



Accounting Accreditation

Continuous Improvement Review Report & Appendices

Review Year: 2016-2021

Site Visit Dates: November 7-9, 2021

AACSB International

The Association to Advance Collegiate Schools of Business



School of Business Administration

GONZAGA
UNIVERSITY

Accounting Accreditation

Continuous Improvement Review Report

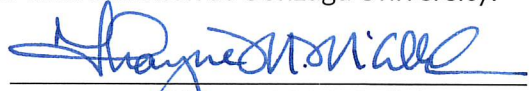
AACSB International

The Association to Advance Collegiate Schools of Business International

Submitted September 3, 2021

Site Visit Dates: November 7-9, 2021

We certify that all the statements in this self-evaluation report accurately portray the programs, resources, faculty, and students in the School of Business Administration at Gonzaga University.



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Contents

I.	Executive Summary.....	2
A.	Overview: Navigating a Period of Dramatic Changes and Uncertainty	2
B.	Mission, Strategic Plan, and Strategic Positioning	2
C.	Delivering Relevant and High-Quality Accounting Education.....	3
1.	Engagement	4
2.	Innovation	4
3.	Impact	5
D.	Tactics and Strategies for Driving Change.....	5
II.	Organizational Background, Structure, and Situational Analysis.....	6
A.	Organizational Background.....	6
B.	Organizational Structure	8
C.	Situational Analysis	10
III.	Progress on Identified Issues	18
IV.	Scope of Review – Current and New Programs	19
V.	AACSB Accounting Accreditation Areas	20
A.	Strategic Management and Innovation	20
1.	Strategic Management Planning Process and Outcomes.....	20
2.	Financial Strategies and Allocation of Resources	26
3.	Mission Statement and Summary of Strategic Plan	29
4.	Intellectual Contributions	30
B.	Accounting Unit Participants – Students, Faculty, and Professional Staff.....	31
1.	Student Demographics and Trends.....	31
2.	Faculty and Professional Staff Sufficiency and Deployment.....	36
3.	Faculty Management and Support	40
C.	Accounting Learning and Teaching	40
1.	Curricula Management and Development	40
2.	Information Technology Skills, Agility, and Knowledge for Accounting Graduates.....	47
D.	Accounting Academic, Professional Engagement, and Professional Interactions.....	49

I. Executive Summary

A. Overview: Navigating a Period of Dramatic Changes and Uncertainty

The last five years have been marked by significant changes touching several facets of our work. We have seen accounting enrollments grow to a peak of approximately 200 declared undergraduate accounting majors and 100 graduate accounting students, only to fall off over the past several years, consistent with trends experienced at other institutions nationwide. We have observed and reflected on the dramatic shifts in the accounting profession brought on by technology, innovation, and increased use of data analytics by accountants in the workplace. Over the past five years, we have worked diligently to incorporate data analytics and technology into the accounting program curricula to ensure students are well prepared to excel as accounting professionals in a rapidly evolving accounting practice landscape. We have transitioned through the retirement of two long-time (and exceptional) faculty members and have added an additional lecturer to increase the flexibility in how we staff courses across our undergraduate major and two graduate degree programs, while balancing our service course commitments to the School of Business Administration (SBA). We have advised students and collaborated with recruiters as recruiting practices have evolved to incorporate new assessment tools, networking mediums, and a recruiting calendar that has shifted to initiate recruiting as early as sophomore year for many of our students. And, of course, we have weathered the uncertainty and disruption brought on by the COVID-19 pandemic, including a self-study year 2020-21 with (nearly) exclusively virtual education and contact.

Altogether, Gonzaga's accounting academic unit (AAU) has successfully navigated a period of dramatic change over these past five years. We continue to deliver our rigorous, relevant, and highly technical accounting curricula, and our students have demonstrated resiliency and sustained academic excellence as is evident through our CPA exam pass rates and student placement outcomes. Our faculty work hard to excel in the classroom and contribute to the accounting academic community and practice through our research, professional development, and service. At the same time, we have engaged and will continue to proactively collaborate with, our Accounting Advisory Board (AAB) members and other stakeholders to identify new trends, curricula updates, and to develop best practices which drive change over the next five years and beyond.

