.bus.utexas.edu/.

TIDRICK... CONTINUED FROM P. 1

serve as the combined MPA/PPA Director effective with Don’s departure this summer. “As many of you know, Rick has made an outstanding contribution to our programs during the eight years he has been on the faculty.” . . . “His forthcoming and increasingly important contribution as the MPA/PPA Director will be a great asset to the Department and our students.”

In a recent memo addressed to faculty, staff and students, Don Wagner, John Fogarty and Jeff Dawson of Deloitte & Touche conducted a BMAS Workshop at the Texas Business School on April 21, 2000. The primary purpose was to inform the Accounting faculty and doctoral students of the range of activities in which assurance practice is engaged and its interface with business advising and decision-making. Topics of discussion included the nature of Audit (attest)-related assurance services today and beyond, and Accounting-related assurance/consulting (e.g., how accounting knowledge is used in practice for decision support, systems design, M&A, business structuring, and international location decisions).

Professor Bill Kinney is the Director of the Department’s Center for Business Management and Assurance Services. He was a member of the Elliott Committee and has been at the vanguard of assurance services education and research in academe.

ACTIVITIES... CONTINUED FROM P. 2

Gaynor, Professors Eric Hirst, Lisa Koonce, Mary Lea McAnally, and David Platt have been sponsored by BMAS. Professors David Burgstahler, University of Washington, and Roger Martin, Indiana University, have conducted BMAS projects and Professors Sirkka J arvenpaa and Emerson Tiller of UT-Austin’s Information Systems faculty are currently pursuing measurement and assurance research on E-Commerce.

Don Wagner, John Fogarty and Jeff Dawson of Deloitte & Touche conducted a BMAS Workshop at the Texas Business School on April 21, 2000. The primary purpose was to inform the Accounting faculty and doctoral students of the range of activities in which assurance practice is engaged and its interface with business advising and decision-making. Topics of discussion included the nature of Audit (attest)-related assurance services today and beyond, and Accounting-related assurance/consulting (e.g., how accounting knowledge is used in practice for decision support, systems design, M&A, business structuring, and international location decisions).

Professor Bill Kinney is the Director of the Department’s Center for Business Management and Assurance Services. He was a member of the Elliott Committee and has been at the vanguard of assurance services education and research in academe.

“I will be a 5th year PPA student in the fall. I have had the great pleasure of being acquainted with Dr. Tidrick since my first semester in the program, and I was also a student in his auditing class in the fall of 1999. Dr. Tidrick’s personal enthusiasm and contribution to the PPA program has been immeasurable. He has been a friend as well as a teacher to me and many of his students, and we will be sorry to see him go. That said, I would like to join with the rest of the department in wishing him and his family success and happiness in the future.”

—Geiv Dubash
Peter A. Prescott of Sugar Land, Texas, MPA ’99, earned the silver medal for the second highest grade on the May CPA Exam. He is a tax specialist in the Houston office of KPMG.

The following Accounting students are recipients of the 2000-2001 Unrestricted Endowed Presidential Scholarship:
- Lisa Dragoset
- Heather Jenkins
- Marcie Parastar
- Clinton Rancher
- Michael E. Bauer, MPA ’98, published two articles about German tax issues which appeared in the internal Deloitte & Touche publication “The Global Tax Executive.” They are titled Taxation of Incentive Stock Options (co-authored with Christiane Hagen) and New Valuation Rules.

Michael shared his thoughts with us about his UT experience during a recent visit to campus:

“I graduated from the UT MPA program in 1998. As a student, I enjoyed an excellent education provided by an outstanding faculty. In addition, I appreciated the intensive recruiting efforts of large multinational corporations. Now, I am applying what I learned during the MPA program in the international tax group at Deloitte & Touche in New York and I begin to see the MPA program and its students from an employer’s perspective: The UT MPA program is internationally recognized and its students are the number one sought after candidates in the accounting related consulting industry. This is why my firm asks me repeatedly, whether I am available to support its UT MPA recruiting efforts.”

