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Business: Master of Science Degree in Accounting and Master of Science Degree in Forensic Accounting

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SUNY BROCKPORT

College Senate
State University of New York
College at Brockport
350 New Campus Drive
Brockport, NY 14420-2925
(585) 395-2586 (Fax) 395-2246

Resolution # 29 2004-2005 COLLEGE SENATE

TO: Dr. John B. Clark, Interim College President

FROM: The Faculty Senate Meeting on: **May 9, 2005**

RE: ⇒ I. Formal Resolution (*Act of Determination*)
II. Recommendation (*Urging the Fitness of*)
III. Other, For Your Information (*Notice, Request, Report, etc.*)

COLLEGE SENATE
SUNY College at Brockport
MAY 26 2005
350 New Campus Drive
Brockport, NY 14420-2925

SUBJ: **Business: Master of Science Degree in Accounting & Master of Science Degree in Forensic Accounting (822 04-05 GC)**

Signed: Dawn M. Jones Date: May 12, 2005
(Dr. Dawn M. Jones, 2004-2005 College Senate President)

Please fill out the bottom portion and return document to the College Senate Office.

TO: The College Senate

FROM: Dr. John B. Clark, Interim College President

RE: ⇒ I. Decision and Action Taken on Formal Resolution (circle choice)

- a. Accepted. Effective Date: 5/23/05
- b. Deferred for discussion with the College Senate on ___/___/___
- c. Unacceptable for the reasons contained in the attached explanation

II, III. Response to Recommendation or Other/FYI

- a. Received and acknowledged ___/___/___
- b. Comment: _____

DISTRIBUTED BY PRESIDENT'S OFFICE TO: Executive Council

DISTRIBUTED BY PROVOST'S OFFICE TO: Dean's Council

DISTRIBUTED ALSO TO: Originator, Academic Advisement, Registrar (as appropriate)

Signed: John B. Clark Date: 5/23/05
(Dr. John B. Clark, Interim College President, SUNY College at Brockport)

**COLLEGE SENATE OFFICE
RESOLUTION PROPOSAL COVER PAGE**

ROUTING NUMBER*	22 04-05 GC
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NUMBER TO BE ASSIGNED BY SENATE OFFICE

DEADLINE FOR SUBMISSIONS: FEBRUARY 23 - Proposals received after the deadline may not be reviewed until next semester.

Submit all proposals to the College Senate President electronically or on a disk with a hard copy.
Please provide cover page information requested.
facprez@brockport.edu, fsenate@brockport.edu
College Senate Office, 426 Allen Building

1. PROPOSAL TITLE:

Please be somewhat descriptive, for example, *Graduate Probation/Dismissal Proposal* rather than *Graduate Proposal*.

Proposal for 1) Master of Science degree in Accounting, and 2) Master of Science degree in Forensic Accounting, to be offered by the Department of Business Administration and Economics.

2. BRIEF DESCRIPTION OF PROPOSAL:

Offer two related but separate 30-credit hour M.S. degrees in accounting to comply with New York's 150-hour requirement and to serve our students, regional needs of business and government, and the public trust for licensed professions.

3. SUBMISSION & REVISION DATES: PLEASE DATE ALL UPDATED DOCUMENTS and resubmit to the Senate Office electronically prior to Senate review and vote at fsenate@brockport.edu.

First Submission	Updated on	Updated on	Updated on
February 22, 2005	5/9/05		

4. SUBMITTED BY: (contact person)

Name	Department	Phone	Email
Bill Dresnack	Business Administration and Economics	X5532	wdresnac@brockport.edu

5. COMMITTEES TO COPY: (Senate office use only)

Standing Committee	Forwarded To	Date
<input type="checkbox"/> Enrollment Planning & Policies	Committee Chair	2/22/05
<input type="checkbox"/> Faculty & Professional Staff Policies	Executive Committee	3/7/05
<input type="checkbox"/> General Education & Curriculum Policies	Senate Floor	5/4/05
<input checked="" type="checkbox"/> Graduate Curriculum & Policies	College President	5/9/05
<input type="checkbox"/> Student Policies	Other	
<input type="checkbox"/> Undergraduate Curriculum & Policies		

*(ROUTING NUMBER WILL BE A CHRONOLOGICAL NUMBER SEQUENCE FOLLOWED BY COMMITTEE INITIALS)

**Addendum to M.S. Degree Proposals in
Accounting and Forensic Accounting
Department of Business Administration and Economics
May 9, 2005**

The following “questions and answers” are in response to issues raised by the Executive Committee of College Senate in regard to the two M.S. proposals as stated above. It is provided in this format to make it easy to understand context and content.

1) Why are the courses in the program numbered as 600-level rather than 500-level?

We’ve numbered the courses as 600-level to comply with the definitions in the SUNY Brockport 2003-2005 Graduate Catalog, which provides the following guidance:

Classification of Courses

Course numbers indicate the level of the course and restrictions as follows:

- 500-599 Introductory graduate courses.
- 600-699 Courses which involve in-depth study of a subject at the graduate level and which usually have prerequisites. All programs require a minimum of 15 credits at this level or above.
- 700-799 Courses designed for and restricted to students matriculated in the departments' degree programs.
- 800-899 Courses designed for and restricted to students matriculated in CAS programs.

The catalog further provides:

Credits Required for Graduation

Master's degree programs require a minimum of 30 graduate credits. The maximum number of credits will depend upon the requirements of the department involved and the approval of the appropriate campus and state authorities. At least 15 credits must be taken at the 600 level or above. The student must complete a minimum of 12 credits in fulfillment of degree requirements after matriculation.

The Department thus followed the guidance provided. Each proposed graduate course involves “in-depth study of a subject at the graduate level” and has prerequisites (mostly at the undergraduate level). Only one of the graduate courses has a proposed *graduate* prerequisite. It thus appears that the courses proposed closely match the College’s definition of 600-level courses rather than 500-level. Further, because we are required to offer at least fifteen credits at the 600-level, and because all of the graduate courses

proposed are substantively advanced graduate courses, we believe the logical approach is to number all of them 600-level rather than 500-level.

2) What is the required “culminating experience” for each proposed degree?

The culminating experience for the degree in Forensic Accounting will be a comprehensive case study in the capstone ACC682 course, “Case Studies in Forensic Accounting.” Students will work on a comprehensive investigation, and present results. The culminating experience in the general M.S. program in Accounting will be a research presentation addressing issues crossing the lines between and among financial reporting and Federal taxation. This will take place in the course numbered ACC650 and entitled, “Advanced Topics in Taxation and Regulation.” Each of these courses (ACC682 and ACC650) will be offered in the Spring semester (if the programs are approved).

3) Why are there no electives in the program?

There are two principal reasons for offering no electives. Firstly, few M.S. programs in accounting in New York offer electives. This is due to New York’s extensive regulation of the programs (because they must qualify students to take the Uniform Certified Public Accounting Examination and because passing that exam may entitle them to state licensure). The 150-hour degree requirements in New York, the driving force behind all M.S. programs in accounting in the state (and in most of the states), are very prescriptive; little room is left for electives if all degree requirements (mandated by the state) are addressed. The safe route, and the one virtually all have adopted, is to ensure that each course addresses specific degree requirements.

For comparative purposes, we note that the M.S. programs in accounting at Geneseo and Old Westbury, and the fifth year of the five-year BS/MBA in accounting at Oswego offer no electives. (The university centers at Albany, Binghamton and Buffalo also offer an M.S. in Accounting, and their programs DO offer electives. We note, however, that those schools offer multiple master’s degrees in business disciplines, and the available electives are from other extant majors. Thus, they are using excess capacity in existing courses for electives. Were we to offer electives, they would have to be new courses, requiring additional resources.)

The second reason is to save money. The more courses we offer at the graduate level, the more varied expertise we need to run those courses, and the lower the enrollments will be in each. By limiting the number of courses, each course accommodates more students, fewer faculty resources are needed, and the less expensive it is to run.

4) What is the anticipated need/demand?

For simplicity, we note that this question is extensively addressed with data and explanation in the original proposal, at pages 11-21. For the sake of efficiency, we will not repeat that entire section here. A summary of relevant aspects is provided below.

- 1. Need within the SUNY System:** The need for 150 hours of education for accounting professionals has been mandated by the state. Because the primary goal is to serve regional needs, particularly those of working students unable to commute to Buffalo or Oswego, we restrict this discussion to other institutions in the Greater Rochester area. Institutions with graduate programs that may qualify graduates for the CPA Examination include University of Rochester, the Rochester Institute of Technology (RIT), St. John Fisher College, SUNY Geneseo, Nazareth College, and Roberts Wesleyan College. (Latter two left of THIS SUMMARY because they do not offer graduate accounting degrees.)

For non-traditional students, including individuals that are bound by family SUNY alternative at this time may be the MS program at Geneseo. That program started in Fall 2004, principally to serve Geneseo's undergraduate accounting students. Geneseo's admission standards, smaller size relative to Brockport, and distance (an hour from Brockport, 35 minutes from Rochester) suggest that few Brockport students are likely to attend Geneseo. Geneseo also estimates a total of only 20-25 students each year. The smaller size of Geneseo's business school relative to Brockport's business department suggests that Geneseo will not be in a position to accept many of our students.

The other MS in accounting programs in SUNY are not close to Rochester. The closest, Oswego, Buffalo, and Fredonia, are each at least 70 miles from Rochester, at least an 80 minute drive, longer with typical winter weather.. Buffalo is the closest, but its average MS accounting enrollment of 12 students for the period Fall 2000-Fall 2003¹ suggest it's not been an overwhelming success. Only 11 students graduated from this program in the period from 2000-2003. This is clearly not a program serving a large constituency of the accounting profession. Fredonia is 100 miles from Brockport, precluding many of our students from going there without relocating. Clearly we are serving different markets. Likewise for Oswego, which serves the greater Syracuse area in the same way Brockport serves the greater Rochester area. (And with Rochester having a larger population than Syracuse, as well as more *Fortune* 500® and high-tech employers, Brockport has a larger demand pull from employers.)

- 2. Similar programs at non-SUNY institutions:** The non-SUNY institutions in the Rochester area offering programs that may be viewed as similar include the University of Rochester, Rochester Institute of Technology, St. John Fisher College, Nazareth College, and Roberts Wesleyan College. Each of these programs enjoys a unique market niche. (Latter two, no graduate accounting degree.)

The University of Rochester's Simon School of Business ranks among the top 25 business programs in the nation, with entrance requirements (GPA and GMAT) that exclude the vast majority of our students. The only UR program registered with New York for the CPA Exam is the MBA, which is a two-year program, as opposed to our one-year proposals. The tuition is also prohibitively high for students of limited economic means.

¹ See <http://www.suny.edu/APIS/Hegis/hegissearch.cfm> for enrollment data.

With respect to faculty qualifications, our program compares favorably with other area programs (except the Simon School, whose mission is research based). As an AACSB-accredited program, we meet robust standards for faculty credentials related to degrees earned, research profile, faculty development, and the percentage of credit hours taught by full-time faculty. Currently, 23 of the Department's 26 full-time faculty (including QAR's) have doctoral degrees. In the past five years, the faculty have produced approximately 150 articles, proceedings, book chapters, and presentations. We assert that our faculty qualifications most closely resemble those at RIT, another AACSB-accredited program.

The Rochester Institute of Technology offers a wide variety of graduate business programs, only one of which (MBA) is New York-registered for the 150-hour requirement. The MBA program is generally a two-year program; we do not see this as similar to our proposal. Brockport students seeking an MS in accounting are unlikely to be interested in committing to two years of full-time study. This is a different population from a traditional MBA program such as RIT's. Further, RIT's tuition, at more than \$23,000, is substantially higher than SUNY's. Few students considering Brockport are likely to be also considering RIT, due to the tuition differential.

St. John Fisher College's solution to the 150-hour requirement is likewise an MBA.² Fisher's high, private tuition (\$39,600 to complete an MBA) also makes it an unlikely choice for most Brockport students.

3. Potential Program Need: SUNY Brockport has historically enrolled an average of approximately 170 accounting majors annually since 1992.³ An average of 42 students graduated from SUNY Brockport with an accounting degree during the period 1992-2004. Nationally, enrollments in accounting are increasing in light of the epidemic of accounting scandals at Enron, WorldCom, and others. These scandals have resulted in a substantial increase in the need for practicing accounting professionals, some of which is due to implementation of the Sarbanes-Oxley Act of 2002. CPA firms continue to experience a shortage of qualified professionals, and continue to aggressively recruit accounting majors from registered accounting programs, including SUNY Brockport. Recruiting by CPA firms and industry has been steadily growing at Brockport for years. Approximately fifty CPA firms, including 23 of the top 25 in the Rochester area, recruit at Brockport. Most major private employers in the Rochester area (Kodak, Xerox, Bausch & Lomb, Paychex, Harris RF Communications, and Constellation Brands, to name a few) employ Brockport accounting alumni. SUNY Brockport accounting alumni are also employed in a variety of government positions in the Rochester area (school districts, the IRS, the NY State Department of Taxation and Finance). Demand for our accounting graduates is strong, and getting stronger.

National data supports the assertion of demand. The Bureau of Labor Statistics (BLS) of the U.S. Department of Labor predicts that demand for accountants and auditors will grow between 10% and 20% through the year 2012. In addition to the Sarbanes-Oxley Act, which significantly increased the accounting and reporting compliance requirements of publicly-traded companies, the U.S. Congress has passed four major legislative acts related to taxation in the past three years, and this is not unusual;

² Fisher offered an M.S in Taxation for several years, but terminated the program effective Summer 2004.

³ The program officially began in 1989, so there were few graduates prior to 1992. Enrollment and graduation data prior to 1992 is not available, but the data used here covers the period 1992-2004, which we believe is sufficient.

every year, significant changes are made to state and federal tax laws. These data and legislation also support the argument that there is demand for our degree proposals.

A research report entitled *Job Outlook 2005*, published by NACE (the National Association of College and Employers), ranked accounting as the *number one* degree in demand in the United States, and it referred specifically to public accounting (CPA firms). We note that this aspect of the report specifically referred to bachelor's degrees, but note further that the report states that employers continue to target students with business degrees at both the bachelor's and master's level. Taken together with the evolving need for 150-hours of college education to become a CPA, the data suggests that employers have a significant need for students who will be CPA-exam qualified, and that generally means a master's degree.

We believe that the combination of a continually changing landscape of tax and accounting laws, the anticipated growth in the profession per the BLS reports, the expectation of stakeholders that CPAs will hold a master's degree, the NACE report, and the outstanding reputation of SUNY Brockport's accounting program, suggest that demand for our graduates will continue for the foreseeable future, assuming we offer a degree that will qualify graduates for the CPA Exam.

The information provided herein is intended to sufficiently answer the questions raised by the College Senate's Executive Committee. If it does not do so, we welcome the opportunity to respond to other questions, so that we may move the proposal forward. Our hope is to continue to serve our mission of "student success" as it pertains to students interested in pursuing degrees in accounting.

State University of New York

College At Brockport

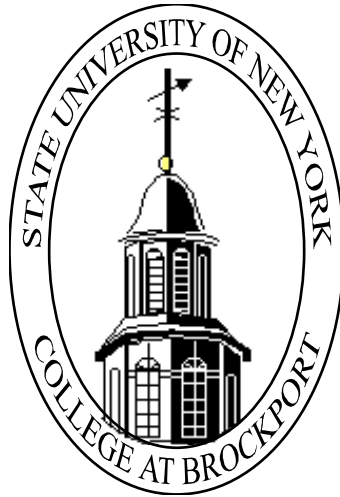
Department of Business Administration and Economics

PROPOSAL

Master of Science Degree Program in Accounting (MSACC)

Master of Science Degree Program in Forensic Accounting (MSFA)

**PRELIMINARY INFORMATION TO BE
INCLUDED IN LETTER OF INTENT**



Submitted to College Senate
February 22, 2005
Resubmitted May 2, 2005

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Introduction

The Department of Business Administration and Economics (“the Department”) seeks College Senate approval of two related Master of Science programs, in *Accounting* and *Forensic Accounting*, as a precursor to submitting a letter of intent to SUNY System Administration.

The motivation for seeking to establish these programs is the need to respond to changes in the educational requirements for licensure as a Certified Public Accountant (CPA). The State Education Department recently changed the educational requirements for CPA licensure. The most striking change is the increase in the number of hours of college education required, from 120 to 150. Hence, the changes have come to be called *the 150-hour requirement*.

With an average enrollment of 170 accounting majors, the Department of Business and Economics needs to take steps to respond with a program likely to retain these students. The College recently received approval for a related five-year, 150-hour undergraduate program. However, our stakeholders, including the Department’s Accounting Advisory Council, students and prospective students (and their parents), alumni, and employers/recruiters of accounting students, are virtually unanimous in their observation that few students will choose to attend college for five years and *not* earn a master’s degree if they may earn a relevant, high-quality master’s degree in the same time period. With SUNY Geneseo’s newly developed M.S. degree in Accounting (effective Fall 2004), SUNY Brockport is the only baccalaureate-granting institution in the Rochester area not offering a 150-hour compliant graduate degree program (except for Empire State College and Bryant & Stratton).

The Department has had aspirations to offer a master’s degree for this purpose since at least 1993. It is only now that we have the full support of the College administration for getting master’s degrees completed and implemented. Provost Flanagan’s interaction and discussion with our Accounting Advisory Council convinced him, in December 2003, that the College must offer at least one graduate degree in accounting for our program to remain viable and competitive in the marketplace. Prior to that, the Department had been pursuing external accreditation with AACSB International. The accrediting body had indicated that we would not be accredited if we were in the process of establishing new graduate programs, as we lacked data to sustain an assertion that the programs were meeting their mission and objectives. We have now been accredited for more than two years, and we believe it is time to move forward with this necessary and mission-critical initiative.

The Department has, over the past seven years, undertaken a considerable effort to research possible curricular solutions and appropriate offerings. In addition to examining the impact of the changes in the 47 other states and jurisdictions that have adopted the 150-hour requirement, we have engaged in conversation with human resource directors, recruiters, and accounting firms to gain insight into how the marketplace would respond. Our research has lead us to conclude that 1) our accounting program will not survive if we do not comply with the new requirements, and 2) an undergraduate solution (150 hours of undergraduate education) will not be competitive in the marketplace.