B. Mission, Strategic Plan, and Strategic Positioning

Gonzaga accounting maintains a long tradition of academic excellence, intentional engagement with our stakeholders, and a commitment to developing our students into well-rounded, ethical, and technically proficient accounting professionals who will leave a positive mark on the communities where they live and work. Our faculty maintain a balanced focus on research, teaching, student advising, and service and we work hard to deliver an experience that is personalized for each student. Our stakeholders – advisory board members, alumni, recruiters, university and SBA colleagues, and members of the broader Spokane community – are well-invested in our success and we are well-positioned to build on our record of excellence in accounting higher education as we embrace the reality of a rapidly changing world.

To ensure continuing success, Gonzaga accounting has identified four primary strategic objectives. First, we are committed to the development of ethical, professionally competent graduates. Second, we seek to distinguish our programs through their dedication to careers in professional accounting. Third, we must continually promote and support high quality instruction and scholarship. And fourth, we aspire to be intentional in our communication and relationship building with key stakeholders in order to increase the stature and strategic positioning of our undergraduate and graduate accounting programs.

We acknowledge that we face some headwinds, which will no doubt present challenges as we work to execute on our strategic plan. We maintain three accounting degree programs (undergraduate accounting major/degree and two distinct graduate degrees) and also must fulfill service offerings for the business major and minors on campus. Our faculty are consistently amongst the highest credit generating instructors on campus and most teach at least three separate courses/preps each year. Our elective and technology offerings for accounting are currently somewhat limited given the undergraduate major is a full 27 credits and because our faculty have limited bandwidth to design and teach new courses. We also have traditionally had access to a fairly limited operating budget for professional development. To help us overcome these headwinds, we recognize the importance of leaning into the core values of the School of Business and drawing on the strengths of our faculty and committed stakeholders.

C. Delivering Relevant and High-Quality Accounting Education

There are a lot of things that contribute to our success in addition to a willing student body and faculty. Strong relationships with CPA firms and the profession keeps much of what we do fresh and relevant. We are also community focused and strive to teach our students to ask, “How can we use our expertise to better the community we live in?” This is done through action. We were the first in the nation to develop a collaboration between law enforcement and students using forensic accounting to build a case against alleged perpetrators of financial crimes. In collaboration with the United Way, Gonzaga accounting students volunteer over 650 hours in filing over 800 tax returns for low-income local residents on an annual basis. These efforts help generate over a million dollars in much needed refunds each year. Our undergraduate and graduate curricula are robust, challenging students to explore, ponder, and respond to complex problems across a wide array of accounting subject matter. The breadth and depth of the content pushes students to work hard, ask questions, and dig deeper. Academic rigor is a hallmark of Gonzaga Accounting and our students rise to the challenge. Gonzaga students excel on the uniform CPA exam, with first time pass rates consistently ranking amongst the very best in the nation (mostly recently #10 across all large programs and best on the west coast).

Gonzaga Accounting embraces the Gonzaga School of Business Administration values. At the heart of it all is an awesome community – faculty, students, and professionals – who come together in pursuit of intellectual stimulation, personal growth, and serving the public at-large, whose trust is vital to the accounting profession.

Since its re-accreditation in 2016, the Gonzaga AAU faculty have worked collaboratively with numerous key stakeholders and our colleagues throughout the university and SBA to fulfill our mission and to achieve meaningful progress towards the objectives outlined in the accounting strategic plan. These past five years have seen several changes manifest and present challenges, not the least of which has

been the evolving reality we all face as we continue to confront the COVID-19 pandemic. Our collective efforts have yielded significant, positive outcomes for our students and stakeholders across three primary areas critical to our sustained excellence:

1. Engagement

- **Invited speakers and panelists:** Gonzaga's AAU hosted Christine Botosan, a board member of FASB, for a community lunch and an afternoon with accounting students during fall semester of 2018. The lunch was attended by approximately 150 community members and students. We also hosted AICPA Chair, Tracey Golden, virtually in the fall of 2020 for a student and community presentation followed by Q&A. Finally, we hosted a panel of accounting professionals in the fall of 2020 to highlight the wide range of opportunities in the accounting profession and over 200 students attended virtually.
- **Recruiting:** In coordination with the Center for Career and Professional Development, several new employers have been brought to campus including RSM, West Monroe Partners, Costco, and Amazon. These employers are new to recruiting accounting majors from Gonzaga and offer graduates additional placement options upon graduation. Generally, 30-35 different organizations recruit Gonzaga accounting students each year.
- **Case competitions:** Teams of Gonzaga students has participated in accounting firm sponsored case competitions such as the Deloitte Audit Innovation Case Challenge, the Deloitte FanTAXtic Competition, and the PwC Challenge Case Competition. These case competitions provide students with excellent opportunities to interact with firm professionals locally, regionally, and nationally and our students have consistently performed quite well, with several teams advancing to the national finals in these various competitions.
- **Student/faculty research:** In 2021, a Gonzaga MAcc student, Nick Swallow, co-authored an Alteryx case with Dr. Matthew Hoag, which has been incorporated in the Data Analysis for Accountants course and was presented at a research workshop at Seattle University. Drs. Hoag and Law also served on several dissertation committees for Creighton University doctoral students, which resulted in research collaborations and co-authorships.

2. Innovation

- **Data analytics in the curriculum:** Specialized courses in data analysis have now been incorporated in the undergraduate accounting, MAcc, and MSTax curricula. Undergraduate accounting majors are now required to take a 3-credit course, MSTax students a two-credit course, and MAcc students now take a total of seven credits in data analytics and technology.
- **MAcc program curriculum updates:** The MAcc curriculum was completely revised in 2018, adding not only the analytics courses above, but new courses in corporate governance, an advanced topics seminar in financial accounting, and an advanced Excel course incorporating Power BI.
- **Technology applications used in the classroom:** The Data Analysis for Accountants course (required for all undergraduate accounting students as well

as MAcc students) incorporates tools and applications such as Tableau and Alteryx, which are increasingly used in accounting practice today.

- **Sustainability accounting and reporting:** Starting in Fall 2021, the required professional writing course for graduate accounting students has been transitioned to a course focusing on sustainability accounting, providing our graduate students a chance to dive deeper into this new and emerging topic area. This course was offered as an elective during the two most recent academic years (AYs 2019-20 and 2020-21).

3. Impact

- **FASB postgraduate technical assistants' program:** Kelly Garrett (BBA-Accounting '18; MAcc '19) and Diana Tupikova (BBA-Accounting '20; MAcc '21), were chosen as FASB Postgraduate Technical Assistants. Only a handful of accounting students are selected nationwide for this prestigious program and Kelly and Diana were the first Gonzaga accounting graduates to ever be chosen.
- **Exceptional CPA exam pass rates:** Gonzaga's first-time CPA pass rate was 82.4% for 2019, the most recent year with available test results data. This placed Gonzaga 10th in the country for large programs, and highest on the west coast.
- **Top CPA exam performers:** Three Gonzaga accounting graduates have received the Elijah Watt Sells' award in the past five years for their exceptional performance on the CPA exam. These Students, Samuel Crosby (MAcc '15), Chase Ronderos (BBA-Accounting '18; MSTax '19), and Julie Baker (BBA-Accounting '20), ranked amongst the top 100 out of 75,000-100,000 annual Uniform CPA Exam test takers in achieving this distinctive honor.
- **Consistently strong accounting program rankings:** U.S. News & World Report ranked Gonzaga's Master of Accountancy program 26th in the country in its 2022 rankings, following up a #13 ranking in 2018, #18 in 2019, and #25 (tie) in 2020. The program has now been ranked in the top 30 in ten of the last twelve years.
- **Meaningful academic scholarship and research:** During the 2016-2021 period, accounting faculty members' academic work has been cited 608 times, representing a dramatic increase from the 105 citations noted over the preceding 2011-2016 review period referenced in our previous self-report. On average, published tenure-track faculty intellectual contributions have been cited 76 times per faculty member since 2016.