Shawn Rosenzwig, MPA/PPA ’99, employed with PricewaterhouseCoopers, San Francisco, returned to campus to address students enrolled in BA 102 this March. During his visit, he was congratulated by Professor Robert Freeman for passing all four sections of the CPA exam on his first try. Shawn shared the following thoughts with us about his experience at UT:

“Since graduating from the Professional Program in Accounting in May and beginning my career at PricewaterhouseCoopers shortly thereafter, I constantly encounter reminders of just how exceptional UT’s accounting department is with regards to the quality of its faculty, as well as its exceptional reputation.

I have no doubt that the education I received at UT is second to none. Faculty members such as Robert Freeman and Don Tidrick helped me to not only learn the business concepts presented in text books, but to also better understand how these concepts are applied on a daily basis in the business community. As a result, from my first day at work, I was able to apply this knowledge to “real-life” situations. Further, with the help of the technical training I received, I have already been able to achieve many professional goals, such as passing the CPA exam on my first attempt.

Perhaps the only thing that equals the quality of education I received from the PPA program is the reputation that the program enjoys nationwide. My job has taken me to clients all over the country, and I can honestly say that no matter where I go, I am always amazed at the positive responses I encounter from colleagues, clients, and representatives from other universities when I tell them I graduated from UT’s accounting program.

Although I am only beginning my professional career, I have every confidence that my time spent at UT will continue to benefit me as I encounter challenges and opportunities in the future. Hook ‘em!”

The AICPA awarded three PPA’s an AICPA Scholarship for Minority Accounting Students for 1999-2000. They are Francisco Garza (3rd year), Steven Brogden (5th year) and Ximena Gonzalez (3rd year).

Edward Jones research analyst, Bill Fiala, MPA ’92, recently accepted a partnership in the firm’s holding company, the Jones Financial Cos. He is one of only six individuals chosen from more than 18,000 associates across the country to join the firm’s 173 principals.
Tax Tips for Charitable Giving

by Professor Anna C. Fowler

Did you realize that if you have an asset (stock, for example) that has appreciated, you can transfer that asset to a charitable organization and deduct the asset's fair market value as a charitable contribution? You will not have to report as income the gain inherent in the asset. Thus, instead of selling an appreciated asset, paying tax on the gain, and then giving cash to your favorite charity, a more tax-effective strategy is to transfer the asset directly to the charitable organization. Several caveats are in order. The asset must be a capital asset held for longer than one year, and the deductible amount in the current year is limited to 30% of your adjusted gross income.

I want to support quality education in the UT Department of Accounting.

Name _____________________________________________________________

Mailing address ______________________________________________________

City _______________ State _______________ Zip _______________

Daytime phone _______________ E-mail address _______________________

Employer __________________ Your position _______________________

Amount of gift $ _______________

• PLEASE MAKE CHECK PAYABLE TO:
  The University of Texas; (note "Department of Accounting" on the memo line.)

• YOUR CONTRIBUTION MAY BE SENT TO:
  Department of Accounting, Office of the Chairman,
  The University of Texas at Austin, College and Graduate School of Business,
  CBA 4M.202, Austin, TX  78712-1172.

Department Chair: Stephen T. Limberg

(512) 471-5215

Program Contacts

Ph.D. Advisor: Steve Kachelmeier

MPA Director: Steve Limberg

PPA Director: Don Tidrick

Editor: Florence Atiase

AtiaseF@mail.utexas.edu

Department of Accounting Student Advisors

Assistant Editor:

Mary Ann Fair

MaryAnn.Fair@bus.utexas.edu

Photo Credits:

Mary Ann Fair

Graphic Design:

JoAnn Estrada

Accounting Program Student Advisors

MPA: Rosemary Whiteside

PPA: Kathy Saqer

Undergraduate: Jan Gillespie

Track Advisors

Financial Reporting and Audit: Don Tidrick

Managerial: Urton Anderson

Accounting/IM: Ed Summers

Tax: Steve Limberg

Internships: Gretchen Charrier

Department of Accounting

Red McCombs School of Business

CBA 4M.202

The University of Texas at Austin

Austin, Texas 78712-1172