A meeting was convened in June 2004 at the request of Dr. Flanagan, to address this issue. In attendance were Provost Flanagan, Dean of Professions Christine Murray, Dean of Graduate

Studies Susan Stites-Doe, and Bill Dresnack, Chair of the Department of Business Administration and Economics. Dr. Flanagan urged the Department to develop two viable master's degrees in accounting to serve the needs of the business community and society. We agreed at that time that the two degrees would be in the areas represented in this proposal, based on demand and Advisory Council recommendation. During the past seven months, members of the Department faculty have developed these proposals to meet the letter and spirit of the new 150-hour requirements.

The Department has proposed a framework for two interrelated graduate degree programs: A general MS in Accounting (MSACC to simplify), and an MS in Forensic Accounting (MSFA). Staffing, course information, and cost models for the proposal were derived from a set of enrollment assumptions described in this proposal.

We noted that the College currently offers an undergraduate 150-hour compliant program in accounting. This joint accounting/information systems program was deemed the "next best thing to master's degrees" when formulated. New York state regulations required that we establish a 150-hour compliant program by August 1, 2004, or risk losing the status of having a "registered" program.⁴ We submitted our request for registration under these regulations approximately six months prior to that date, to ensure we remained registered. At the time, as mentioned, we could not proceed with master's degrees, so we registered an undergraduate 150-hour program. That program combined accounting with extensive study of computer information systems. However, our Advisory Council continued to recommend that we instead develop master's degrees as soon as possible.

We note, too, that during academic year 2003-2004 the Department proposed, and the Senate and former President Yu endorsed, a second undergraduate 150-hour program, entitled "Bachelor of Science in Forensic Accounting." This was likewise pursuant to the belief that if we could not offer master's degrees we would need some other marketable accounting program to retain our students and our competitive edge. These bachelor's degrees were never the preference of the Department; they were always considered the best we could do if we could not offer graduate degrees. We did not submit the B.S. in Forensic Accounting to SUNY System Administration due to Dr. Flanagan's decision in June 2004 to support master's degrees. In a related note, Dean Murray consulted with Kathryn Van Arnam, Assistant Provost of SUNY System Administration, about our aspirations to develop separate M.S. degrees in Accounting and Forensic Accounting. Ms. Van Arnam recommended to Dean Murray that we not submit the B.S. in Forensic Accounting, but instead submit the master's degrees.

Accordingly, with the endorsement and encouragement of Provost Flanagan, Dean Murray, and the tacit support of Ms. Van Arnam, we now submit this proposal for Master of Science degrees in Accounting and Forensic Accounting.

This document follows section I of the December 2004 document entitled "*State University of New York Revised Procedures for Submission of Graduate Academic Program Proposals.*" This document thus addresses the "Procedure for Submission and Evaluation of a Letter of Intent." A separate but related document entitled "Preparation and Submission of a Formal Proposal" provides similar information in a different format, as prescribed by section III of the "*State*

⁴ New York's "registered programs" provide the necessary qualifications for graduates to sit for the Uniform CPA Examination in New York. SUNY Brockport's program became registered in 1989.

University of New York Revised Procedures for Submission of Graduate Academic Program Proposals.” That other document is provided to ensure compliance with College Senate requirements, but we note that there is little substantive difference between the Section I “Letter of Intent” content and the Section III content. As such, we have abbreviated the Section III content. Please refer to this “Letter of Intent” document as the principal representation of required disclosures.

Executive Summary

This document provides supporting details of a proposal to establish two separate but related Master of Science degrees, one in accounting, and one in forensic accounting. Each degree program mandates ten graduate level courses for three credit hours each. Each degree program consists of six core business and economics courses, and four specialty courses in accounting. The six core courses are the same for each of the two degree programs. Either program may be completed full-time with one year of study, or on a part-time basis.

The Department of Business Administration and Economics is accredited by the Association to Advance Collegiate Schools of Business International (AACSB). AACSB is the world's premier accrediting agency for bachelor's, master's, and doctoral degree programs in business administration and accounting. The Department is one of only 36 bachelor's-only business units accredited by AACSB out of a total of 494, a clear demonstration of our quality.

The profile of our faculty credentials, including scholarship, qualify us to offer master's degrees. The Department is the only AACSB-accredited institution in the Rochester region not offering master's degrees. Our mission of "student success" includes a commitment to offering professional education to prepare our students for careers as future business leaders. This proposal provides information on offering this opportunity for our accounting students.

The format of the proposal follows that of the *SUNY Revised Procedures for Submission of Graduate Academic Program Proposals*, as circulated to SUNY Presidents in December 2004. All information contained herein is for the express purpose of internal evaluation and consideration by the faculty and staff of SUNY Brockport.

A. Program Identity and Abstract

1. **Proposed titles** Master of Science in Accounting
Master of Science in Forensic Accounting
2. **Proposed award:** Master of Science
3. **Proposed beginning date:** August 2006 (or as soon as possible thereafter)
4. **Brief description of the proposed program:** Proposed is a program for two related 30-hour M.S. degree programs in Accounting and Forensic Accounting, respectively. Because of the substantial overlap in curriculum and purpose, the programs are described and offered as a single proposal. The primary motivation for these proposals comes from the new 150-hour requirement for accounting education in New York State, effective August 1, 2004.

Each program consists of ten three-credit-hour courses, focusing on accounting and related business topics included on the Uniform CPA Examination, including economics, finance, information systems, decision analysis, and business law. Each program requires 12 credits (four courses) in accounting, consistent with the historical minimum number of major credit hours under New York's Public Accountancy Law and AACSB accreditation standards. The MSACC provides advanced education in financial accounting and reporting, managerial accounting, auditing and assurance services, and taxation. The MSFA offers similar advanced study on "forensic accounting," concentrating on fraud examinations, bankruptcy investigations, and litigation support services. The former program is a traditional type of M.S. in accounting. The latter is an emerging growth area of accounting practice, addressing issues in what has become an important area of practice to many CPA firms. Forensic accounting is also a descriptive term for much of the investigative work done by the FBI, CIA, and the Criminal Investigations Division of the Internal Revenue Service. These agencies, as well as many other Federal and state government agencies, employ many accountants.

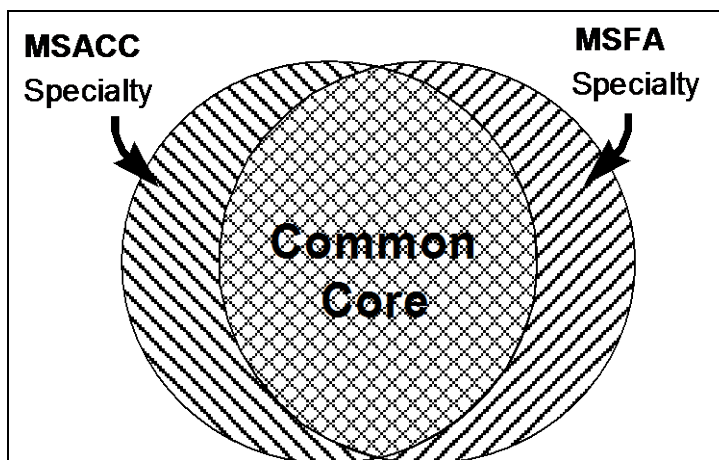
Both programs are structured so full-time students may complete either in one year, and part-time students may matriculate into either program each Fall. The purpose of these programs is to serve our mission of "student success" and educate qualified students to ensure graduates are prepared to serve the business community and the public trust.

In 2003, the SUNY Brockport College Senate approved a 150-hour *undergraduate* program, combining course work in Accounting, Business, and Computer Information Systems. We had aspirations then to offer master's degrees. However, we were simultaneously pursuing accreditation from the Association to Advance Collegiate Schools of Business (AACSB) International, the agency that accredits the most prestigious business schools in the world. AACSB was reluctant to consider our proposal to be accredited at that time, due to a lack of historical data about our graduate degree programs. They will not accredit programs that cannot, with evidential data, support assertions about achieving mission, the quality of the programs and the success of graduates. It is, of course, impossible to prove such assertions for new programs. Hence the College administration was faced with a decision: pursue accreditation or pursue graduate programs. The administration chose the former.

Our Accounting Advisory Council, consisting of 21 distinguished, professional accounting practitioners (including thirteen Brockport alumni), recommended that we pursue master's degrees as far back as 1997. They understood our AACSB dilemma, however, and recommended that, if we *cannot* pursue master's degrees, a joint undergraduate degree in accounting and computer information systems would be the next best thing, and might attract some students. That is the degree proposal we subsequently developed, and the one that is currently registered with New York as meeting the 150-hour requirement.

That option, however, was never considered optimal by the Council, the Department or by the College administration. A meeting in June, 2004, between Provost Flanagan, Dean of Professions Christine Murray, Dean of Graduate Studies Susan Stites-Doe, and myself as Chair of the Department of Business Administration and Economics, resulted in a decision that developing and (subject to all approvals) offering two M.S. degrees in Accounting would be the best course of action for the College and its stakeholders. During the past seven months, members of our faculty have been extremely active in developing a proposal for these graduate degree programs that will meet the letter and spirit of the new 150-hour requirements. The Department has proposed a framework for two inter-related graduate degree programs: A general MS in Accounting (MSACC), and an MS in Forensic Accounting (MSFA). Staffing, course section, and cost models for the proposal were derived from a set of enrollment assumptions described herein.

The motivations for also proposing an *MS in Forensic Accounting* program, in addition to the *MS in Accounting*, are 1) to develop a market niche in a growing area of the accounting profession, 2) to offer a program that will serve the needs of industry and government to help prevent and detect fraud, thereby serving society, 3) to serve Brockport's accounting students by



continuing the tradition of a very successful undergraduate program, 4) to attract students other than SUNY Brockport undergraduates to support the College's quality and reputation initiatives, 5) to provide the Business program with curricular products at the graduate level, enhancing and reinforcing the "Regional University" image that the College seeks, and 6) to exploit an opportunity for generating additional headcount for the College.

Program Description: Proposed are two 30-credit-hour graduate programs with a common core of six courses (18 credit hours). Students completing either degree will complete the core plus four courses (12 credit hours) of either traditional accounting coursework or coursework related to forensic accounting, depending on the degree pursued. We anticipate registering both of these degree programs so that they will each satisfy the 150-hour requirement, allowing graduates to obtain their CPA designation after only one year of practice, rather than the standard two years of practice ordinarily required.

The non-accounting, non-forensic core courses built into the program serve the purpose of ensuring that students attain a broad understanding of business topics, a principal objective of

the 150-hour requirement. These courses are also relevant to other business disciplines, should the Department and the College choose to pursue other master's degrees at a later time. The educational needs of both degree populations will be met through a course of study consisting of traditional, content-based courses that are integrated using themes important to the current business environment. Themes include ethics, computer applications, use of various statistical tools, and written and oral communications, including presentations. Case studies will be used extensively, and critical analysis will be paramount to the educational experience.

B. Institutional Mission and Planning

1. **Relationship to the Mission of the Institution:** The College Mission Statement includes the following goals, for graduates of the College:
 - Graduate professional education.
 - Student success, including employment and admission to graduate schools, as its highest priority.

The proposed programs are designed to be consistent with these aspects of the College mission. Further, graduate accounting programs will enhance and reinforce the “high-quality” image that the College seeks. Finally, graduate programs in accounting are consistent with the Carnegie designation of the College, which is *Master's (Comprehensive) Universities and Colleges I*.

With regard to the mission of SUNY, as published in the *Memorandum of Understanding* dated December 2000, the proposed programs are structured such that they meet the directive to “meet the needs of both traditional and non-traditional students and to address local, regional, and state needs and goals.” In a later publication entitled *Rethinking SUNY*, the Board of Trustees also reaffirmed SUNY’s graduate mission in its proposition that states, “Graduate, professional, and research programs are essential to the mission of the State University and to the economic vitality of New York.” By producing competent accounting professionals possessing the advanced practical knowledge and skills required to be successful in a wide variety of professional business careers, the proposed MS programs very much support the economic development facet of SUNY’s mission. The Department’s goal of developing two graduate professional accounting programs that will prepare graduates for advanced careers is in concert with SUNY’s vision.

The programs are designed, and courses are scheduled, to facilitate either full or part-time study. The needs of non-traditional students will be met by offering evening courses on a rotating basis. Further the 30 credit-hour format of the proposed programs provides a time-feasible plan of study for working adults seeking graduate accounting education and admission to the Uniform CPA Examination.

2. **Impact on Existing Programs:** The impact of the pending 150-hour requirement on our existing programs is precisely what prompted the Department of Business Administration and Economics to make this proposal. Specifically:

- Historically, undergraduate students at SUNY Brockport have had the option of pursuing either a *registered* accounting program, qualifying them to sit for the CPA exam, or a non-registered, non-CPA accounting track in our Business Administration program. Approximately 95% of accounting students have selected the registered program. In this selection, the students have overwhelmingly indicated their preference for degree programs that prepare them to sit for the CPA exam.
- With the 150-hour requirement for entrance to the CPA exam now mandatory in New York state, we are at risk of being unable to attract *undergraduate* accounting students unless we offer a competitive *graduate* program. Every 150-hour program competitor in the Rochester area (St. John Fisher, Nazareth, Geneseo, Roberts Wesleyan, RIT, and the University of Rochester) offers a graduate program in accounting or business. Further, most regional competitors with registered programs (Alfred, Buffalo, Canisius, Daemen, Fredonia, Ithaca, Niagara, Oswego, and St. Bonaventure) offer either an MS or an MBA that is registered as meeting the 150-hour requirement. We need to remain competitive so that our students have a graduate degree option as well.

With regard to impact of the proposed masters' programs on our existing undergraduate programs, we see the proposed programs as being beneficial in several ways:

- They will enable qualified undergraduate students committed to the Rochester area, by family and other obligations, to pursue graduate studies in accounting. While there are a number of private graduate accounting education options available in the Rochester area, they are prohibitively expensive for many of our students, particularly first generation college students, minorities, young adults with (sometimes single parent) families, and working students whose part-time status limits their financial aid options. For students who are geographically bound by family and work obligations, attendance at other public institutions offering graduate accounting programs, e.g., SUNY Buffalo, is not a reasonable alternative. SUNY Geneseo is also not a reasonable alternative; Geneseo is an hour from Brockport, and 35 minutes south of Rochester, and thus not in close proximity. Geneseo's mission and practice has been to admit a very limited class of students, and then principally traditional students. . Further, Geneseo's School of Management Dean has stated that most of the enrollments in their new MS in Accounting program are expected to be Geneseo undergraduates.⁵ Brockport's mission, practice, and student body are very different from Geneseo's. Accordingly, there is no reasonable public alternative to Brockport for many accounting students interested in pursuing CPA licensure. This is evident by the historically large enrollment in our accounting program.
- Qualified students can complete the program in a single year, making the programs much more resource-benign than a traditional (two-year) MBA program would be.
- The anticipated influx of students with business and management experience provides an opportunity for faculty to gain insights on current business practice. The knowledge

⁵ See <http://www.geneseo.edu/news/nrap.php?pg=AccountingMasters.html>, May 20, 2004 article.

gained teaching at the graduate level is then expected to have a positive impact on content delivered in undergraduate courses.

With regard to impact of the proposed masters' programs on existing graduate programs at Brockport, it is unlikely that there would be any significant impact. The masters' degrees in accounting require substantial undergraduate course work, consistent with the historical requirements of registered undergraduate programs, and consistent with demand from external stakeholders. There is thus minimal potential for cannibalization of students from other programs.

3. **External Instruction:** At this time we anticipate no external clinical instruction, agency placement, or practice teaching. We do include the option of "internships" in the total educational options for accounting students, but it is expected that students will embark on such internships while still at the undergraduate level. This is consistent with our current approach to encourage students to pursue internships or co-operative experience *before* graduate school, so they'll have an informed sense of the best path for each individual.

C. Market: Need and Demand

1. **Need within the SUNY System:** The need for 150 hours of education for accounting professionals has been mandated by the state. Because the primary goal is to serve regional needs, particularly those of working students unable to commute to Buffalo or Oswego, we restrict this section to other institutions in the Greater Rochester area. Institutions with graduate programs that may qualify graduates for the CPA Examination include University of Rochester, the Rochester Institute of Technology (RIT), St. John Fisher College, SUNY Geneseo, Nazareth College, and Roberts Wesleyan College.

For non-traditional students, including individuals that are bound by family obligations, professional responsibilities, and availability of transportation, the only other SUNY alternative at this time may be the MS program at Geneseo. That program started in Fall 2004, principally to serve Geneseo's undergraduate accounting students. Geneseo's admission standards, smaller size relative to Brockport, and distance (an hour from Brockport, 35 minutes from Rochester) suggest that few Brockport students are likely to attend Geneseo. Geneseo also estimates a total of only 20-25 students each year. The smaller size of Geneseo's business school relative to Brockport's business department suggests that Geneseo will not be in a position to accept many of our students.

The other MS in accounting programs in SUNY are not close to Rochester. The closest, Oswego, Buffalo, and Fredonia, are each at least 70 miles from Rochester, at least an 80 minute drive, longer with typical winter weather.. Buffalo is the closest, but its average MS accounting enrollment of 12 students for the period Fall 2000-Fall 2003⁶ suggest it's not been an overwhelming success. Only 11 students graduated from this program in the period from 2000-2003. This is clearly not a program serving a large constituency of the accounting profession. Fredonia is 100 miles from Brockport, precluding many of our students from going there without relocating. Clearly we are serving different markets. Likewise for Oswego, which serves the greater Syracuse area in the same way Brockport serves the greater Rochester area.

⁶ See <http://www.suny.edu/APIS/Hegis/hegissearch.cfm> for enrollment data.

(And with Rochester having a larger population than Syracuse, as well as more *Fortune 500*[®] and high-tech employers, Brockport has a larger demand pull from employers.)

Other SUNY MS-Accounting programs at Albany, Binghamton, Utica-Rome, and Old Westbury are far too distant to suggest serving most students attracted to Brockport. Brockport draws the vast majority of its students from the western New York region. These other programs are simply not relevant to the discussion for most Brockport students.

Therefore, we assert that the needs and markets identified in this proposal cannot be served by existing MS accounting programs in SUNY. Further, we assert that this proposal does not represent an unnecessary duplication of SUNY resources. In fact, we have designed the proposed program to maximize utilization of slack resources where they exist.

2. **Similar programs at non-SUNY institutions:** The non-SUNY institutions in the Rochester area offering programs that may be viewed as similar include the University of Rochester, Rochester Institute of Technology, St. John Fisher College, Nazareth College, and Roberts Wesleyan College. Each of these programs enjoys a unique market niche.