D. Tactics and Strategies for Driving Change

The accounting profession, like many others, is undergoing a period of rapid change brought on by innovation, new and emerging technologies, and advancements in data management, processing, storage, and analytical techniques. To execute on our strategic plan, we must continually evaluate our activities and curricula so that we can proactively "drive" change (and not merely react to change). Specifically, we engaged in the following tactics and strategies over the last five years, which we believe drove positive changes for Gonzaga accounting:

- **Deploying analytics to assess our student progress and outcomes:** We collaborated with our colleagues in institutional research to determine accounting student retention rates and based on observed trends, we discussed and made curriculum changes. Specifically, we implemented a requirement that accounting majors must earn a “B-” or higher in the two principles accounting courses with the expectation this will lead to higher retention rates (i.e., fewer students starting the accounting major, but not completing their accounting degree). We will continue to explore new ways to incorporate data analytics in our strategic planning processes and program review procedures.
- **Engagement with stakeholders to maintain relevant accounting programs curricula:** We have been engaged in active and in-depth discussions with advisory board members and other stakeholders for nearly a decade about the importance of implementing data analytics and technology in our accounting curricula. Leveraging the feedback through this period of robust conversation, we modified our undergraduate and graduate curricula to adopt a new course in data analytics and technology. In addition, we have integrated analytics and technology into numerous other courses throughout our curricula to ensure students are well-equipped to succeed in an accounting profession that is rapidly adopting technology and data analytics tools.
- **Strengthening the accounting professional development budget:** Over the past couple of years, we pursued two important initiatives with the goal of securing a more predictable and robust professional development budget for accounting faculty. First, we collaborated with peers throughout the SBA to draft and approve a professional development policy for all SBA faculty. This policy clarifies which professional development activities will be supported by the SBA, allowing us to more intentionally use accounting-specific funds to pursue identified strategic priorities specific to Gonzaga Accounting. Second, we codified an explicit contribution expectation for advisory board members in the advisory board bylaws and strengthened the process for procuring pledges and contributions from advisory board members. These changes should help to ensure greater certainty around our accounting fund budgets, which in turn will assist us in deploying these funds for strategic professional development and student financial aid so as to maximize the impact of these investments.

II. Organizational Background, Structure, and Situational Analysis

A. Organizational Background

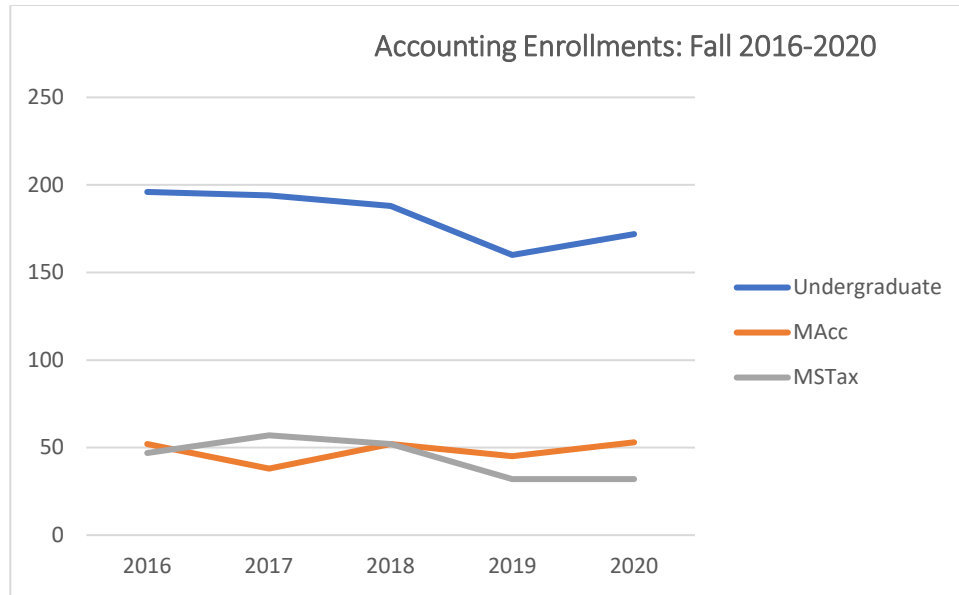
Gonzaga is a comprehensive, private, liberal arts university of 7,300 (approximately 5,000 undergraduate) students located on 152 acres just across the river from downtown Spokane, Washington. Founded in 1887, the university is dedicated to the Jesuit, Catholic, humanistic ideals of educating the mind, body and spirit to create men and women for others. An independent Catholic and Jesuit university governed by a Board of Trustees, Gonzaga is accredited by the Northwest Commission on Colleges and Universities.

The university has experienced nearly 25 years of significant growth. Since 1997, undergraduate enrollment has grown from fewer than 2,800 students to more than 4,800 in Fall 2020. Graduate enrollment for Fall 2020 was approximately 2,400, up from approximately 1,600 over this same period. The growth in enrollments has necessitated increases in support services and facilities. During the past 20 years, the university has built several new academic buildings and has made significant renovations and additions to others, including more than doubling the size of the business school. During this period of growth, Gonzaga has also been able to significantly increase the academic profile of students entering the university. For the freshman class that entered Gonzaga in Fall 2020, the average high school GPA was 3.69, the mean SAT 1260 (math and critical reading only), and the mean ACT 28.

In 1921, Gonzaga opened the School of Commerce and Finance, which was renamed the School of Business Administration (SBA) in 1931. The SBA is housed in the 64,000 square foot technology-equipped Jepson Center. The Jepson Center was originally constructed in 1987. In 2005-06, a major addition was made to Jepson in order to accommodate the growth in enrollments that the university was experiencing. In the most recent academic year, approximately 1,270 undergraduate students and nearly 250 graduate students worked towards their SBA degrees. During the 2021 academic year, the school employed 47 tenured or tenure-track faculty, all of whom are terminally degreed. In addition, the faculty includes four fixed-term faculty – two in Accounting, and one each in Management/Ethics and Management Information Systems. Initial AACSB accreditation of the school's undergraduate and MBA programs was received in 1990 and the business programs were last reaccredited in 2016. In 2009, the accounting programs received initial separate AACSB accreditation and were reaccredited in 2011 and 2016.

The AAU offers three degrees: an undergraduate degree and two separate graduate degrees – the Master of Accountancy (MAcc) and the Master of Science in Taxation (MSTax). The accounting program is widely regarded as one of the flagship programs in the School of Business Administration and at the university. The graduate accounting programs have ranked in the top 30 annually nationwide since 2012 according to U.S. News and World Report and Gonzaga accounting students regularly excel at passing the Uniform CPA Examination. In 2019 (the most recent year for which complete data is available), Gonzaga students had a pass rate of 82.4% across all exam sections, which ranked 10th best in the nation amongst “large programs” (>60 exam takers) and No. 1 among all universities on the West Coast.

As Gonzaga and the SBA have grown over the past two and a half decades, so too have the accounting programs. More recently, however, enrollments have declined slightly in accounting. For Fall 2020, there were 172 declared undergraduate accounting majors and 85 graduate accounting students (53 MAcc and 32 MSTax). Below can be found a chart and a table showing the number of declared undergraduate and graduate accounting students during the Fall term across each of the past five years:



Program	2016	2017	2018	2019	2020
Undergraduate	196	194	188	160	172
MAcc	52	38	52	45	53
MSTax	47	57	52	32	32

B. Organizational Structure

The AAU is the only stand-alone division in the School of Business, and it is the only one with a designated Coordinator. The AAU has more structure than any other discipline or group in the School of Business, but it is not technically a department. Thus, many of the characteristics of a department are not present, such as separate budget authority, and department-level tenure and promotion processes for accounting faculty. In addition, the graduate accounting programs are led by the Director, Graduate Accounting. Dr. Gary Weber served these roles in a combined capacity through the AY 2019-20 academic year before stepping down in May 2020. Drs. Matthew Hoag (Coordinator of Accounting) and Andrew Brajcich (Director, Graduate Accounting) stepped into these roles beginning June 2020.

The Coordinator of Accounting (COA) is responsible for overseeing all undergraduate curriculum matters, as well as all related course scheduling, staffing, and accreditation efforts. In addition, the COA schedules and facilitates Accounting Advisory Board (AAB) meetings and related communications, and works in conjunction with the Director, Graduate Accounting (DGA) on all recruiting efforts for the combined accounting programs. The DGA is responsible for overseeing and coordinating curriculum, scheduling, staffing, and accreditation activities for the graduate accounting programs. In addition, the Director works closely with peers in the SBA and across the university to attract and recruit students into the graduate accounting programs. Both positions are accompanied by an annual stipend and course releases (three credits for the COA; six credits for the DGA).