The University of Rochester's Simon School of Business ranks among the top 25 business programs in the nation, with entrance requirements (GPA and GMAT) that exclude the vast majority of our students. The only UR program registered with New York for the CPA Exam is the MBA, which is a two-year program, as opposed to our one-year proposals. The tuition is also prohibitively high for students of limited economic means.

With respect to faculty qualifications, our program compares favorably with other area programs (except the Simon School, whose mission is research based). As an AACSB-accredited program, we meet robust standards for faculty credentials related to degrees earned, research profile, faculty development, and the percentage of credit hours taught by full-time faculty. Currently, 23 of the Department's 26 full-time faculty (including QAR's) have doctoral degrees. In the past five years, the faculty have produced approximately 150 articles, proceedings, book chapters, and presentations. We assert that our faculty qualifications most closely resemble those at RIT, another AACSB-accredited program.

The Rochester Institute of Technology offers a wide variety of graduate business programs, only one of which (MBA) is New York-registered for the 150-hour requirement. The MBA program is generally a two-year program; we do not see this as similar to our proposal. Brockport students seeking an MS in accounting are unlikely to be interested in committing to two years of full-time study. This is a different population from a traditional MBA program such as RIT's. Further, RIT's tuition, at more than \$23,000, is substantially higher than SUNY's. Few students considering Brockport are likely to be also considering RIT, due to the tuition differential.

St. John Fisher College's solution to the 150-hour requirement is likewise an MBA.⁷ Fisher's high, private tuition (\$39,600 to complete an MBA) also makes it an unlikely choice for most Brockport students.

Nazareth College does not offer an MS in accounting. They do offer in MS in management that is registered as a 150-hour program. We believe our proposed programs are very different from the Nazareth program, as ours are accounting specific, as opposed to general management. In addition, Nazareth is not AACSB- accredited. We believe our students seek the greater level of international recognition associated with our program. Further, Nazareth is a small college, unlikely to accommodate the large number of students we enroll in accounting.

Roberts Wesleyan does not offer a 150-hour registered accounting program. That institution, which is also not AACSB-accredited, offers an MS in Organizational Management. As is true for our program, the Roberts program facilitates completion by non-traditional students. However, the Roberts program relies on credit for work experience and other related education, as demonstrated through the use of term paper portfolios, to waive some course requirements and thereby shorten time to degree. The degree-shortened niche of the Roberts' program is apparent from their local advertising. The effectiveness of the portfolio strategy, however, is not germane to college freshman embarking on a five-year program of study. Our program is more traditional, requiring completion of traditional College graduate courses, including the SUNY general education requirements or their equivalent. In our case, careful course scheduling is used to allow students to complete the master's program in one year. Our calling population is anticipated to be individuals interested in a more traditional format. The Roberts Wesleyan program is also more than twice as expensive than ours will be, at current tuition rates. Perhaps most importantly, that program is not accounting specific, and cannot serve the needs of students seeking to take the CPA Examination.

These are the only private institutions in the Rochester area offering programs that might be said to be similar. As described above, none could truly be seen as similar in content, cost, or target populations. Because we seek primarily to address the needs of local SUNY students and students of limited financial means seeking to meet the 150-hour requirement, and these students are not likely to self-select into the other area programs, we do not believe that our program will adversely affect enrollments at other area colleges. As such, we do not believe our programs will negatively impact any of these institutions' programs.

4. Potential Program Need: SUNY Brockport has historically enrolled an average of approximately 170 accounting majors annually since 1992.⁸ An average of 42 students graduated from SUNY Brockport with an accounting degree during the period 1992-2004. Nationally, enrollments in accounting are increasing in light of the epidemic of accounting scandals at Enron, WorldCom, and others. These scandals have resulted in a substantial increase in the need for practicing accounting professionals, some of which is due to implementation of the Sarbanes-Oxley Act of 2002. CPA firms continue to experience a shortage of qualified professionals, and continue to aggressively recruit accounting majors

⁷ Fisher offered an M.S in Taxation for several years, but terminated the program effective Summer 2004.

⁸ The program officially began in 1989, so there were few graduates prior to 1992. Enrollment and graduation data prior to 1992 is not available, but the data used here covers the period 1992-2004, which we believe is sufficient.

from registered accounting programs, including SUNY Brockport. Recruiting by CPA firms and industry has been steadily growing at Brockport for years. Approximately fifty CPA firms, including 23 of the top 25 in the Rochester area, recruit at Brockport. Most major private employers in the Rochester area (Kodak, Xerox, Bausch & Lomb, Paychex, Harris RF Communications, and Constellation Brands, to name a few) employ Brockport accounting alumni. SUNY Brockport accounting alumni are also employed in a variety of government positions in the Rochester area (school districts, the IRS, the NY State Department of Taxation and Finance). Demand for our accounting graduates is strong, and getting stronger.

As the 150-hour requirement becomes the standard for entry-level hires, firms will seek to hire 150-hour qualified graduates so entry-level staff may qualify for the CPA exam. The impetus for MS programs came from our Accounting Advisory Council. This group of 21 practitioners, including 13 alumni, has vociferously advocated the development of master's degrees in accounting for the past five years. The members of our Council are involved in recruiting graduates for professional positions and juniors for internships. This Council urged us to develop master's degrees, as they represent firms who recruit our students. National data supports the assertion of demand. The Bureau of Labor Statistics (BLS) of the U.S. Department of Labor predicts that demand for accountants and auditors will grow between 10% and 20% through the year 2012. In addition to the Sarbanes-Oxley Act, which significantly increased the accounting and reporting compliance requirements of publicly-traded companies, the U.S. Congress has passed four major legislative acts related to taxation in the past three years, and this is not unusual; every year, significant changes are made to state and federal tax laws. These data and legislation also support the argument that there is demand for our degree proposals.

A research report entitled *Job Outlook 2005*, published by NACE (the National Association of College and Employers), ranked accounting as the *number one* degree in demand in the United States, and it referred specifically to public accounting (CPA firms). We note that this aspect of the report specifically referred to bachelor's degrees, but note further that the report states that employers continue to target students with business degrees at both the bachelor's and master's level. Taken together with the evolving need for 150-hours of college education to become a CPA, the data suggests that employers have a significant need for students who will be CPA-exam qualified, and that generally means a master's degree.

We believe that the combination of a continually changing landscape of tax and accounting laws, the anticipated growth in the profession per the BLS reports, the expectation of stakeholders that CPAs will hold a master's degree, the NACE report, and the outstanding reputation of SUNY Brockport's accounting program, suggest that demand for our graduates will continue for the foreseeable future, assuming we offer a degree that will qualify graduates for the CPA Exam.

Why these particular programs?

There are several typical degree programs offered by colleges and universities to meet the demands of society and the 150-hour requirement. The most common of these are "generic" M.S. degrees in accounting and MBA tracks in accounting. We propose two

interrelated M.S. degrees: 1) An M.S. in Forensic Accounting, and 2) A general M.S. in Accounting.

The principal reason for offering two degrees is to serve the needs of business and society. Many CPA firms try to recruit students with “general” accounting degree backgrounds, so the new hires may be assigned to a broad range of work and develop broad skills and knowledge. Most practitioners will become specialists in a particular type of work (i.e., audit, tax, software consulting) and/or in a particular industry (i.e., banking, real estate, manufacturing). It is therefore important for most accounting degree recipients/ entry-level hires to have a background conducive to varied assignments and clients. This is the nature of our general M.S. in Accounting. It combines traditional broad undergraduate course work in accounting, business administration, economics, and general liberal arts and sciences with four courses (12 credit hours) of advanced, graduate-level accounting study, and six courses (18 hours) of foundational, related business study. The four accounting courses represent the most fundamental areas of advanced study for the general accounting practitioner (financial and managerial accounting, taxation, and audit and assurance services). Five of the six graduate business courses (decision analysis, finance, business laws and regulation, information systems, managerial economics) were included as areas that are directly tested on the CPA Examination under its new “computer-based testing” format.⁹ The sixth, entrepreneurship, was included at the urging of our Advisory Council because, though it is not part of undergraduate study in our programs, it addresses important issues for aspiring CPA’s who will not only be advising entrepreneurs, but will be in that role themselves due to the nature of CPA firm work in providing direct client service from the beginning of one’s career.

The second proposed degree is in forensic accounting. This is an emerging and rapidly growing accounting specialization. It deals with investigation of such issues as fraud and bankruptcy, as well as providing services related to litigation support and collection and analysis of evidentiary matter related to continuing business concerns. The financial disasters that have occurred at many companies in the past few years, including Enron, WorldCom, Adelphia, and Tyco, are examples of some of the types of issues forensic accountants work to prevent and detect. This is an important growth area for CPA firms, business, society, and government. (In fact, a great deal of the resources invested by the CIA, FBI, and the Criminal Division of the Internal Revenue Service are dedicated to types of forensic accounting work.)

The accounting faculty have studied the various programmatic offerings of other local and regional accounting programs, as well as others in New York state and nationally. Our intent was to offer a program that was in demand, consistent with our mission and strategic plan, and not duplicative relative to our market. There is only one accounting program (of which we are aware) dedicated to instructional specialization in forensic accounting in the United States, despite an increasing need for experts in this field. This program is offered at Florida Atlantic University, based in Fort Lauderdale, Florida, and does not directly qualify

⁹ The computer-based testing system began April 2004. Besides computerization of the entire examination, its most profound change was the addition of a new examination section, known as “*Business Concepts and Environment*”. This portion of the exam explicitly tests finance, economics, and information systems.

graduates to enroll in the CPA Examination in New York. There are only three programs in New York that might be considered related to forensic accounting. One is Hilbert College's bachelor's degree in "Economic Crime Investigation." Utica College offers two degrees connected to forensic accounting, at least on the surface: An M.S. degree in "Economic Crime Management," and an MBA in "Fraud Management."

None of these three programs are registered for the CPA Examination and none clearly targets the accounting profession's work in this field. We believe our proposed program is unique in New York, and only the second of its kind in the nation.

A recent article published in *The CPA Journal*, a leading practitioner journal published by the New York State Society of CPAs, in referring to the approximately \$600 billion annual cost of occupational fraud in the United States, states that, "(t)o enhance the fraud detection abilities of auditors and begin to rebuild public confidence in them, accounting education must be expanded."¹⁰ Further, the Association of Certified Fraud Examiners, the forensic accounting professional's trade organization (founded by a CPA), is engaged in a "Higher Education Initiative," "to address the unprecedented need for fraud examination education at the university level."¹¹

There are also numerous articles in the popular press supporting the assertion that there is a clear need for forensic accounting programs leading to the CPA Examination. An example is in *U.S. News and World Report's* February 18, 2002 issue, in the cover story entitled "Careers to Count On." Among the careers described was "forensic accountant." The article refers to the necessary "training" as follows:

"B.S. in accounting, plus two to four years of accounting experience. A Certified Public Accountant license is almost always required." (Emphasis supplied.)

With the growing demand for forensic accounting education and training and a lack of relevant programs of study, we developed a proposal for such a degree. We note that several alumni or Advisory Council members practice in this area; two hold the Certified Fraud Examiner (CFE) designation. Further, two of our associate faculty are either CFE's or practice in this area. We have consulted these stakeholder-experts in developing our proposal. The proposed M.S. degree in Forensic Accounting, like the M.S. in Accounting, requires substantial undergraduate study in accounting, business administration, economics, and liberal arts and sciences. The programs have similar undergraduate prerequisite course work to ensure compliance with not only the 150-hour requirement, but the requirements of SUNY System Administration, SUNY College at Brockport, and AACSB International.

The graduate content of the M.S. in Forensic Accounting consists of the same six business courses as the M.S. in Accounting, as these areas are CPA-Exam tested (or urged by our Advisory Council in the case of entrepreneurship) and reflect common core topics. (We note also this provides the College with certain efficiencies and allows students from each of the

¹⁰ "Enhancing Fraud Detection Through Education," *The CPA Journal*, vol. LXXIV, no. 11 (November 2004), p. 67.

¹¹ See <http://www.cfenet.com/services/highered/>.

M.S. degrees to interact with each other, as they will once in practice.) The required accounting course work consists of four courses, as noted in the attached curricular breakdowns. The four courses include the same graduate level course in Audit and Assurance Services required for the M.S. in Accounting, as forensic accounting may be viewed as an application of audit work. The remaining three graduate accounting courses specifically examine fraud and forensic accounting topics and case studies.

Each of these 30-hour master's degrees therefore adheres to the formula of six core business and economics courses and four accounting courses. This is consistent with New York's and AACSB's historical requirement of at least 12 credit hours in the "specialty" and study of broader related topics.

We believe this proposal is timely and in demand, and is based on relevant evidence supporting the curriculum. We are excited by the prospect of offering a cutting-edge program that will serve an important societal need.

5. Estimated Student Demand: We estimate student demand for this program using program history and current trends. The accounting major at SUNY Brockport has enrolled an annual average of 160 students over the period 1992-2004. An additional 10 students have been enrolled annually (on average) as "second degree contract students." We thus use 170 students as a starting point for this purpose. (We note that about 10 additional students are enrolled annually in our accounting specialty in the business administration major, but omit them from this average.)

The Bureau of Labor Statistics (BLS) of the U.S. Department of Labor predicts that demand for accountants and auditors will grow between 10% and 20% through the year 2012. We will therefore use 10% as our estimated demand increase. We note that this probably underestimates demand for our programs, because:

- 1) It is the bottom of the range of the BLS estimate;
- 2) In SUNY Brockport's market, we are in large measure the least expensive alternative for prospective students;
- 3) We are AACSB-accredited, not true of some of our competitors with thriving, more costly, MS programs;
- 4) Our program's reputation is on the rise based on substantially increased numbers of students securing internships, co-ops, and full-time positions by the time they graduate;
- 5) The implementation of the Career Opportunities in the Accounting Profession (COAP) program has provided substantially increased visibility for prospective minority students, historically underrepresented in the accounting profession; and
- 6) Other evidence, including recent accounting scholarships, which indicate a level of recognition and prestige for the accounting program not previously apparent.

In comparing our degree program with the others mentioned previously, we note that ours is among the elite group that have achieved AACSB International accreditation, an important consideration among the increasingly sophisticated and knowledgeable prospective student

population. Our program serves the six-county Rochester region as the only SUNY institution with admissions policies allowing the diverse student populations (other than traditional age, full-time, residential students) to complete an accounting degree. This serves the area by contributing to the highly-trained professional work force critical to the needs of a community which prides itself on having both prestigious *Fortune 500*® employers and many high-tech development stage and growth-oriented companies.

Our program is also unique among the programs mentioned above with regard to our COAP initiative. COAP (Career Opportunities in the Accounting Profession) is a program sponsored by the New York State Society of CPA's. Its mission is to educate minority high school students on the benefits of considering a career as a CPA. Each June, high school students from the region spend five days on the campus, working with practicing CPAs to provide the students with exposure to and an understanding of the many varied opportunities in becoming a CPA. This is a highly successful program that serves the public interest in attempting to further opportunities for growing minority populations. SUNY Brockport is the only institution west of Syracuse that offers this program. As this program was begun only in 2004, we don't yet have *evidence* that it is enhancing the probability of students coming here, but other COAP institutions downstate have continued their programs because of the increased applicant pool and improved reputation resulting from COAP. We believe that will happen at Brockport as well.

The accounting program has recently secured four of its own scholarships: The Advantage Professionals scholarship, the Becker Conviser scholarship, and the Rotenberg scholarship (\$3,000 PLUS an internship with the firm of Rotenberg LLP) are testimony to the reputation of graduates of the program. In addition, a group of alumni recently began an annual \$1,000 scholarship for an accounting student in recognition of an alumnus, Shannon Lewis, who perished at the World Trade Center on 9/11/01. All of these scholarships are evidence of the accounting program's growing reputation.

Our demand assumptions are thus:

- ▶ A base of 170 students in the undergraduate program in 2006 when the MS program begins (assumed start date).
- ▶ Ten percent growth each year from 2007-2010 (the following four years), based on Bureau of Labor Statistics data.
- ▶ An average of 75% full-time students and 25% part-time students, based on the average over the period 2001-2004. (Only data available.) We assume that all part-time students will complete the MS degree in 2.5 years, rather than the prescribed one-year full time. Most part-time students will attempt to complete the program in as short a time as possible, based on historical trends and common sense. We assume that some of the graduates will take one course per semester, some two, some three, and some four. We have no objective evidence to predict how many of the 25% total part-time population will choose each of these options. We therefore simplify these projections by assuming the "typical" part-time student will complete the program in two and a half

years, which is the mathematical average of the “one course per semester through four courses per semester” possibilities $[(1+2+3+4)/4=2.5]$.

- ▶ An attrition rate of zero. This is based on a belief that demand will actually exceed the 10% base of the BLS data for our program (despite only an assumed 10% increase in the figures used here). We began exploring serious exploration of MS degrees in 1997. Anecdotal evidence from conversations with many alumni, employers, focus groups, and our Advisory Councils since then suggests that many professionals would pursue business or accounting master’s degrees at Brockport if we offered them, based on our low cost and AACSB accreditation. We thus believe we will attract greater enrollments than the figures here assume. Because of that, and in the name of simplification, this enrollment model assumes any increase above 10% would equal the attrition rate, so we net them to zero.

- ▶ We further assume that the enrollments in the two MS programs will be equal. It is not possible at this time to estimate the relative demand of the two programs. Some students will choose a “traditional” MS program; some will choose the “glamorous area” of forensic accounting. There is a reasonably strong possibility that the latter program will draw substantial interest beyond western New York, as demand is very high for professionals with this expertise and there is only one other accounting program in the United States offering a tailored degree in this field. Based on a lack of objective evidence and for purposes of simplification, we therefore assume equal demand for the two MS degrees.

Our enrollment projections for the first five years of the program are provided below. Numbers represent full-time equivalent (FTE) students. We project a starting point of 40 FTE students for the first year. This is based on the approximate number of new accounting freshmen and transfer students over each of the past two years. Further, some of these students will likely need to first complete some undergraduate prerequisite course work.

Year	2006	2007	2008	2009	2010
MSACC	20	22	24	27	30
MSFA	20	22	24	27	30
Total	40	44	48	54	60

These are, as noted, conservative estimates. Unless additional resources beyond those described herein are provided, we would need to cap enrollments, probably at the 2010 figures above. We believe these estimates are reasonable, based on objective data and projections, and are achievable, consistent with the profile of the accounting program and its place within the Rochester business community.