As is the case with students pursuing other undergraduate business degrees, students working towards an undergraduate accounting degree must complete foundational business courses before being admitted for upper-division coursework. The foundational business courses include two principles

classes each in accounting and economics, as well as an MIS course and a business statistics course. To be “admitted” for upper-division business major coursework, students must complete those six courses with a cumulative GPA of 2.70 or higher and no grade lower than a C- in any course. Beginning with the Fall 2018 catalogue/entering class, students must earn no lower than a B- in ACCT 260 and ACCT 261 to enter the accounting major.

The undergraduate accounting major currently consists of nine required upper division courses (27 credits). With the Fall 2018 catalogue, a 3-credit data analysis and technology class was added as a ninth required course for all accounting majors. The data analysis and technology class is also a requirement for students in the MAcc program. These two changes – the minimum grade requirement for accounting majors in the principles courses and the addition of the data analysis and technology class to the curriculum – were the only notable undergraduate program changes during the past five-year review cycle. However, certain changes made in the previous 2011-2016 review period took effect for the first time in this review period, and these changes will be discussed in greater detail below.

Both the MAcc and MSTax (graduate) degrees consist of thirty (30) credits and beginning in the Fall of 2021 students will be able to complete these programs during the nine-month academic year. Through the 2020-21 academic year, students often needed to take one or more courses during the summer to complete their graduate accounting degrees. Gonzaga offers a “accelerated” option for graduate accounting students, which allows students to begin taking graduate courses during their senior/fourth year of undergraduate coursework. In Fall 2020, 20 students were “dual” enrolled in the undergraduate and graduate programs as accelerated graduate program students (11 MAcc and 9 MSTax).

For the 2020-21 academic year, the AAU had 10.0 FTE (*see note below) faculty members. Eight are terminally degreed, and all but two are tenured. In 2019, the AAU hired a second full-time lecturer to help facilitate teaching the service (i.e., 200-level) classes. In the past five years, two long-time accounting faculty members – Drs. Eddy Birrer and Walt Teets – retired and two new terminally-degreed faculty members were hired. One of those new hires – Dr. Casey McNellis – had his petition for promotion and tenure approved in spring 2021 and will officially be promoted to Associate Professor in September 2021 (with tenure beginning in September 2022 per the University’s Faculty Handbook).

***Note:** Don Hackney, a faculty member who teaches Business Law in the School of Business, is classified as being part of the accounting discipline faculty for administrative purposes only. This means that officially, the “accounting discipline” has 11.0 FTE faculty, exclusive of part-time/adjunct faculty. As a result of this administrative classification, Professor Hackney is included in the School of Business Continuing Improvement Review report as part of the accounting discipline for purposes of faculty sufficiency, productivity, etc. In this report, all data on faculty sufficiency, productivity, etc. will be shown both **without** Professor Hackney since he does not teach accounting specific courses at either the undergraduate or graduate levels.

C. Situational Analysis

The following sections present a current situational analysis for Gonzaga's accounting programs and the AAU as a whole:

STRENGTHS

Reputation for Academic Excellence

The accounting program has maintained an excellent reputation for decades. Over the years, our committed faculty members have consistently pushed the program forward to its current position as one of the strongest accounting programs in the nation. Gonzaga Accounting is known for producing graduates who have a strong technical background, are highly effective communicators, and who are well situated to think critically and comprehensively about the key issues they will undoubtedly face in a rapidly evolving accounting landscape. Gonzaga accounting graduates have also typically performed exceptionally well on the Uniform CPA Exam. Traditionally, most accounting program graduates take a position in public accounting, although private employers such as Amazon and Costco have been actively recruiting Gonzaga accounting graduates in recent years. In recent years, approximately 35 employers regularly participated in on-campus recruiting of Gonzaga accounting students predominantly for the Seattle, Spokane, Denver, Portland, Los Angeles, and the San Francisco Bay Area markets. Our Fall 2019 Beta Alpha Psi Career Fair had 30 different organizations participate to kick-off on-campus recruiting. And last year, we held a virtual Career Fair with 16 firms participating highlighting the strong foundation of support we receive from recruiters, even amid the pandemic. Sustained high demand for our accounting student graduates – and positive feedback received from recruiters and AAB members - serves as testament to the program's strong reputation.

Nationally Ranked Graduate Programs

The Master of Accountancy (MAcc) program was developed in the early 1990s in anticipation of the enactment of the 150-credit hour requirement in the state of Washington. Throughout the 1990s, enrollments were low (fewer than 10 students per year). Since the 150-hour requirement was passed by Washington state legislature in 2000, the program has grown in size and stature. In Fall 2020, 53 students were enrolled in the MAcc degree program. In the fall of 2015, Gonzaga launched the Master of Science in Taxation (MSTax) program, replacing the previous tax track within the MAcc program, and allowing for a more technical and rigorous tax curriculum. In Fall 2020, 32 students were enrolled in the MSTax program. Both graduate programs are viewed favorably by recruiters and students, and six-month job placement rates for program graduates have been consistently near 100%. Additionally, Gonzaga graduate accounting students perform exceptionally well on the CPA Exam with a first-time pass rate of 79.5% for the 2019 Uniform CPA exam.

Reflecting these successes, the graduate accounting programs have been consistently ranked amongst the nation's best by U.S. News and World Report. The graduate accounting programs have been ranked in the Top 30 annually since 2012 and are ranked #26 in the most recent rankings (2022 edition of "Best Graduate Schools") and recently as high as #13 (2019 edition of "Best Graduate Schools). With a track record of sustained success, we have seen greater interest in our graduate accounting programs from a wider geographic area.

Development of Technical Accounting Proficiency

The Gonzaga AAU prides itself on delivering a rigorous and relevant *technical* accounting curriculum to prepare our graduates for success in the accounting profession. Over the last three years, two Gonzaga MAcc graduates have been selected as Postgraduate Technical Assistants by the Financial Accounting Standards Board. This prestigious program selects a limited number of students from across the nation to serve a one-year term where they will be immersed in the accounting standards-setting process.

More broadly, Gonzaga accounting graduates perform well above the nationwide average on the Uniform CPA Examination. For 2019, the most recent year of available data, Gonzaga accounting students had a first-time event pass rate of 82.4%, which ranked 10th highest in the nation for large accounting programs (more than 60 exam takers) and 17th across all accounting programs. The Gonzaga student pass rate compares very favorably to a national average pass rate of 58.6% in 2019, the most recent year of available test and complete scores). This CPA exam success sustains a tradition of excellence on the CPA exam by Gonzaga accounting students. Gonzaga's first-time event pass rate ranked #7 in 2018 (83.2% pass rate) and #21 in 2017 (72.3%). Gonzaga has also had six Elijah Watt Sells winners since 2008, including three in the past five years (2015, 2019, and 2020 uniform CPA exams).

Student Placement Success

Gonzaga accounting students are well-prepared for careers in accounting, and as a result, graduates from the undergraduate accounting, MAcc, and MSTax programs experience significant job market success. According to the 2020 First-Destination survey administered by the University's Center for Career and Professional Development (CPD), 94.3% of 70 survey respondents (2020 accounting major graduates) seeking work were employed within six months after graduation. Graduates of the MAcc and MSTax programs were 96.7% (n=30) and 95.2% (n=21) placed within 6 months, respectively.

Faculty Quality and Stability

The AAU has been fortunate to attract and retain high quality faculty, dedicated to teaching, research, and service. On average, accounting faculty have taught at Gonzaga for nearly 11 years (median of 9 years), with the six tenured faculty members averaging over 15 years at Gonzaga. All of the accounting faculty members have previous public accounting experience, and all keep their skills current through consulting, participation in professional development activities, and/or interaction with the accounting profession. Prof. Andrew Brajcich, was selected recently to serve on the AICPA's S Corp Technical Resource panel and many other faculty members share their expertise and knowledge as directors of local organizations and/or nonprofits.