5. **Employment of Graduates:** The integration of key knowledge and skills required in today’s competitive environment, including communication and presentation skills, ethics and professional responsibility, and use and application of computers in solving complex business

and accounting problems, make these two programs desirable to both students and employers. We have consulted our Accounting Advisory Council, current recruiters, and three experts in forensic accounting in developing these proposals. All have commented favorably on our proposed curriculum, the marketability of graduates from programs such as those proposed here, and all have expressed a willingness to hire the same. The aforementioned growing prestige and reputation of the existing accounting program makes it probable that our graduates will have many immediate professional opportunities.

Immediate employment opportunities include positions in CPA firms, in industry, and in government. Representative opportunities for accounting students in the program in 2003 and 2004 include recruitment by the Big 4 national CPA firms, all large regional firms in the Rochester area, and small CPA firms. Among those CPA firms hiring our graduates in the past two years are PricewaterhouseCoopers LLP, KPMG LLP, Ernst & Young LLP, Deloitte & Touche LLP, Rotenberg & Co. LLP, Bonadio & Co. LLP, Eldredge, Fox, & Porretti, LLP, Mengel, Metzger, Barr & Co. LLP, Davie, Kaplan, Chapman, and Braverman P.C., Insero, Kasperski & Ciaccia LLP, Dejoy, Knauf & Blood LLP, Heveron & Heveron CPAs, P.C., Viele, Solimano & Swagler CPA, P.C., Bonn, Shortsleeve & Gray, LLP, Freed, Maxick, Battaglia, LLP, Thaney & Associates CPAs, P.C., Bailey, Carr & Co. CPAs, Gray CPA P.C., Raymond F. Wager CPA, and others. This is a “who’s who” of area CPA firms.

Recent Brockport accounting graduates are also employed by Eastman Kodak, Xerox, Bausch & Lomb, Paychex, Harris RF Communications, and Constellation Brands, among many other industry employers. The New York State Department of Taxation and Finance and the Internal Revenue Service are among leading government divisions recruiting our students. Every one of our accounting students has the opportunity to secure outstanding entry-level employment. Our graduates are in demand.

In the interest of full disclosure, we note that *some* of our graduates *do not* secure immediate accounting employment upon (or prior to) graduation. There are varied reasons for this. The most common includes graduates with low grade point averages. We have high standards for passing our classes, and very high standards for earning high grades, i.e., an A or an A-. A recent analysis of college grade distributions by department indicated that fewer than 12% of all departmental grades were an “A.” This was the lowest percentage in the School of Professions, and one of the lowest at the College. Fewer than one-third of the grades given in the department were B+, A- or A. Our Department faculty maintain rigorous standards.

This is relevant in the sense that employers seek to hire only the best of each graduating class. CPA firms in particular generally require at least a B average; some CPA firms require at least a 3.5. Thus, despite the facts that 1) the Department is AACSB-accredited, 2) the institution is categorized by SUNY as Tier 2 (highly selective), and 3) there is tremendous demand for accounting graduates, some of our graduates simply do not have the necessary minimum grades to qualify for some employers.

In addition to “low” grades, some of our graduates choose to pursue different careers or to go to graduate school in non-business fields. A very successful recent graduate has developed a lucrative real estate practice. Another, a scholarship winner in accounting, is pursuing a Master of Library Science degree. Not all of our graduates choose accounting, but for those with

strong GPA's and the interest, CPA firms, industry, and government are aggressively trying to recruit them.

D. Enrollment and Fiscal Factors

1. Estimates of projected enrollments:

Projected enrollment when the program begins is 20 full-time equivalent students in each of the two MS degree programs, for a total of 40 FTE. See C.3. above for a detailed explanation.

Projected enrollment after five years is 30 full-time equivalent students in each of the two MS degree programs, for a total of 60 FTE. See C.3. above for a detailed explanation of these figures as well.

These projections were determined based on historical data for SUNY Brockport and analysis of trends in the accounting profession, as reported by the U.S. Department of Labor's Bureau of Labor Statistics and the Job Outlook Research Report 2005 published by the National Association of Colleges and Employers.

We do not anticipate these programs affecting enrollment composition and totals on campus in any meaningful way. These programs are intended to be added to the mix of offerings at SUNY Brockport, and to retain the current student population of accounting majors. Virtually all BS accounting majors are expected to continue beyond the baccalaureate degree to comply with New York's mandated 150-hour requirement. Our enrollment model assumes our average student enrollment (which approximates our current enrollment) will stay for an MS degree. The model assumes a small percentage of students with baccalaureate degrees in accounting earned at other institutions will choose to attend Brockport for an MS degree (ten percent of anticipated enrollments, a conservative estimate). This program is not expected to cannibalize other existing Brockport programs; the state requirements to become a CPA are a significant disincentive for non-accounting bachelor's degree holders to pursue a master's degree in accounting.

Estimated costs for the program include 1) additional faculty salaries and benefits, 2) additional scholarship support, 3) course development, and 4) equipment. These are explained below.

1) *Additional faculty salaries and benefits:* The Department believes one new full-time accounting faculty line and one new full-time business line will be needed, to ensure

that we meet AACSB guidelines for staffing by “participating” faculty.”¹² We will seek to fill the accounting line with a Ph.D. with expertise in forensic accounting who holds the Certified Fraud Examiner® (CFE) designation. We recommend that the business line be filled with a Ph.D. in entrepreneurship, as this is the area in which the Department is deficient relative to current faculty resources, and this is not only part of the accounting proposal but a growing demand area outside of accounting as well.¹³

Estimated costs for these two lines are:

▶ Two new faculty lines, AACSB average starting salaries	\$180,000
▶ Overhead charges for benefits (42% of salaries)	<u>\$ 75,600</u>
Additional annual charges for salaries and benefits	<u>\$255,600</u>

As our proposal adds thirteen graduate courses, the two lines would give us full-time faculty resource to staff 12 of the 13 courses (two faculty x six courses per year). The remaining course would result in a need to staff one more departmental course with a part-time faculty member. We estimate that cost at \$3,550 [(\$2,500 salary) + (42% x \$2500)] per year.

2) *Additional scholarship support:* We are also proposing \$13,000 of incremental scholarship support annually. The request is based on the statement below from the “new” AACSB standards (adopted April 1, 2003 and revised as of January 1, 2004 and January 1, 2005). The reference is to scholarship as it relates to master’s degrees in the context of “financial strategies.” The statement, on page 28 of the standards, provides that “with the addition of masters level programs would come expectations for applied research support.” We are thus assuming thirteen graduate level faculty (for the thirteen graduate courses) each year would qualify for \$1,000 of incremental support above the amounts currently available.

3) *Equipment:* We estimate the cost of adequately “equipping” the full-time faculty with computer, peripherals, and furniture at \$3,000 for each, for a total of \$6,000.

4) *Advertising:* We budget \$5,000 for a modest amount of introductory advertising to inform stakeholders and prospective students about the programs.

A summary of the estimated additional costs of these proposals to the College is provided below.

Two new faculty lines, AACSB average starting salaries	\$180,000
Overhead charges for benefits (42% of salaries)	\$ 75,600
One additional part-time course, including benefits	<u>\$ 3,550</u>
Additional annual charges for salaries and benefits	\$259,150
Additional applied research support (13 faculty x \$1,000 each)	<u>\$ 13,000</u>

¹² “Participating faculty” is a term in the standards of AACSB International. It essentially refers to faculty who are engaged in the operations of the institution beyond simply teaching, i.e., academic and career advisement, governance, and scholarship.

¹³ We note that a proposal is being developed to staff an Entrepreneurship Institute partially through grant funding, and believe these issues and needs may be combined.

Total additional annual charges \$272,150

Additional initial charges:

New equipment for two new faculty	\$ 6,000	
Advertising		<u>\$ 5,000</u>
Additional initial charges		<u>\$ 11,000</u>

2. **Funding requirements:** Costs shown below are the combined costs of the MS Accounting and MS Forensic Accounting programs, which are substantially integrated in their curriculum design and staffing. Existing secretarial lines are sufficient to support the programs. Similarly, anticipated and existing computer facilities are sufficient. No significant incremental library costs are anticipated. The staffing plan proposed for this program, which includes two new full-time faculty lines, and one additional adjunct line, must be allocated such that at least 75% of the credit hours taught are taught by full-time faculty, as per AACSB standards. Likewise, at least 60% of the courses in each discipline must be taught by full-time faculty.

Estimated Operating Costs (in 2005 dollars)					
Year	1	2	3	4	5
Incremental Operating Costs	\$279,150	\$272,150	\$272,150	\$272,150	\$272,150
Incremental Capital Costs	\$6,000	\$0	\$0	\$0	\$0

3. **Source of funds:** Tuition represents the primary source of funding available to cover operating and capital expenses. Technology fees assessed on the students by SUNY Brockport represent a secondary source. Revenue projections are based on the enrollment assumptions above and assume a graduate tuition rate of \$6,900 per year per FTE, with a 0% increase in tuition over five years. The table below compares revenue projections and estimated cost reallocations.

Required Internal Reallocation (cost) vs. Estimated Revenues					
(In 2005 dollars)					
Year	1	2	3	4	5
FTE Enrollment	40	44	48	54	60
Tuition Revenues	\$276,000	\$303,600	\$331,200	\$372,600	\$414,000
Internal Reallocation Required (cost)	\$283,150	\$272,150	\$272,150	\$272,150	\$272,150

Funding requirements are based on enrollment assumptions. However, program self-sufficiency is fairly robust with respect to enrollments. The revenue figures in the table above are also conservative, as they use full-time tuition only; part-time students, expected to comprise 25% of enrollments, will pay a higher per-hour rate.

The table above indicates that these programs will generate positive cash flow from year two on, and the year one net outflow will be only \$20,150, a small amount relative to the subsequent years' positive cash flow and the need to offer master's degrees to maintain Brockport's accounting program and serve the Rochester community. It is believed that the College administration will re-allocate the necessary costs to ensure these programs are initiated.

E. Resources

1. **Library:** The College's Drake Memorial Library is a full-service facility including excellent circulation, reference, and inter-library loan services. The library collection includes approximately 642,650 books, 123,000 bound journal volumes, two million units of microtext, and, as an official government documents repository, an extensive government documents collection. With respect to holdings related to business, accounting, and economics, there are 40,456 texts, including bibliographical indices. There are 107 journals and 14 business reference collections. The library also subscribes to 1,960 paper journals, and has access to over 14,000 journals in electronic form through our subscriptions to 99 databases. Some of these databases, including Compustat, Business Source Premier, Hoovers, and Lexis-Nexis, are principally for business. Many others are in business-related areas of the social sciences.

The business faculty has a strong research orientation, but the business journal collection in its current state is believed to be adequate to support the proposed master's level programs. The needs to stay current and to modify the collection as the business environment and society change preclude any long-term guarantee; business is dynamic and needs can change. Because access to new services will be Internet based, ease of access will improve dramatically, both for faculty and students, given the large number of satellite computer laboratories now on campus.

Interlibrary loan and reciprocal use arrangements with area libraries, including University of Rochester and Rochester Institute of Technology, make virtually any required material accessible to the faculty and students of the program. The library also participates in IDS, a SUNY program that makes available circulating resources of the various SUNY schools in two days or less. Through the adoption of OCLC's ILLIAD and ODYSSEY services, the Library will soon make available electronic delivery of some documents directly to users via email. (Note: Virtually all of the information and data in this section is per Christopher Brennan, Associate Director, Drake Memorial Library.)

2. **Facilities:** Required facilities consist primarily of classroom space and computer laboratories. Classroom space is generally adequate given that the majority of classrooms on campus are small and will easily support the seminar format often encountered in graduate course work. This issue of classroom space is managed on a campus-wide basis, resulting in some Department classes running in buildings other than Hartwell Hall. We believe it better for our program culture and student success for all of our classes to run in Hartwell, but acknowledge the relevant constraints and the needs of the Office of Registration and Records to consider all relevant issues in assigning classrooms. We have had few instances of classroom facilities being inadequate, and that Office does an outstanding job in reassigning rooms as much and as quickly as possible. We do not see this as a problem.

With the existence of two business laboratories in Hartwell, there should be adequate computer facilities. (We note that other departments also use these computer labs; we share as much as we can.) The advent of the MS degrees combined with the increase by other departments of use of this resource may, at some point, result in a need to more carefully allocate space and coordinate courses across disciplines. We do not believe this issue requires serious consideration at this time. Given our experience with the non-traditional working students in our undergraduate evening programs, it is anticipated that a majority of the students will have access to either their own computer or one at their place of work.

As the integration of technology into our classes grows, the Department has analyzed available resources. We believe that the need for additional classroom technology availability is real and current. One member of the Department is on the College Technology Council, and has thoroughly researched relevant technology. Going forward, we hope the College will abandon or reduce the reliance on "smart rooms" and replace them with lightweight, inexpensive laptop/projector/mobile cart arrangements. Approximately 12 units like this can be purchased for the same price as a smart room, and the units are easily transported from room to room and building to building. They are also generally more secure, and much cheaper to replace. Pursuing this option will ease the technology needs of the Department vis-à-vis the MS proposals. For now, the arrangements are satisfactory.

In addition to classroom space and computer facilities, the Department maintained a Student Meeting and Study Lounge from 1996 until November 2004. The student meeting space is in the process of being relocated. Formerly located in Hartwell 107, that room was converted to a faculty office. The Provost, however, re-designated other space on the second floor of Hartwell to be converted into a new Department student meeting room, to become available during

Summer 2005. The many active clubs and student groups, along with necessary team meetings outside of classes and other faculty-student-alumni-guest activities, demand space not currently available for this purpose. Hartwell room 119, the faculty lounge, has been temporarily opened to students during available times. With the new meeting room being created, student meeting room space will be sufficient.

Overall, facilities are adequate. No need for additional facilities, except to the extent described in this section, is anticipated.

F. Summary

The Department of Business Administration and Economics seeks College Senate approval of the two related Master of Science programs described herein, in *Accounting* and *Forensic Accounting*, as a precursor to submitting a letter of intent to SUNY System Administration.

SUNY System Administration focuses on market, quality and mission. We are certain of more than sufficient demand for these programs. They are an excellent fit for our market, based on Advisory Council recommendation and enrollment patterns for the accounting program. The programs as described would be of high quality, consistent with other programs in the Department, AACSB standards, and the College's Tier 2 status. Most importantly, they are critical to our mission of "student success."

We respectfully request and appreciate your support.

Appendix A: Required and Prerequisite Courses

Master of Science in Accounting (MSACC)			
Course Number and Title		Prerequisite(s) courses (with SUNY Brockport numbering)	
ACC620	Advanced Topics in Financial Accounting Theory	ACC486	Advanced Accounting
ACC640	Advanced Topics in Managerial Accounting	ACC388 & ECN304	Cost Accounting and Intermediate Statistics.
ACC650	Advanced Topics in Taxation and Regulation	ACC485	Federal Income Tax I
ACC660	Advanced Topics in Audit and Assurance Services	ACC487	Principles of Auditing
BUS661	Decision Analysis	ECN304	Intermediate Statistics
BUS676	Business Law for Executives	BUS375	Business Law I or Legal Environment of Business
BUS663	Entrepreneurship	BUS475	Strategic Management
BUS625	Corporate Finance for Managers	BUS325	Principles of Finance
BUS617	Management Information Systems	BUS317 or ACC283	Management or Accounting Information Systems
ECN605	Economic Analysis for Managers	ECN201 & ECN202	Principles of Microeconomics and Macroeconomics

Note: Each graduate course listed on the left is three credit hours, as is each prerequisite undergraduate course listed on the right. SUNY Brockport undergraduate course numbers and titles are provided for illustration and information only; equivalent courses from other undergraduate programs will be accepted, subject to ordinary SUNY Brockport process for evaluating transfer course equivalencies. Thirty graduate credits are needed to complete the degree. Prerequisite courses are needed per New York 150-hour requirements.

Note: The MSACC program requires completion of substantial prerequisite coursework prior to admittance. The following summarizes these requirements. (All credit hours shown are minimum by category.)

<i>Prerequisite course work in Accounting:</i>	21 credit hours	Including Intermediate Accounting I & II, Cost or Managerial Accounting, Advanced Accounting, Auditing, Taxation, and AIS (An MIS course may be substituted for AIS.)	
<i>Prerequisite course work in Business and Economics:</i>	21 credit hours	Including Principles of Finance & Marketing, International Business, Organizational Behavior, Business Law, and Strategy	
<i>Prerequisite course work in Liberal Arts:</i>	60 credit hours	Must meet General Education requirements of SUNY Board of Trustees as well as SUNY Brockport.	
<i>In order to satisfy the requirements to enroll in the Uniform CPA Examination, the courses and credit hours provided below must be completed prior to admission. They may be completed at SUNY Brockport or transferred in from other institutions, assuming each individual course meets SUNY Brockport transfer equivalency requirements.</i>			
Course Title / Descriptive Title	Brockport Number	Credit Hours	Notes or Description
End-User Computing	CIS106	3	MS Office (Word, Excel, Access, Powerpoint)
Principles of Economics (micro and macro)	ECN201 & ECN202	6	
Introduction to and Intermediate Statistics	ECN204 & ECN304	6	Through at least multiple regression
Introduction to Financial Accounting	ACC281	3	May substitute Principles of Accounting II
Introduction to Managerial Accounting	ACC282	3	May substitute Cost Accounting or Principles of Accounting II
Calculus I	MTH201	3	May substitute Calculus for Business, MTH221
Introduction to Accounting Systems and Software	ACC283	3	May substitute Management Information Systems
Business Writing	ENL308	3	May substitute Advanced Composition or waiver exam
Principles of Finance	BUS325	3	
Principles of Marketing	BUS335	3	
International Business Environment	BUS345	3	
Organizational Behavior	BUS366	3	
Business Law I	BUS375	3	May substitute Legal Environment of Business
Money and Banking	ECN321	3	
Strategic Management	BUS475	3	
Intermediate Accounting I & II	ACC385 & ACC386	6	
Cost Accounting	ACC388	3	
Accounting Profession Seminar	ACC389	3	May be waived contingent on experience.
Federal Income Tax I	ACC485	3	Must be at least junior or senior-level college course.
Advanced Accounting	ACC486	3	
Auditing	ACC487	3	
Accounting for Nonprofit Entities	ACC489	3	

Master of Science in Forensic Accounting (MSFA)			
Course Number and Title		Prerequisite(s) courses (with SUNY Brockport numbering)	
ACC680	Principles of Forensic Accounting	CRJxxx & ACC687	Principles of Auditing (undergraduate) and at least one course in Criminal Law
ACC681	Fraud Examination	ACC680	Principles of Forensic Accounting
ACC682	Case Studies in Forensic Accounting	ACC680	Principles of Forensic Accounting
ACC660	Advanced Topics in Audit and Assurance Services	ACC487	Principles of Auditing
BUS661	Decision Analysis	ECN304	Intermediate Statistics
BUS676	Business Law for Executives	BUS375	Business Law I or Legal Environment of Business
BUS663	Entrepreneurship	BUS475	Strategic Management
BUS625	Corporate Finance for Managers	BUS325	Principles of Finance
BUS617	Management Information Systems	BUS317 or ACC283	Management or Accounting Information Systems
ECN605	Economic Analysis for Managers	ECN201 & ECN202	Principles of Microeconomics and Macroeconomics

Note: Each graduate course listed on the left is three credit hours, as is each prerequisite undergraduate course listed on the right. SUNY Brockport undergraduate course numbers and titles are provided for illustration and information only; equivalent courses from other undergraduate programs will be accepted, subject to ordinary SUNY Brockport process for evaluating transfer course equivalencies. Thirty graduate credits are needed to complete the degree. Prerequisite courses are needed per New York 150-hour requirements.

Note: The MSFA program requires completion of substantial prerequisite coursework prior to admittance. The following summarizes these requirements. (All credit hours shown are minimum by category.)

<i>Prerequisite course work in Accounting:</i>	21 credit hours	Including Intermediate Accounting I & II, Cost or Managerial Accounting, Advanced Accounting, Auditing, Taxation, and AIS (An MIS course may be substituted for AIS.)
<i>Prerequisite course work in Business and Economics:</i>	21 credit hours	Including Principles of Finance & Marketing, International Business, Organizational Behavior, Business Law, and Strategy
<i>Prerequisite course work in Criminal Justice/Law:</i>	6 credit hours	Including Criminal Law and Investigations, or equivalents
<i>Prerequisite course work in Liberal Arts:</i>	60 credit hours	Must meet General Education requirements of SUNY Board of Trustees as well as SUNY Brockport.

In order to satisfy the requirements to enroll in the Uniform CPA Examination, the courses and credit hours provided below must be completed prior to admission. They may be completed at SUNY Brockport or transferred in from other institutions, assuming each individual course meets SUNY Brockport transfer equivalency requirements.

A) Course Title / Descriptive Title	Brockport Number	Hours	Notes or Description
End-User Computing	CIS106	3	MS Office (Word, Excel, Access, Powerpoint)
Principles of Economics (micro and macro)	ECN201 & ECN202	6	
Introduction to and Intermediate Statistics	ECN204 & ECN304	6	Through at least multiple regression
Introduction to Financial Accounting	ACC281	3	
Introduction to Managerial Accounting	ACC282	3	May substitute Cost Accounting
Calculus 1	MTH201	3	May substitute Calculus for Business, MTH221
Introduction to Accounting Systems and Software	ACC283	3	May substitute Management Information Systems
Business Writing	ENL308	3	May substitute Advanced Composition or waiver exam
Principles of Finance	BUS325	3	
Principles of Marketing	BUS335	3	
International Business Environment	BUS345	3	
Organizational Behavior	BUS366	3	
Business Law I	BUS375	3	May substitute Legal Environment of Business
Strategic Management	BUS475	3	
Intermediate Accounting I & II	ACC385 & ACC386	6	
Accounting Profession Seminar	ACC389	3	May be waived contingent on experience.
Federal Income Tax 1	ACC485	3	Must be at least junior or senior-level college course.
Advanced Accounting	ACC486	3	
Auditing	ACC487	3	

Appendix B: Course Sequencing and Descriptions

COURSE SEQUENCING:

<i>Fall Semester each year</i>	<i>Spring Semester each year</i>
ACC620, Financial Accounting Theory	ACC640, Advanced Managerial Accounting
ACC660, Advanced Auditing & Assurance	ACC650, Advanced Taxation and Regulation
ACC680, Principles of Forensic Accounting	ACC681, Fraud Examination
BUS617, Management Information Systems	ACC682, Case Studies in Forensic Accounting
BUS661, Decision Analysis	BUS625, Corporate Finance
BUS676, Business Law for Executives	BUS663, Entrepreneurship
	ECN605, Economic Analysis for Managers

COURSE DESCRIPTIONS:

ACC620, Advanced Topics in Financial Accounting Theory

Course Description:

Selected topics in advanced financial accounting theory and applications. Includes framework of accounting concepts and principles, the development of accounting thought and knowledge, financial statement and footnote disclosure issues and practices under GAAP with an emphasis on how management's choices among alternative principles affect the quality of earnings and financial position, an introduction to current research issues, and financial statement analysis. Case studies will also use FARS (Financial Accounting Research Software). *Three credits, offered every Fall semester.*

Prerequisite: Undergraduate Advanced Accounting course (SUNY Brockport ACC486).

Course Objectives:

- 1) Develop an understanding of accounting theory, concepts, principles, and history.
- 2) Understand the measurement issues and solutions underlying corporate financial reporting.
- 3) Develop the skills needed to analyze financial statements effectively, and attain an understanding of the choices firms make in reporting the results of business activities.
- 4) To develop the student's ability to analyze and process complex accounting data and arrive at appropriate solutions.
- 5) To develop in the student an appreciation for the usefulness and limitations of financial accounting data for all users.
- 6) To reinforce students' written communications and analytic skills.
- 7) To ensure student awareness and understanding of codes of ethics and conduct related to accounting practice.

ACC640, Advanced Topics in Managerial Accounting

Course Description:

Examines ramifications of managerial accounting within the firm through case studies. Includes, but is not limited to, analysis of measuring, reporting, estimating, and summarizing cost activities for management decision-making in complex corporations. Extends from job order costing, ABC costing, process costing, through budgets and variances, to cost behavior and allocation, transfer pricing, and accounting for all aspects of lean production. *Three credits, offered every Spring semester.*

Prerequisite: Undergraduate Cost Accounting course (SUNY Brockport ACC388) and an intermediate level statistics course (SUNY Brockport ECN304).

Course Objectives:

- 1) To understand the role of cost and managerial accounting and the role of the management accountant in decision-making and control within the organization, including the impact of the four ethical standards of management accountants as established by the IMA.
- 2) To develop an advanced understanding of the application of the concepts and procedures of managerial and cost accounting, particularly with respect to emerging trends in these areas of accounting in relation to business strategies, through case study analysis.
- 3) To compare, contrast, and use traditional and modern cost accounting systems, concepts, and procedures in preparing reports for management decision-making as understanding develops for the impact of such reports on participants throughout the firm from an agency theory standpoint.
- 4) To use research to look beyond the limitations of costs and managerial accounting information in the modern business environment for current and proposed solutions.
- 5) To acquire knowledge and skills related to the use of the computer in cost and managerial accounting, while perfecting quantitative problem solving abilities in accounting such as regression analysis and linear programming.

ACC650, Advanced Topics in Taxation and Regulation

Course Description:

Examines the Federal income taxation and compliance aspects of corporations, shareholders, partnerships, and partners. Topics include tax effects of entity formation, operations, distributions, and liquidations. Federal tax reporting for not-for-profit entities, and an introduction to Federal estate and gift taxation are also provided. Students prepare tax forms 1120, 1065, 1120S, and 990 and related schedules, using commercial tax software. Students study codes of ethics and conduct related to tax practice. In addition, students perform tax research and prepare related memoranda. *Three credits, offered every Spring semester.*

Prerequisite: A junior- or senior-level taxation course addressing individual taxation (SUNY Brockport ACC485.)

(ACC650 continued) Course Objectives:

- 1) To introduce students to advanced federal income tax issues and practices.
- 2) To enhance students' ability to understand tax compliance, research, and planning.

- 3) To reinforce students' written communications skills.
- 4) To further develop students' analytic skills.
- 5) To further develop students' computer capabilities and knowledge.
- 6) To refine students' knowledge of tax research and sources of tax law.
- 7) To ensure student awareness and understanding of codes of ethics and conduct related to tax practice.

ACC660, Advanced Topics in Audit and Assurance Services

Course Description:

Examines selected topics in auditing and assurance services at the advanced level. Topics include information systems control and audit, substantive testing for the revenue, expenditure, and financing/investing processes, audit reports, and other assurance services. Students will also learn applications in auditing using representative audit software such as ACL. Case studies will be used extensively. *Three credits, offered every Fall Semester.*

Prerequisite: Undergraduate Auditing course (SUNY Brockport ACC487).

Course Objectives:

- 1) Prepare a system flowchart in good form for one or more transaction sub-cycles.
- 2) Using statistical sampling techniques, prepare statistical analyses for control testing and substantive testing.
- 3) Prepare audit programs to test controls and to test account balances and transactions.
- 4) Identify inherent and control risks in from client information.
- 5) Prepare a client acceptance report that includes understanding the client's business and industry and has considered the existence of fraud.
- 6) Write audit reports for various opinions.
- 7) Use representative audit software to carry out objectives 2-5.
- 8) Develop a program to carry an attestation or assurance service other than an audit.
- 9) Identify ethical dilemmas in audit and assurance service situations and prepare written resolutions for dilemmas.

ACC680, Principles of Forensic Accounting

Course Description:

This course develops the skills needed for the forensic accountant including investigation, dispute resolution, and litigation support. Emphasis is placed on investigations other than fraud including bankruptcy, divorce, and business valuations. *Three credits, offered every Fall Semester.*

Prerequisite: Undergraduate Auditing course (SUNY Brockport ACC487).

(ACC680 continued) Course Objectives:

- 1) To understand the environment and work of the forensic accountant.

- 2) Develop skills required for investigations and dispute resolutions.
- 3) Explore the various areas of litigation support services.
- 4) Apply the knowledge of criminal law and courtroom procedures to conducting an investigation.
- 5) Develop skills to interact with other professions including lawyers, judges, and law enforcement.
- 6) Understand the ethical standards for the forensic accountant.

ACC681, Fraud Examination

Course Description:

This course examines the area of occupational fraud and abuse. Topics include investigation techniques and skills, fraud theory, reasons occupational fraud is committed. Various types of occupational fraud are examined including skimming, larceny, payroll schemes, reimbursement schemes, and fraudulent financial reporting. Cases will be used throughout the course. *Three credits, offered every Spring Semester.*

Prerequisite: ACC680, Principles of Forensic Accounting

Course Objectives:

- 1) Understand the definition of occupational fraud and abuse.
- 2) Understand the fraud theory approach to investigating occupational fraud.
- 3) Identify various fraud schemes within a case scenario and investigative approaches for each scheme.
- 4) Write a program to carry out a fraud examination.
- 5) Use computer applications in carrying out a fraud examination.
- 6) Identify ethical standards of conduct for the fraud examiner and prepare written analyses of ethical conduct with a case scenario.

ACC682, Case Studies in Forensic Accounting

Course Description:

This course uses cases to develop a greater understanding of the entire field of forensic accounting including litigation support services and fraud examination. Students will develop analytical skills and writing skills in developing solutions to complex cases. *Three credits, offered every Spring semester.*

Prerequisite: ACC680, Principles of Forensic Accounting

(ACC682 continued) Course Objectives:

- 1) Understand the case method of instruction.
- 2) Prepare well-written analyses of cases.
- 3) Identify and assess ethical dilemmas in cases as part of the written analysis.

- 4) Apply knowledge of the research literature on forensic accounting in writing analyses of cases
- 5) Write high quality “expert reports” consistent with expectations of practitioners.
- 6) Understand process of testifying as an expert witness or at a deposition
- 7) Understand process of interviewing suspected individuals and techniques such as the Reid method.
- 8) Use appropriate computer applications in preparing the written case solutions.

BUS617, Management Information Systems

Course Description:

Explores the need and role of information systems in organizations, examines the use of different types of organizational information systems and technical foundations of information systems, and addresses management of the systems function. An introduction to systems analysis and design is provided. ERP systems are also examined. Students must have a working knowledge of Excel and Access prior to enrolling. Three credits, offered every Fall semester.

Prerequisites: Undergraduate accounting or management information systems course (SUNY Brockport ACC283 OR BUS317).

Course Objectives:

- 1) Elevate the students’ understanding of the myriad specialized terms and jargon associated with IT/IS.
- 2) Develop the students’ understanding of computer hardware and software components, types, issues, and trends with a goal of enabling the student to participate in organizational dialog and policy development as it pertains to computing hardware and software used in the accounting function.
- 3) Make the student aware of the different ways computers are used in organizations through examining the taxonomy of different information system types.
- 4) Explore the roles of information systems in supporting managerial decision-making.
- 5) Introduce the student to technology and applications associated with database management systems.
- 6) Introduce the student to technology and applications associated with the use of computer networks.
- 7) Introduce the student to technology and applications associated with electronic commerce.
- 8) Enhance the student’s awareness and understanding of some of the ethical issues associated with IS and organizations.
- 9) Introduce diagramming tools commonly used in the systems development process to support process and data modeling, including data flow diagrams and entity-relationship diagrams respectively. Students are able to interpret (not expected they can construct) these diagrams.
- 10) Improve the students’ hands-on proficiency in developing advanced-level end-user software applications, including spreadsheet and database applications.
- 11) Elevate the student’s understanding of the proper design of spreadsheet and database applications.
- 12) Introduce students to concepts and principles used in designing information systems.
- 13) Enhance and assess the students’ ability to utilize presentation management software to support effective presentations.

BUS625, Corporate Finance for Managers

Course Description:

Advanced analysis of concepts, techniques, and tools used for decision-making within a business entity. Topics include time value of money, security valuation, investment and financing decision analysis, dividend policy, and an introduction to derivative securities and contracts. *Three credits, offered every Spring semester.*

Prerequisites: An undergraduate introductory finance course (SUNY Brockport BUS325), and an undergraduate statistics class (SUNY Brockport ECN204).

Course Objectives:

- 1) To provide information concerning how financial markets operate.
- 2) To introduce issues related to investment alternatives.
- 3) To provide an understanding of capital budgeting and methods for evaluating cash flows.
- 4) To introduce analysis of short-term and long-term financing issues, including risk versus return and alternative asset pricing models.
- 5) To provide an understanding of the calculation of the weighted average cost of capital.
- 6) To reinforce the students' knowledge of mathematics, statistics, and spreadsheet applications related to corporate finance.
- 7) To build on students' communications skills (e.g., case analysis and presentation).

BUS661, Decision Analysis

Course Description:

Students learn and apply quantitative methods, including surveys, multi-variate statistical techniques, decision analysis, PERT/CPM, and inventory and quality management approaches, as well as qualitative techniques such as group decision-making, to individual and team analysis of business problems. *Three credits, offered every Fall semester.*

Prerequisites: Calculus or equivalent, and an intermediate-level statistics course covering inferential statistics, index numbers, regression and correlation analysis, time series analysis, and chi-square tests. (SUNY Brockport ECN304 or equivalent.)

Course Objectives:

- 1) Provide an introduction to concepts and methods associated with the day-to-day operating decisions faced by contemporary production and service organizations.
- 2) To develop the students' ability to understand, correctly select, and apply the appropriate decision-making tool or problem-solving approach for a given situation.
- 3) Introduce software applications germane to operations management and decision analysis.
- 4) Provide an opportunity for students to apply their knowledge of mathematics, statistics, and end-user computing applications to decisions faced by managers.
- 5) To discuss some of the environmental issues and concerns faced by contemporary organizations that produce or sell goods and services
- 6) To reinforce students' written communications skills.

BUS663, Entrepreneurship

Course Description:

This course examines the techniques and skills used by entrepreneurs in starting and growing a business. Students will learn how to write a business plan and defend it. Each area of the business plan will be explored in depth. Both educational and psychological skills of entrepreneurs will be studied. Students will have the opportunity to work with real-world

entrepreneurs in developing their plans or to develop their own business plan. *Three credits, offered every Spring semester.*

Prerequisite: One undergraduate course in business strategy (SUNY Brockport BUS475).

Course Objectives:

- 1) Understand the psychological make up of the entrepreneur.
- 2) Understand the education, techniques and skills of entrepreneurs in starting a business.
- 3) Understand the reasons businesses fail and the ability to apply this knowledge to uncovering weaknesses in business plans.
- 4) Write a comprehensive business plan and present it to the class and invited area entrepreneurs for evaluation.
- 5) Understand methods of venture capital funding.
- 6) Develop knowledge of resources for entrepreneurs (e.g., SBA and SBDC programs), small business incubators, and enterprise zones
- 7) Review success and failure case scenarios.
- 8) Work with real-world entrepreneurs and other business professionals in developing a business plan for entrepreneurs or for students' own business ideas.

BUS676, Business Law for Executives

Course Description:

Provides a survey of topics related to accounting and business practice, including coverage of the Uniform Commercial Code articles on sales, negotiable instruments, secured transactions, as well as bankruptcy, real and personal property, corporations, partnerships, and limited liability entities, wills and trusts, intellectual property, employment law, antitrust, international business law, and cyberlaw. Students study and draft legal documents. *Three credits, offered every Fall semester.*

Prerequisite: An undergraduate course in business law or legal environment of business (SUNY Brockport BUS375).

Course Objectives:

- 1) To advance students' foundational knowledge of business law and legal concepts and principles.
- 2) To enhance students' ability to understand specifically designated business law topics stated in the course description, including the Uniform Commercial Code, property, business entities, estate planning documents, and other delineated areas of law.
- 3) To reinforce students' written communications skills.
- 4) To further develop students' analytic skills.
- 5) To refine students' knowledge of legal research and sources of business law.
- 6) To ensure student awareness and understanding of codes of conduct and professional responsibilities related to the practice of law.

ECN605, Economic Analysis for Managers:

Course Description:

This course examines micro and macro economic principles at the advanced level. Topics in microeconomics include economic models, individual choice and demand, production and the firm, pricing in the goods and factor markets, and general equilibrium. Macroeconomic topics include aggregate supply and demand, inflation, fiscal and monetary policy, and international trade. Cases may be used. *Three credits, offered every Spring semester.*

Prerequisites: Principles of Microeconomics (SUNY Brockport ECN201), Principles of Macroeconomics (SUNY Brockport ECN202), and Calculus or equivalent.

Course Objectives:

- 1) Develop an appreciation of economics and the use of economic analysis to assess and solve business problems.
- 2) Understand the theory and application of selected topics in microeconomics and macroeconomics.
- 3) To further develop the students' research skills to solve business problems.
- 4) To reinforce students' written communications skills.
- 5) To further develop students' analytic skills for case analysis and development of solutions.

Appendix C:
SUNY Brockport Accounting Advisory Council
and Ad-Hoc Reviewers

Accounting Advisory Council, 2003-2005			
* Indicates SUNY Brockport Alumnus			
Kymberly	Bailey*	Executive Recruiter	Employee Relations Associates Inc.
Michelle	Cohen	Manager	Rotenberg & Co. LLP (Director, NYS Society of CPAs)
Michael	Cooke*	Manager	DeJoy, Knauf, & Blood, LLP
John	Curran	Vice-President	M&T Investment Group
Robert	Czudak	Director of Investor Relations	Constellation Brands, Inc.
Robert	DiMarco Jr.*	Senior Financial Accountant	Chase-Pitkin Inc.
Timothy	Flaherty	Partner	Salmin, Celona, Wehrle, & Flaherty, LLP
Robert	Fox	Partner	Eldredge, Fox & Porretti, LLP (Vice Chair, NY Board for Public Accountancy)
Leslie	Gordon*	Shareholder	Robinson & Gordon P.C.
Janet	Graves*	Manager	PricewaterhouseCoopers LLP
Curtis	Heatherman*	Senior Consultant	Constellation Brands Inc.
Timothy	Hungerford	Member	Hungerford Vinton LLC
Raymond	Jacobi	Partner	Mengel Metzger Barr & Co. LLP
Barry	Jencik*	Partner	KPMG LLP
Jennifer	Jesionowski*	Supervisor	Eldredge, Fox & Porretti, LLP
Barbara	Kapperman*	Finance Director	City of Batavia
Paula	Martin*	Partner	Schifferli & Martin LLP
Mark	Pautler	President	Advantage Professionals LLC
Paul	Usinski*	Community Relations Specialist	Internal Revenue Service
Scott	Wagner*	Controller	Heluva Good Cheese Inc.
David	Young*	Managing Partner	Young & Company LLP

Additional Program Ad-hoc Reviewers:

James Marasco, CPA, CIA, CFE
Partner, Forensic & Litigation Services
EFP GROUP
Rochester, New York

Christopher Scudero, CPA
Dispute Consulting and Forensic Investigations
Deloitte & Touche LLP
New York, New York
(SUNY Brockport Alumnus)



State University of New York

College At Brockport

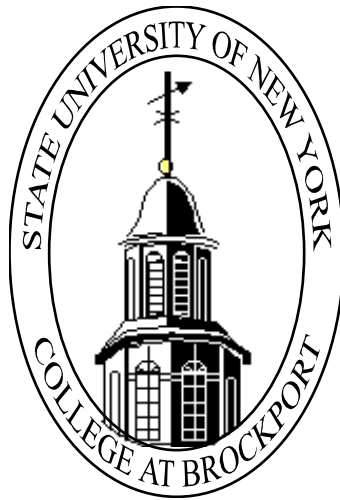
Department of Business Administration and Economics

Supplement to Letter of Intent Submission

**Section III.
Preparation and Submission of a Formal Proposal**

Master of Science Degree Program in Accounting (MSACC)

Master of Science Degree Program in Forensic Accounting (MSFA)



Submitted to College Senate
February 22, 2005

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Introduction:

This document is a supplement to the document entitled “Preliminary Information To Be Included In Letter Of Intent.” That document provides information in the format for a proposed Letter of Intent to be submitted to SUNY System Administration. These two

documents taken together offer background information, explanation, justification, and evidence to support two planned Master of Science degrees in Accounting to be offered by the Department of Business Administration and Economics.

Both of these documents follow the format of the December 2004 document entitled, “*State University of New York Revised Procedures for Submission of Graduate Academic Program Proposals.*” This document provides a preliminary analysis and report in accordance with Section III of the revised procedures entitled, “*Preparation and Submission of a Formal Proposal.*” We note that for purposes of simplification, we have combined the proposal for two MS degrees into one proposal.

We anticipate ultimately receiving suggestions and recommendations on improving these documents from the College Senate Graduate Curriculum & Policies Committee, the Dean of Graduate Studies, and the Dean of the School of Professions. We have attempted to comprehensively respond to each item required, and hope that these documents satisfy the requirements of the College Senate for submission and review. As Provost Flanagan has already provided verbal support for these degrees as well as strong encouragement to submit the Letter of Intent to SUNY System Administration as soon as possible, we ask for Senate endorsement of these programs. We are available to respond to inquiries or provide additional information upon request.

A. Appendix A: Graduate Program Proposal Cover Sheet

Provided as Appendix A at the end of the body of this document.

B. Document describing the proposed program:

1. Full program description:

The proposed program would establish two separate but related Master of Science degrees, one in accounting, and one in forensic accounting.

The purpose of the program is the need to respond to changes in the educational requirements for licensure as a Certified Public Accountant (CPA). The State Education Department recently changed the educational requirements for CPA licensure. The most striking change is the increase in the number of hours of college education required, from 120 to 150. Hence, the changes have come to be called *the “150-hour requirement.”*

With an average enrollment of 170 accounting majors, the Department of Business and Economics needs to take steps to respond with a program to retain these students. The College recently received approval for a related five-year, 150-hour undergraduate program. However, our stakeholders, including the Department’s Accounting Advisory Council, students and prospective students, alumni, and employers/recruiters of accounting students, are virtually unanimous in their observation that few students will choose to attend college for five years and *not* earn a master’s degree if they can earn a relevant, high-quality master’s degree in the same time period. We agree, and this proposal is directed to that issue.

The structure of the program mandates ten graduate level courses for three credit hours each, a total of thirty credit hours. Each degree program consists of six core business and economics courses, and four specialty courses in accounting. The six core courses are the same for each of the two degree programs. Either program may be completed full-time with one year of study, or on a part-time basis. The content of the programs is provided in the tables below.

MS Accounting (MSACC):

Accounting specialty courses	Business core courses
Advanced Topics in Financial Accounting Theory	Decision Analysis
Advanced Topics in Managerial Accounting	Business Law for Executives
Advanced Topics in Taxation and Regulation	Entrepreneurship
Advanced Topics in Audit and Assurance Services	Corporate Finance for Managers
	Management Information Systems
	Economic Analysis for Managers

MS Forensic Accounting (MSFA):

Accounting specialty courses	Business core courses
Principles of Forensic Accounting	Decision Analysis
Fraud Examinations	Business Law for Executives
Case Studies in Forensic Accounting	Entrepreneurship
Advanced Topics in Audit and Assurance Services	Corporate Finance for Managers
	Management Information Systems
	Economic Analysis for Managers

The structure of each program is such that students may complete it in one year of full-time study or may take courses on a part-time basis. Extensive prerequisite requirements assume entering students have completed a baccalaureate degree in accounting or a different baccalaureate degree with completed course work equivalent to a bachelor's degree in accounting.

Course descriptions and sequencing are provided in Appendix D.

We note that there is substantial undergraduate prerequisite course work required for admission into the MS degrees. This is due to New York's requirements that 150-hour programs consist of at least 33 hours in accounting, at least 36 hours in business, and at least 60 hours of liberal arts. The only proposed change at the undergraduate level is to increase from one to three the credit hours assigned to ACC389, the Accounting Profession Seminar. This is to ensure adequate coverage of accounting ethics and professional responsibility.

2. Impact of the proposed new program:

The impact of the pending 150-hour requirement on our existing programs is precisely what prompted the Department of Business Administration and Economics to make this proposal. Specifically:

- Historically, undergraduate students at SUNY Brockport have had the option of pursuing either a *registered* accounting program, qualifying them to sit for the CPA exam, or a non-registered, non-CPA accounting track in our Business Administration program. Approximately 95% of accounting students have selected the registered program. In this selection, the students have overwhelmingly indicated their preference for degree programs that prepare them to sit for the CPA exam.
- With the 150-hour requirement for entrance to the CPA exam now mandatory in New York state, we are at risk of being unable to attract undergraduate accounting students unless we offer a competitive graduate program. Every 150-hour program competitor in the Rochester area (St. John Fisher, Nazareth, Geneseo, Roberts Wesleyan, RIT, and the University of Rochester) offers a graduate program leading to CPA licensure. Further, most regional competitors with registered programs (Alfred, Buffalo, Canisius, Daemen, Ithaca, Niagara, Oswego, St. Bonaventure, and Fredonia) offer either an MS or an MBA

that is registered as meeting the 150-hour requirement. In order to remain competitive, we need to offer our students a graduate degree option as well.

With regard to impact of the proposed masters' programs on our existing undergraduate programs, we see the proposed programs as being beneficial in several ways:

- They will enable qualified undergraduate students who are regionally bound, by family and other obligations, to pursue graduate studies in accounting. While there are a number of private graduate accounting education options available in the Rochester area, they are prohibitively expensive for many of our students, particularly first generation college students, minorities, young adults with (sometimes single parent) families, and working students whose part-time status limits their financial aid options. For students who are geographically bound by family and work obligations, attendance at other public institutions offering graduate accounting programs, e.g., SUNY Buffalo, is not a reasonable alternative. SUNY Geneseo is also not a reasonable alternative. Geneseo is an hour from Brockport, and 35 minutes south of Rochester, and thus not in close proximity. Geneseo's mission and practice has been to admit a very limited class of students, and then principally traditional students. Brockport's mission, practice, and student body are very different from Geneseo's. Accordingly, there is no reasonable public alternative to Brockport for many accounting students interested in pursuing CPA licensure. This is evident by the historically large enrollment in our accounting program.
- Qualified students can complete the program in a single year, making the programs much more resource-neutral than a traditional (two-year) MBA program would be.
- The anticipated influx of students with business and management experience provides an opportunity for faculty to gain insights on current business practices. The knowledge gained teaching at the graduate level is then expected to have a positive impact on content delivered in undergraduate courses.

With regard to impact of the proposed masters' programs on existing graduate programs at Brockport, it is unlikely that there would be any significant impact. The masters' degrees in accounting require substantial undergraduate course work, consistent with the historical requirements of registered undergraduate programs, and consistent with demand from external stakeholders. There is thus minimal potential for cannibalization of students from other programs.

We anticipate a substantial improvement in retention rates for accounting majors. Without a master's degree in accounting, accounting majors have a disincentive to enroll in Brockport's accounting program. All accounting majors want the option of taking the CPA exam, and the 150-hour requirement mandates five years of study. Few students will want to attend a different institution for the fifth year than they did for the first four years (or the 3rd and 4th year for community college transfer students.) We thus believe more Brockport accounting students will remain through years 3-5, and more will choose Brockport initially once the option of staying for a master's degree is in place.

We anticipate maintaining faculty-student ratios equivalent to the current ratios. The proposal requests funding for two additional faculty lines and assumes one additional course per year will be staffed by a part-time faculty member. Assuming those requests are met and enrollment estimates are reasonable, we should maintain approximately the same ratio of faculty to students. At this time we anticipate no external clinical instruction, agency placement, or practice teaching. We do include the option of "internships" in the total educational options for accounting students, but it is expected that students will embark on such internships while still at the undergraduate level. This is consistent with our current approach to encourage students to pursue

internships or co-operative experience before graduate school, so they will have an informed sense of the best path for each individual.

3. List of graduate courses for the first three years:

A list of all courses to be offered is provided in section B.1. above. We anticipate offering one section of each course once each year for the first three years.

4. Procedures for academic advising:

The Department's 26 full-time faculty all invest significant effort in academic and career advisement. This would form the core advisement mechanism for MS students as well. The Department staff also includes a half-time Advisement Coordinator, who is engaged in individual and aggregate advisement. Similarly, the Department Associate Chairperson's principal role is in advising and related student issues. The Department also has a full-time dedicated Career Specialist who acts as a career counselor, and as liaison to the College's Office of Career Services. This combination of services and experts has effectively met the needs of our students in the past, and we anticipate it will continue to be able to do so.

Students are required to communicate with their assigned advisor each semester in order to plan for future courses and to enroll in current courses. This process continues until students graduate. Likewise we expect it to apply for MS students through degree completion.

5. A description of significant resources and support programs:

The Department's full resources will be available for all purposes of the proposed Master of Science degree programs. Such resources include, but are not limited to:

- Physical space (offices, classrooms, computer labs, student meeting room) in Hartwell Hall;
- Computer and peripheral equipment (printers, scanners, etc.), including those provided to faculty and staff, in laboratories, on mobile AV carts, and in Technology-Enhanced Classrooms;
- Other equipment, including photocopier, telephones, fax machine, etc.;
- Furniture and fixtures;
- Scholarship and travel support funds;
- Professional development funds;
- Resources to enhance teaching and pedagogy (i.e., CELT seminars, other campus and external seminars contingent on availability of funds);
- Significant Departmental staff support, including Associate Dept. Chair, Program Administrator, Career Services Specialist, Advisement Coordinator, Secretary, and Keyboardist, as well as temp service support for student employees.
- Other support resources and programs are distributed across campus (library, academic advisement and career services offices, CELT etc.).

The resources generally available to the Department currently are expected to continue to be available and to be increased only to the extent described in the "Letter of Intent" document that forms the basis of this submission and is incorporated herein by reference.

C. Faculty

1. Appendix B: Faculty Information Table:

Omitted, as per direction of Chair of Graduate Curriculum & Policies Committee, who indicated that it was not needed at this time. We note here that the Department currently employs 26 full-time faculty members and an average of ten part-time faculty members per semester. The proposal requests funding for two additional full-time faculty lines and one additional part-time faculty course per semester. Estimated costs are explained in the related "Letter of Intent" document, and summary data is provided in Appendix C to this document.

2. Vitae of current faculty members

Likewise omitted as per direction of Chair of Graduate Curriculum & Policies Committee that it was not needed at this time. We note that of the 26 full-time faculty, 25 meet AACSB guidelines for academically qualified or professionally qualified, which satisfies AACSB's "at least 90%" standard. Of the 25 total "qualified," 23 are academically qualified. (Academically generally refers to a Ph.D.; professionally generally means at least a master's degree in the field combined with significant relevant work experience in the areas being taught.) Thus, 88% of the current full-time faculty are doctorally- and academically-qualified per AACSB standards. (That figure will be 92% effective Fall 2005, when a QAR line staffed by a master's degree holder terminates and a different tenure-track line to be staffed by a Ph.D. holder takes effect.)

All part-time faculty are academically or professionally qualified. Two hold terminal degrees for the subjects they teach (Ph.D. or J.D. for business law). All have significant industry experience.

3. Anticipated changes in faculty resources

A "best guess" on the next few years:

We are currently searching for a full-time tenure-track faculty member in Production and Operations Management. We will hire an academically-qualified Ph.D., thereby replacing a current professionally-qualified QAR faculty.

We anticipate two or three retirements in the next five years, all tenured faculty in economics. We anticipate replacement of all of these lines with tenure-track faculty in economics. As each individual retires, we will re-evaluate the greatest department need for new faculty at that time.

The proposal asks for two additional full-time faculty lines, one in accounting and one in entrepreneurship. Assuming the degrees are approved, we will search for academically- or professionally qualified faculty. Regardless of actual changes, we will need to ensure continuing compliance with the several AACSB standards that address faculty complement relative to disciplines and student body.

Students: Admission, support, and enrollment

Criteria and procedures for admission:

Criteria and procedures for application will require submission or evidence of the following: Students will be required to submit a standard graduate application form along with evidence of the following:

Bachelor of Science degree in accounting or other baccalaureate degree with course work equivalent to B.S. accounting coursework (either as part of other degree or in addition to it).
3.0 or higher overall undergraduate grade point average.
GMAT score.

In addition, students will be required to submit the following documents:

Personal statement expressing reasons for application, and interest in accounting as an academic discipline and in accounting practice.
Two recommendation letters.

Criteria for admission will include objective evidence in a) and b) above. The subjective elements in c), d), and e) will be evaluated in the context of applicants' demonstrating appropriate interest and likelihood of success in completing the degree. At this time we have not established a minimum required GMAT score. A prior proposal for a similar degree called for a minimum score of 500, which we may again use. If the degree proposals are approved, we will evaluate an appropriate benchmark based on size and qualifications of applicant pool.

2. Student body to be served:

We anticipate a student body similar to the student body currently served in our undergraduate accounting major program, with minimal variations, discussed below.

The geographic origin of the current student body is mostly from the western New York region, consistent with the College's regional emphasis. We believe that the proposed MS degrees have the potential to draw students from beyond western New York, if marketed by the College. In particular, the MS in Forensic Accounting has the potential to draw students from across the nation based on tremendous demand for graduates with knowledge of fraud investigations, and the lack of similar programs throughout the nation¹⁴. The anticipated academic origin of expected MS enrollees is principally students completing a baccalaureate degree in accounting who want to pursue CPA licensure. An additional small population is expected to be derived from non-accounting baccalaureate degree holders who choose to pursue a master's degree in accounting.

Women currently comprise approximately 60% of accounting majors at SUNY Brockport, which is also the approximate proportion nationally. (Per the American Institute of CPAs, 56% of accounting degree graduates in 2003 were women.) Ethnic minorities account for approximately 17% of all CPAs nationwide; 8% are African-American. We do not have data on current enrollments in accounting at SUNY Brockport by minority group, but estimate that our enrollment percentages approximate those of the nation. Minorities have been historically underrepresented in the accounting profession.

We note that the formation in 2004 of a SUNY Brockport/Rochester area chapter of the Career Opportunities in the Accounting Profession program (COAP) is expected to significantly increase minority accounting enrollments at Brockport over the next few years. COAP is a program sponsored by the New York State Society of CPAs. Its mission is to educate minority high school students on the benefits of considering a career as a CPA. Each June, high school students from the region spend five days on the campus, working with practicing CPAs to provide the students with exposure to and an understanding of the many varied opportunities in becoming a CPA. This is a highly successful program that serves the public interest in

¹⁴ Only one program emphasizing forensic accounting of which we are aware exists in the United States. It is offered at Florida Atlantic University. Forensic Accounting is a rapidly growing area of accounting practice. See description and background information provided in the Letter of Intent document.

attempting to further opportunities for growing minority populations. SUNY Brockport is the only institution west of Syracuse that offers this program. We thus anticipate not only increasing the proportion of our minority accounting student population relative to current levels, but anticipate becoming an attractive first option for minority high school students in the Rochester region. (For more information, see www.brockport.edu/COAP.)

Proportions of foreign accounting students and accounting students for whom English is a second language are not available. Historically the enrollments in accounting of these types of students has been low, both at Brockport and nationally, perhaps due to the different applicable laws for CPAs in different *states*, in addition to differences across nations, and the related differences in terminology which may negatively influence these student populations from seeking accounting degrees.

3. Anticipated financial support:

We anticipate very limited financial support will be provided by the College. Most if not all enrollees will be funding the program through a combination of part-time or full-time wages or salaries, personal savings, and student loans. Historically the population of accounting majors receiving aid has been negligible. External scholarships may provide some support for a few students. Undergraduate Brockport accounting students have occasionally won scholarships from various organizations, including the New York State Society of CPAs, the Institute of Management Accountants, and the Financial Executives Institute. Other annual scholarships for SUNY Brockport students have included support from Advantage Professionals LLC, Becker Conviser CPA Review, and the CPA firm of Rotenberg & Co. LLP. A recent scholarship for an accounting major, the Shannon Lewis Adams scholarship, was established in recognition of an accounting alumnus who perished at the World Trade Center on September 11, 2001. We anticipate these scholarships will continue. The Department will likewise continue to seek additional new scholarships to support MS accounting students.

4. Enrollment projections:

We project enrollments approximating the figures provided in the table below. All figures are of Full-time Equivalents (FTE's).

Year	1	2	3	4	5
MSACC	20	22	24	27	30
MSFA	20	22	24	27	30
Total	40	44	48	54	60

Our enrollment projections for the first five years of the program are provided above. Numbers represent full-time equivalent (FTE) students. We project a starting point of 40 FTE students for the first year. This is based on the approximate number of new accounting freshmen and transfer students over each of the past two years. Further, some of these students will likely need to first complete some undergraduate prerequisite course work. These are conservative estimates. Unless additional resources beyond those described herein are provided, we would need to cap enrollments, probably at the year 5 figures above. We believe these estimates are reasonable, based on objective data and projections, and are achievable, consistent with the profile of the accounting program and its place within the Rochester business community

This estimated demand is based on program history and current trends. The accounting major at SUNY Brockport has enrolled an annual average of 160 students over the period 1992-2004. An

additional 10 students have been enrolled annually (on average) as “second degree contract students.” We thus use 170 students as a starting point for this purpose. (We note that 10-15 additional students are enrolled annually in our accounting specialty in the business administration major, but omit them from this average.)

The Bureau of Labor Statistics (BLS) of the U.S. Department of Labor predicts that demand for accountants and auditors will grow between 10% and 20% through the year 2012. We will therefore use 10% as our estimated demand increase. We note that this probably underestimates demand for our programs, because:

- 7) It is the bottom of the range of the BLS estimate;
- 8) In SUNY Brockport’s market, we are in large measure the least expensive alternative for prospective students;
- 9) We are AACSB-accredited, not true of some of our competitors with thriving, more costly, MS programs;
- 10) Our program’s reputation is on the rise based on substantially increased numbers of students securing internships, co-ops, and full-time positions by the time they graduate;
- 11) The implementation of the Career Opportunities in the Accounting Profession (COAP) program; and
- 12) Other evidence including accounting scholarships described in the previous section indicates a level of recognition and prestige for the accounting program.

In comparing our degree program with others in our region, we note that ours is among the elite group that has achieved AACSB International accreditation, an important consideration among the increasingly sophisticated and knowledgeable prospective student population. Our program serves the six-county Rochester region as the only SUNY institution with admissions policies allowing the diverse student populations (other than traditional age, full-time, residential students) to complete an accounting degree. This serves the area by contributing to the highly-trained professional work force critical to the needs of a community which prides itself on having both prestigious *Fortune 500*® employers and many high-tech development stage and growth-oriented companies. Our program is also unique among the programs mentioned above with regard to our COAP initiative, as described above.

Our demand assumptions are thus:

- ▶ A base of 170 students in the undergraduate program in 2006 when the MS program begins (assumed start date).
- ▶ Ten percent growth each year from 2007-2010 (the following four years), based on Bureau of Labor Statistics data.
- ▶ An average of 75% full-time students and 25% part-time students, based on the average over the period 2001-2004. (Only data available.) We assume that all part-time students will complete the MS degree in 2.5 years, rather than the prescribed one-year full time. Most part-time students will attempt to complete the program in as short a time as possible, based on historical trends and common sense. We assume that some of the graduates will take one course per semester, some two, some three, and some four. We have no objective evidence to predict how many of the 25% total

part-time population will choose each of these options. We therefore simplify these projections by assuming the “typical” part-time student will complete five courses per year, rather than five per semester. Two and a half years is the mathematical average of the “one course per semester through four courses per semester” possibilities $[(1+2+3+4)/4=2.5]$.

- ▶ An attrition rate of zero. This is based on a belief that demand will actually exceed the 10% base of the BLS data for our program (despite only an assumed 10% increase in the figures used here). We began exploring serious exploration of MS degrees in 1997. Anecdotal evidence from conversations with many alumni, employers, focus groups, and our Advisory Councils since then suggests that many professionals would pursue business or accounting master’s degrees at Brockport if we offered them, based on our low cost and AACSB accreditation. We thus believe we will attract greater enrollments than the figures here assume. Because of that, and in the name of simplification, this enrollment model assumes any increase above 10% would equal the attrition rate, so we net them to zero.
- ▶ We further assume that the enrollments in the two MS programs will be equal. It is not possible at this time to estimate the relative demand of the two programs. Some students will choose a “traditional” MS program; some will choose the “glamorous area” of forensic accounting. There is a reasonably strong possibility that the latter program will draw substantial interest beyond western New York, as demand is very high for professionals with this expertise and there is only one other accounting program in the United States offering a tailored degree in this field. Based on a lack of objective evidence and for purposes of simplification, we therefore assume equal demand for the two MS degrees.

Facilities

1. Description of resources, needs, and plans:

a. Library: The College’s Drake Memorial Library is a full-service facility including excellent circulation, reference, and inter-library loan services. The library collection includes approximately 642,650 books, 123,000 bound journal volumes, two million units of microtext, and, as an official government documents repository, an extensive government documents collection. With respect to holdings related to business, accounting, and economics, there are 40,456 texts, including bibliographical indices. There are 107 journals and 14 business reference collections. The library also subscribes to 1,960 paper journals, and has access to over 14,000 journals in electronic form through our subscriptions to 99 databases. Some of these databases, including Compustat, Business Source Premier, Hoovers, and Lexis-Nexis, are principally for business. Many others are in business-related areas of the social sciences.¹⁵

The business journal collection in its current state is believed to be adequate to support the proposed master’s level programs. The needs to stay current and to modify the collection as the business environment and society change preclude any long-term guarantee; business is dynamic

¹⁵ We note that this excludes the law collection, which is substantial. Law represents a significant portion of the CPA exam, and is important to accounting practice. To the extent law resources are excluded, the figures above are conservative, i.e., resources available for the students of the proposed degrees are understated.

and needs can change. Because access to new services will be Internet based, ease of access will improve dramatically, both for faculty and students, given the large number of satellite computer laboratories now on campus.

Interlibrary loan and reciprocal use arrangements with area libraries, including University of Rochester and Rochester Institute of Technology, make virtually any required material accessible to the faculty and students of the program. The library also participates in IDS, a SUNY program that makes available circulating resources of the various SUNY schools in two days or less. Through the adoption of OCLC's ILLIAD and ODYSSEY services, the Library will soon make available electronic delivery of some documents directly to users via email. (Note: Virtually all of the information and data in this section is per Christopher Brennan, Associate Director, Drake Memorial Library.)

b. Other facilities: Other required facilities consist primarily of classroom space and computer laboratories. Classroom space is generally adequate given that the majority of classrooms on campus are small and will easily support the seminar format often encountered in graduate course work. This issue of classroom space is managed on a campus-wide basis, resulting in some Department classes running in buildings other than Hartwell Hall. We believe it better for our program culture and student success for our classes to all run in Hartwell, but acknowledge the relevant constraints and the needs of the Office of Registration and Records to consider all relevant issues in assigning classrooms. We have had few instances of classroom facilities being inadequate, and that Office does an outstanding job in reassigning rooms as much and as quickly as possible. We do not see this as a problem.

With the existence of two business computer laboratories in Hartwell, there should be adequate computer facilities. (We note that other departments also use these computer labs; we share as much as we can.) The advent of the MS degrees combined with the increase by other departments of use of this resource may, at some point, result in a need to more carefully allocate space and coordinate courses across disciplines. We do not believe this issue requires serious consideration at this time. Given our experience with the non-traditional working students in our undergraduate evening programs, it is anticipated that a majority of the students will have access to either their own computer or one at their place of work.

As the integration of technology into our classes grows, the Department has analyzed available resources. We believe that the need for additional classroom technology availability is real and current. One member of the Department is on the College Technology Council, and has thoroughly researched relevant technology. Going forward, we hope the College will abandon or reduce the reliance on "smart rooms" and replace them with lightweight, inexpensive laptop/projector/mobile carts arrangements. Approximately 12 units like this can be purchased for the same price as a smart room, and the units are easily transported from room to room and building to building. They are also generally more secure, and much cheaper to replace. Pursuing this option will ease the technology needs of the Department vis-à-vis the MS proposals. For now, the arrangements are satisfactory.

In addition to classroom space and computer facilities, the Department maintained a Student Meeting and Study Lounge from 1996 until November 2004. The student meeting space is currently in the process of being relocated. Formerly located in Hartwell 107, that room was converted to a faculty office. The Provost, however, re-designated other space on the second floor of Hartwell to be converted into a new Department student meeting room, to become available during Summer 2005. The many active clubs and student groups, along with necessary team meetings outside of classes and other faculty-student-alumni-guest activities, demand space

not currently available for this purpose. Hartwell 119, the faculty lounge, has been temporarily opened to students during available times. With the new meeting room being created, student meeting room space will be sufficient.

Overall, facilities are adequate. No need for additional facilities, except to the extent described in this section, is anticipated.

c. Technical and secretarial services for students and faculty: Such existing services are believed to be adequate to support the proposed degrees. The Department is served by a relatively extensive group of staff professionals:

- An Associate Department Chairperson receives a course release and a small stipend primarily for managing student issues, including advisement policies and rules, student complaint mechanisms, Open Houses, and information sessions for prospective students, as well as certain enrollment management issues.
- A Program Administrator acts as liaison to a number of college offices and to students for a variety of initiatives, including outcomes assessment, program marketing, relations with high schools and community colleges, and awards and scholarships, as well as relations with alumni and the department's four advisory boards.
- A Career Specialist helps students seeking entry-level career positions and internships, and engages in extensive outreach efforts to external constituencies.
- A part-time Advisement Coordinator ensures all students are informed of advisement policies, and that all can meet one-to-one with a department advisement expert if faculty are away or unavailable; the incumbent also manages department computer laboratories.
- The Department's secretary also functions as an office manager and as the first contact for students needing support or direction on locating necessary resources.
- A keyboard specialist supports the work of the secretary and other faculty and staff as needed.
- Students working as temp support or through work-study funding support all clerical and administrative needs of department faculty, staff and students.

2. Describe special support facilities and unique resources:

No special support facilities or unique resources exist. No such needs are anticipated.

Expenditures: Appendix C

Please see Appendix C for estimated expenditures by category.

Academic Quality Assurance:

Provisions for Periodic Program Review:

The College requires an extensive Periodic Program Review every sixth year, as part of continuing processes to ensure quality and continuous improvement. The degrees programs proposed herein will be part of the umbrella review under this process. The next Department Program Review is expected to occur in 2009-2010.

Accreditation:

The Department's programs are accredited by the Association to Advance Collegiate Schools of Business, International (AACSB). AACSB is the world's premier accrediting agency for business programs.

In accordance with AACSB standards, the next Department site visit is expected to occur in 2012-2013. Prior to that, the Department will be required to submit five years of annual reports on the status of all standards. Those reports will include, if approved, the development and status of the MS programs described herein.

Appendix A
GRADUATE PROGRAM PROPOSAL COVER SHEET

Basic Information. Type requested information in the table cell to the right. The cell will expand as necessary.

A.	Campus Name	State University College at Brockport
	Specify other location, if any, where the program will be offered	None

B.	President or Chief Academic Officer (Sign and Date)	
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Signature & Date

C.	Contact person, if different from above (name/email/phone)	William H. Dresnack, wdresnac@brockport.edu , (585) 395-2623
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D.	Proposed program title	Master of Science in Accounting Master of Science in Forensic Accounting
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E.	Proposed degree or other Award	Master of Science
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F.	Proposed HEGIS Code	0502.00
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G.	If the program will be offered jointly with another institution, specify the other institution	Not applicable.
	<i>If the other institution is degree-granting, attach a contract or letter of agreement signed by that institution's President or CEO. If it is non-degree granting, refer to SED Memorandum to Chief Executive Officers No. 94-04 (http://www.highered.nysed.gov/ocue/ceo%20memorandum.htm).</i>	

H.	<p>Brief Program Summary (300 words), describing academic content, structure/duration and number of credits. (Cell will expand as necessary.)</p> <p>The program proposed would establish two separate but related Master of Science degrees, one in accounting (MSACC), and one in forensic accounting (MSFA).</p> <p>The structure of the program mandates ten graduate level courses for three credit hours each, a total of thirty credit hours. Each degree program consists of six core business and economics courses, and four specialty courses in accounting. The six core courses are the same for each of the two degree programs. Either program may be completed full-time with one year of study, or on a part-time basis.</p> <p>The content of the program is six core business courses, entitled Decision Analysis, Business Law for Executives, Entrepreneurship, Corporate Finance for Managers, Management Information Systems, and Economic Analysis for Managers. The specialty courses in the general MS in Accounting are Advanced Topics in Financial Accounting Theory, Advanced Topics in Managerial Accounting, Advanced Topics in Taxation and Regulation, and Advanced Topics in Auditing and Assurance Services. The specialty courses in the MS in Forensic Accounting are Advanced Topics in Auditing and Assurance Services, Principles of Forensic Accounting, Fraud Examinations, and Case Studies in</p>
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Forensic Accounting.

The course work in the MSACC will prepare graduates to pursue traditional accounting careers in CPA firm audit and tax positions, as well as positions in industry, government, and education. The MSFA will allow students to pursue the same traditional careers as well as positions in the specialized but rapidly growing area broadly referred to as forensic accounting. Both degrees will require extensive undergraduate prerequisite course work, as both will qualify students to take the CPA Examination in New York. Both are expected to comply with New York's 150-hour requirement.

Appendix C

Expenditures associated with the program

Expenditures (all figures in 2005 U.S. dollars)		Start-up	When the program begins	After five years
Personnel	<i>Existing Funds</i>	\$ 0	\$272,150	\$272,150
	<i>New funds</i>	\$ 0	\$ 0	\$ 0
Library	<i>Existing Funds</i>	\$ 0	\$ 0	\$ 0
	<i>New funds</i>	\$ 0	\$ 0	\$ 0
Equipment	<i>Existing Funds</i>	\$ 0	\$ 0	\$ 0
	<i>New funds</i>	\$ 0	\$ 0	\$ 0
Laboratories	<i>Existing Funds</i>	\$ 0	\$ 0	\$ 0
	<i>New funds</i>	\$ 0	\$ 0	\$ 0
Supplies & Expenses (OTPS)	<i>Existing Funds</i>	\$ 0	\$ 5,000	\$ 0
	<i>New funds</i>	\$ 0	\$ 0	\$ 0
Capital Expenditures	<i>Existing Funds</i>	\$ 0	\$6,000	\$6,000
	<i>New funds</i>	\$ 0	\$ 0	\$ 0
Student Support	<i>Existing Funds</i>	\$ 0	\$ 0	\$ 0
	<i>New funds</i>	\$ 0	\$ 0	\$ 0
Other	<i>Existing Funds</i>	\$ 0	\$ 0	\$ 0
	<i>New funds</i>	\$ 0	\$ 0	\$ 0
Total		\$ 0	\$283,150	\$278,150

Provide below a brief description of the process used to identify costs associated with developing and implementing the program and sources of revenue to match those costs. Include attestation that the academic leadership of the campus has planned for, and is strongly committed to, providing necessary resources.

Costs shown are the combined costs of the two proposed MS degrees in accounting. Estimated costs for the program include 1) additional faculty salaries and benefits, 2) additional scholarship support, 3) course development, 4) equipment, and 5) advertising. These are explained below.

1) *Additional faculty salaries and benefits*: The Department believes one new full-time accounting full-time faculty line and one new full-time business line will be needed, to ensure that we meet AACSB guidelines for staffing by “participating” faculty.”¹⁶ We will seek to fill the accounting line with a Ph.D. with expertise in forensic accounting who holds the Certified Fraud Examiner® (CFE) designation. We recommend that the business line be filled with a Ph.D. in entrepreneurship, as this is the area in which the Department is deficient relative to current faculty resources, and this is not only part of the accounting proposal but a growing demand area outside of accounting as well.¹⁷

Estimated costs for these two lines are:

- ▶ Two new faculty lines, AACSB average starting salaries \$180,000
- ▶ Overhead charges for benefits (42% of salaries) \$ 75,600
- Additional annual charges for salaries and benefits \$255,600

¹⁶ “Participating faculty” is a term in the standards of AACSB International. It essentially refers to faculty who are engaged in the operations of the institution beyond simply teaching, i.e., academic and career advisement, governance, and scholarship.

¹⁷ We note that a proposal is being developed to staff an Entrepreneurship Institute partially through grant funding, and believe these issues and needs may be combined.

As the proposal adds thirteen graduate courses, the two lines would give us full-time faculty resource to staff 12 of the 13 courses (two faculty x six courses per year). The remaining course would result in a need to staff one more departmental course with a part-time faculty member. We estimate that cost at \$3,550 [(\$2,500 salary) + (42% x \$2,500)] per year.

2) *Additional scholarship support:* We are also proposing \$13,000 of incremental scholarship support annually. The request is based on the statement below from the “new” AACSB standards (adopted April 1, 2003 and revised as of January 1, 2004 and January 1, 2005). The reference is to scholarship as it relates to master’s degrees in the context of “financial strategies.” The statement, on page 28 of the standards, provides that “with the addition of masters level programs would come expectations for applied research support.” We are thus assuming thirteen graduate-level faculty (for the thirteen graduate courses) each year would qualify for \$1,000 of incremental support above the amounts currently available.

3) *Equipment:* We estimate the cost of adequately “equipping” the full-time faculty at \$3,000 for each, for a total of \$6,000.

4) *Advertising:* We budget \$5,000 for a modest amount of introductory advertising to inform stakeholders and prospective students about the programs.

A summary of the estimated additional costs of these proposals to the College is provided below.

Two new faculty lines, AACSB average starting salaries	\$180,000
Overhead charges for benefits (42% of salaries)	\$ 75,600
One additional part-time course, including benefits	<u>\$ 3,550</u>
Additional annual charges for salaries and benefits	\$259,150
Additional applied research support (13 faculty x \$1,000 each)	<u>\$ 13,000</u>
Total additional annual charges	<u>\$272,150</u>
Additional initial charges:	
New equipment for two new faculty	\$ 6,000
Advertising	<u>\$ 5,000</u>
Additional initial charges	<u>\$ 11,000</u>

Funding requirements: Costs shown are the combined costs of the MS Accounting and MS Forensic Accounting programs, which are substantially integrated in their curriculum design and staffing. Existing secretarial lines are sufficient to support the program. Similarly, anticipated and existing computer facilities are sufficient. No significant incremental library costs are anticipated. The staffing plan proposed for this program, which includes two new full-time faculty lines, and a complement of adjunct staff, must be allocated such that at least 75% of the credit hours taught are taught by full-time faculty, as per AACSB standards. Likewise, at least 60% of the courses in each discipline must be taught by full-time faculty.

Estimated Operating Costs (in 2005 dollars)					
Year	1	2	3	4	5
Incremental Operating Costs	\$277,150	\$272,150	\$272,150	\$272,150	\$272,150
Incremental Capital Costs	\$6,000	\$0	\$0	\$0	\$0

Source of funds: Tuition represents the primary source of funding available to cover operating and capital expenses. Technology fees assessed on the students by SUNY Brockport represent a secondary source. Revenue projections are based on the enrollment assumptions above and assume a graduate tuition rate of \$6,900 per year per FTE, with a 0% increase in tuition over five years. The table below compares revenue projections and estimated cost reallocations.

Required Internal Reallocation (cost) vs. Estimated Revenues					
(In 2005 dollars)					
Year	1	2	3	4	5
FTE Enrollment	40	44	48	54	60
Tuition Revenues	\$276,000	\$303,600	\$331,200	\$372,600	\$414,000
Internal Reallocation Required (cost)	\$283,150	\$272,150	\$272,150	\$272,150	\$272,150

Funding requirements are based on enrollment assumptions. However, program self-sufficiency is fairly robust with respect to enrollments. The revenue figures in the table above are also conservative, as they use full-time tuition only; part-time students, expected to comprise 25% of enrollments, will pay a higher per-hour rate.

The table above indicates that these programs will generate positive cash flow from year two on, and the year one net outflow will be only \$20,150, a small amount relative to the subsequent years' positive cash flow and the need to offer master's degrees to maintain Brockport's accounting program and serve the Rochester community.

It is anticipated that the college administration will re-allocate the necessary costs to ensure these programs are initiated. This is based on the initial approval to develop these proposals coming directly from Provost Dr. Timothy Flanagan. Dr. Flanagan explicitly suggested that the Department should develop proposals for two MS degrees, one in Accounting and one in Forensic Accounting. This explicit support and direction suggests that the academic leadership of the campus has planned for, and is strongly committed to, providing the necessary resources to offer these programs.

Appendix D Course Sequencing and Descriptions

COURSE SEQUENCING:

<i>Fall Semester each year</i>	<i>Spring Semester each year</i>
ACC620, Financial Accounting Theory	ACC640, Advanced Managerial Accounting
ACC660, Advanced Auditing & Assurance	ACC650, Advanced Taxation and Regulation
ACC680, Principles of Forensic Accounting	ACC681, Fraud Examination
BUS617, Management Information Systems	ACC682, Case Studies in Forensic Accounting
BUS661, Decision Analysis	BUS625, Corporate Finance
BUS676, Business Law for Executives	BUS663, Entrepreneurship
	ECN605, Economic Analysis for Managers

COURSE DESCRIPTIONS:

ACC620, Advanced Topics in Financial Accounting Theory

Course Description:

Selected topics in advanced financial accounting theory and applications. Includes framework of accounting concepts and principles, the development of accounting thought and knowledge, financial statement and footnote disclosure issues and practices under GAAP with an emphasis on how management's choices among alternative principles affect the quality of earnings and financial position, an introduction to current research issues, and financial statement analysis. Case studies will also use FARS (Financial Accounting Research Software). *Three credits, offered every Fall semester.*

Prerequisite: Undergraduate Advanced Accounting course (SUNY Brockport ACC486).

Course Objectives:

- 8) Develop an understanding of accounting theory, concepts, principles, and history.
- 9) Understand the measurement issues and solutions underlying corporate financial reporting.
- 10) Develop the skills needed to analyze financial statements effectively, and attain an understanding of the choices firms make in reporting the results of business activities.
- 11) To develop the student's ability to analyze and process complex accounting data and arrive at appropriate solutions.
- 12) To develop in the student an appreciation for the usefulness and limitations of financial accounting data for all users.
- 13) To reinforce students' written communications and analytic skills.
- 14) To ensure student awareness and understanding of codes of ethics and conduct related to accounting practice.

ACC640, Advanced Topics in Managerial Accounting

Course Description:

Examines ramifications of managerial accounting within the firm through case studies. Includes, but is not limited to, analysis of measuring, reporting, estimating, and summarizing cost activities for management decision-making in complex corporations. Extends from job order costing, ABC costing, process costing, through budgets and variances, to cost behavior and allocation, transfer pricing, and accounting for all aspects of lean production. *Three credits, offered every Spring semester.*

Prerequisite: Undergraduate Cost Accounting course (SUNY Brockport ACC388) and an intermediate level statistics course (SUNY Brockport ECN304).

Course Objectives:

- 1) To understand the role of cost and managerial accounting and the role of the management accountant in decision-making and control within the organization, including the impact of the four ethical standards of management accountants as established by the IMA.
- 2) To develop an advanced understanding of the application of the concepts and procedures of managerial and cost accounting, particularly with respect to emerging trends in these areas of accounting in relation to business strategies, through case study analysis.
- 3) To compare, contrast, and use traditional and modern cost accounting systems, concepts, and procedures in preparing reports for management decision-making as understanding develops for the impact of such reports on participants throughout the firm from an agency theory standpoint.
- 4) To use research to look beyond the limitations of costs and managerial accounting information in the modern business environment for current and proposed solutions.
- 5) To acquire knowledge and skills related to the use of the computer in cost and managerial accounting, while perfecting quantitative problem solving abilities in accounting such as regression analysis and linear programming.

ACC650, Advanced Topics in Taxation and Regulation

Course Description:

Examines the Federal income taxation and compliance aspects of corporations, shareholders, partnerships, and partners. Topics include tax effects of entity formation, operations, distributions, and liquidations. Federal tax reporting for not-for-profit entities, and an introduction to Federal estate and gift taxation are also provided. Students prepare tax forms 1120, 1065, 1120S, and 990 and related schedules, using commercial tax software. Students study codes of ethics and conduct related to tax practice. In addition, students perform tax research and prepare related memoranda. *Three credits, offered every Spring semester.*

Prerequisite: A junior- or senior-level taxation course addressing individual taxation (SUNY Brockport ACC485.)

(ACC650 continued) Course Objectives:

- 8) To introduce students to advanced federal income tax issues and practices.
- 9) To enhance students' ability to understand tax compliance, research, and planning.
- 10) To reinforce students' written communications skills.
- 11) To further develop students' analytic skills.
- 12) To further develop students' computer capabilities and knowledge.
- 13) To refine students' knowledge of tax research and sources of tax law.

- 14) To ensure student awareness and understanding of codes of ethics and conduct related to tax practice.

ACC660, Advanced Topics in Audit and Assurance Services

Course Description:

Examines selected topics in auditing and assurance services at the advanced level. Topics include information systems control and audit, substantive testing for the revenue, expenditure, and financing/investing processes, audit reports, and other assurance services. Students will also learn applications in auditing using representative audit software such as ACL. Case studies will be used extensively. *Three credits, offered every Fall Semester.*

Prerequisite: Undergraduate Auditing course (SUNY Brockport ACC487).

Course Objectives:

- 10) Prepare a system flowchart in good form for one or more transaction sub-cycles.
- 11) Using statistical sampling techniques, prepare statistical analyses for control testing and substantive testing.
- 12) Prepare audit programs to test controls and to test account balances and transactions.
- 13) Identify inherent and control risks in from client information.
- 14) Prepare a client acceptance report that includes understanding the client's business and industry and has considered the existence of fraud.
- 15) Write audit reports for various opinions.
- 16) Use representative audit software to carry out objectives 2-5.
- 17) Develop a program to carry an attestation or assurance service other than an audit.
- 18) Identify ethical dilemmas in audit and assurance service situations and prepare written resolutions for dilemmas.

ACC680, Principles of Forensic Accounting

Course Description:

This course develops the skills needed for the forensic accountant including investigation, dispute resolution, and litigation support. Emphasis is placed on investigations other than fraud including bankruptcy, divorce, and business valuations. *Three credits, offered every Fall Semester.*

Prerequisite: Undergraduate Auditing course (SUNY Brockport ACC487).

(ACC680 continued) Course Objectives:

- 7) To understand the environment and work of the forensic accountant.
- 8) Develop skills required for investigations and dispute resolutions.
- 9) Explore the various areas of litigation support services.
- 10) Apply the knowledge of criminal law and courtroom procedures to conducting an investigation.
- 11) Develop skills to interact with other professions including lawyers, judges, and law enforcement.
- 12) Understand the ethical standards for the forensic accountant.

ACC681, Fraud Examination

Course Description:

This course examines the area of occupational fraud and abuse. Topics include investigation techniques and skills, fraud theory, reasons occupational fraud is committed. Various types of occupational fraud are examined including skimming, larceny, payroll schemes, reimbursement schemes, and fraudulent financial reporting. Cases will be used throughout the course. *Three credits, offered every Spring Semester.*

Prerequisite: ACC680, Principles of Forensic Accounting

Course Objectives:

- 7) Understand the definition of occupational fraud and abuse.
- 8) Understand the fraud theory approach to investigating occupational fraud.
- 9) Identify various fraud schemes within a case scenario and investigative approaches for each scheme.
- 10) Write a program to carry out a fraud examination.
- 11) Use computer applications in carrying out a fraud examination.
- 12) Identify ethical standards of conduct for the fraud examiner and prepare written analyses of ethical conduct with a case scenario.

ACC682, Case Studies in Forensic Accounting

Course Description:

This course uses cases to develop a greater understanding of the entire field of forensic accounting including litigation support services and fraud examination. Students will develop analytical skills and writing skills in developing solutions to complex cases. *Three credits, offered every Spring semester.*

Prerequisite: ACC680, Principles of Forensic Accounting

(ACC682 continued) Course Objectives:

- 9) Understand the case method of instruction.
- 10) Prepare well-written analyses of cases.
- 11) Identify and assess ethical dilemmas in cases as part of the written analysis.
- 12) Apply knowledge of the research literature on forensic accounting in writing analyses of cases
- 13) Write high quality “expert reports” consistent with expectations of practitioners.
- 14) Understand process of testifying as an expert witness or at a deposition
- 15) Understand process of interviewing suspected individuals and techniques such as the Reid method.
- 16) Use appropriate computer applications in preparing the written case solutions.

BUS617, Management Information Systems

Course Description:

Explores the need and role of information systems in organizations, examines the use of different types of organizational information systems and technical foundations of information systems, and addresses management of the systems function. An introduction to systems analysis and design is provided. ERP systems are also examined. Students must have a working knowledge of Excel and Access prior to enrolling. *Three credits, offered every Fall semester.*

Prerequisites: Undergraduate accounting or management information systems course (SUNY Brockport ACC283 OR BUS317).

Course Objectives:

- 14) Elevate the students' understanding of the myriad specialized terms and jargon associated with IT/IS.
- 15) Develop the students' understanding of computer hardware and software components, types, issues, and trends with a goal of enabling the student to participate in organizational dialog and policy development as it pertains to computing hardware and software used in the accounting function.
- 16) Make the student aware of the different ways computers are used in organizations through examining the taxonomy of different information system types.
- 17) Explore the roles of information systems in supporting managerial decision-making.
- 18) Introduce the student to technology and applications associated with database management systems.
- 19) Introduce the student to technology and applications associated with the use of computer networks.
- 20) Introduce the student to technology and applications associated with electronic commerce.
- 21) Enhance the student's awareness and understanding of some of the ethical issues associated with IS and organizations.
- 22) Introduce diagramming tools commonly used in the systems development process to support process and data modeling, including data flow diagrams and entity-relationship diagrams respectively. Students are able to interpret (not expected they can construct) these diagrams.
- 23) Improve the students' hands-on proficiency in developing advanced-level end-user software applications, including spreadsheet and database applications.
- 24) Elevate the student's understanding of the proper design of spreadsheet and database applications.
- 25) Introduce students to concepts and principles used in designing information systems.
- 26) Enhance and assess the students' ability to utilize presentation management software to support effective presentations.

BUS625, Corporate Finance for Managers

Course Description:

Advanced analysis of concepts, techniques, and tools used for decision-making within a business entity. Topics include time value of money, security valuation, investment and financing decision analysis, dividend policy, and an introduction to derivative securities and contracts. *Three credits, offered every Spring semester.*

Prerequisites: An undergraduate introductory finance course (SUNY Brockport BUS325), and an undergraduate statistics class (SUNY Brockport ECN204).

Course Objectives:

- 8) To provide information concerning how financial markets operate.
- 9) To introduce issues related to investment alternatives.
- 10) To provide an understanding of capital budgeting and methods for evaluating cash flows.
- 11) To introduce analysis of short-term and long-term financing issues, including risk versus return and alternative asset pricing models.
- 12) To provide an understanding of the calculation of the weighted average cost of capital.
- 13) To reinforce the students' knowledge of mathematics, statistics, and spreadsheet applications related to corporate finance.
- 14) To build on students' communications skills (e.g., case analysis and presentation).

BUS661, Decision Analysis

Course Description:

Students learn and apply quantitative methods, including surveys, multi-variate statistical techniques, decision analysis, PERT/CPM, and inventory and quality management approaches, as well as qualitative techniques such as group decision-making, to individual and team analysis of business problems. *Three credits, offered every Fall semester.*

Prerequisites: Calculus or equivalent, and an intermediate-level statistics course covering inferential statistics, index numbers, regression and correlation analysis, time series analysis, and chi-square tests. (SUNY Brockport ECN304 or equivalent.)

(BUS661, continued) Course Objectives:

- 7) Provide an introduction to concepts and methods associated with the day-to-day operating decisions faced by contemporary production and service organizations.
- 8) To develop the students' ability to understand, correctly select, and apply the appropriate decision-making tool or problem-solving approach for a given situation.
- 9) Introduce software applications germane to operations management and decision analysis.
- 10) Provide an opportunity for students to apply their knowledge of mathematics, statistics, and end-user computing applications to decisions faced by managers.
- 11) To discuss some of the environmental issues and concerns faced by contemporary organizations that produce or sell goods and services
- 12) To reinforce students' written communications skills.

BUS663, Entrepreneurship

Course Description:

This course examines the techniques and skills used by entrepreneurs in starting and growing a business. Students will learn how to write a business plan and defend it. Each area of the business plan will be explored in depth. Both educational and psychological skills of entrepreneurs will be studied. Students will have the opportunity to work with real-world entrepreneurs in developing their plans or to develop their own business plan. *Three credits, offered every Spring semester.*

Prerequisite: One undergraduate course in business strategy (SUNY Brockport BUS475).

Course Objectives:

- 9) Understand the psychological make up of the entrepreneur.
- 10) Understand the education, techniques and skills of entrepreneurs in starting a business.
- 11) Understand the reasons businesses fail and the ability to apply this knowledge to uncovering weaknesses in business plans.
- 12) Write a comprehensive business plan and present it to the class and invited area entrepreneurs for evaluation.
- 13) Understand methods of venture capital funding.
- 14) Develop knowledge of resources for entrepreneurs (e.g., SBA and SBDC programs), small business incubators, and enterprise zones
- 15) Review success and failure case scenarios.
- 16) Work with real-world entrepreneurs and other business professionals in developing a business plan for entrepreneurs or for students' own business ideas.

BUS676, Business Law for Executives

Course Description:

Provides a survey of topics related to accounting and business practice, including coverage of the Uniform Commercial Code articles on sales, negotiable instruments, secured transactions, as well as bankruptcy, real and personal property, corporations, partnerships, and limited liability entities, wills and trusts, intellectual property, employment law, antitrust, international business law, and cyberlaw. Students study and draft legal documents. *Three credits, offered every Fall semester.*

Prerequisite: An undergraduate course in business law or legal environment of business (SUNY Brockport BUS375).

Course Objectives:

- 7) To advance students' foundational knowledge of business law and legal concepts and principles.
- 8) To enhance students' ability to understand specifically designated business law topics stated in the course description, including the Uniform Commercial Code, property, business entities, estate planning documents, and other delineated areas of law.
- 9) To reinforce students' written communications skills.
- 10) To further develop students' analytic skills.
- 11) To refine students' knowledge of legal research and sources of business law.
- 12) To ensure student awareness and understanding of codes of conduct and professional responsibilities related to the practice of law.

ECN605, Economic Analysis for Managers:

Course Description:

This course examines micro and macro economic principles at the advanced level. Topics in microeconomics include economic models, individual choice and demand, production and the firm, pricing in the goods and factor markets, and general equilibrium. Macroeconomic topics include aggregate supply and demand, inflation, fiscal and monetary policy, and international trade. Cases may be used. *Three credits, offered every Spring semester.*

Prerequisites: Principles of Microeconomics (SUNY Brockport ECN201), Principles of Macroeconomics (SUNY Brockport ECN202), and Calculus or equivalent.

Course Objectives:

- 6) Develop an appreciation of economics and the use of economic analysis to assess and solve business problems.
- 7) Understand the theory and application of selected topics in microeconomics and macroeconomics.
- 8) To further develop the students' research skills to solve business problems.
- 9) To reinforce students' written communications skills.
- 10) To further develop students' analytic skills for case analysis and development of solutions.