Active Stakeholders

The AAB is comprised of several key stakeholders from a wide range of accounting firms and other organizations. AAB members have been highly engaged throughout the years and have helped to identify key forces driving change in the accounting profession. In addition, we regularly host a number of recruiters and professionals on campus who interact with faculty and students alike in a variety of forums. Our alumni are supportive and generous in their giving as is evident through the recent, successful creation of the Dr. Eddy Birrer Endowed Scholarship Fund in 2018.

Dynamic and Evolving Curricula

We evaluate our curricula consistently in a number of ways to ensure the AAU graduates are technically knowledgeable *and* well-equipped with the technology skills and knowledge, interpersonal skills, and ethical awareness they will need to succeed as professionals. We review the Uniform CPA exam content maps and monitor pending CPA exam changes to ensure the accounting curricula builds a strong foundation for CPA exam success. Many accounting faculty members attend teaching and learning workshops, technology and case seminars/workshops, and relevant CPE events to maintain awareness of new developments and to build our collective knowledge of important trends driving change in the accounting profession. We also collect regular feedback from AAB members and other stakeholders, highlighting important changes in the profession and changing points of emphasis for the AAU coursework across all of our programs. Most notably, this is demonstrated through the incorporation of technology and data analytics requirements in all of our programs and emerging coursework in sustainability reporting.

WEAKNESSES

Minimal Operating Funds

The AAU has been able to increase the number of FTEs with the addition of a full-time lecturer in Fall 2019. In addition, two full-time, tenure-track faculty members were hired to replace faculty who had retired in the past four years. So, the AAU is well staffed to meet its current student and programming needs at this point.

Although funds have been available for faculty hiring needs, operating funds are fairly minimal given the comprehensive nature of the AAU. The accounting unit receives no operating budget from the university other than an allotment designated for marketing and travel in recruiting for the graduate accounting programs. For the MAcc and MSTax programs combined, the annual marketing and travel budget currently stands at approximately \$72,000.

The AAU is dependent on financial resources generated through fundraising, firm sponsorships, and support from the SBA dean's office to support student financial aid, student and faculty travel, instructional materials, and any other faculty needs. To date, the Dean of the School of Business has been consistently supportive of the AAU's needs, and no financial needs and/or funding requests have gone unmet. Recently, the SBA recently approved and implemented a Professional Development policy further underscoring the Dean's commitment to funding activities in support of faculty growth, scholarship, and engagement.

There have been two other recent achievements, which we believe will address this weakness. First, in 2018, the AAU and the SBA co-hosted a fundraising dinner to celebrate the career of Dr. Eddy Birrer, who has been a foundation of our success since he joined the faculty in 1984. Numerous alumni generously contributed to the new Eddy Birrer Endowed Scholarship fund, which will help support accounting students for many years to come. This fund had a fair market value of more than \$250,000 as of May 31, 2021, which is wholly new since the last re-accreditation review in 2016. In addition, the AAB bylaws were changed to include an expected financial commitment in support of Gonzaga accounting. Specifically, advisory board members pledge at least \$2,000 annually to support Gonzaga accounting in a manner of their choosing. We expect this financial commitment should provide at least \$30,000 in

cumulative annual support of the Gonzaga Accounting Excellence fund and accounting student financial aid. We include a copy of our AAB bylaws in **Appendix C**.

Student Body Diversity

Student body diversity has long been a challenge at Gonzaga, and it continues to be a weakness for Gonzaga accounting and for the University more generally. Approximately 41% of Fall 2020 undergraduate accounting majors were female, roughly flat with the Fall 2015 split (42%). For the graduate programs, the proportion of students identifying as female was 37% for the MAcc program and 50% for the MSTax program. Attracting women to the accounting profession has long been a challenge, however, we have made some positive strides in this area. Over the past two years, we have had several prominent women accountants speak about their experiences in the accounting profession and we are planning similar programming in the years ahead.

Attracting wider racial diversity has been especially challenging. Approximately 72% of undergraduate accounting majors are Caucasian, which is slightly less than the percentage across the entire SBA (74%) and about equal to the university as a whole (72%). Diversity in the graduate accounting programs is similarly limited, with approximately 68% of MAcc students self-reporting as Caucasian for Fall 2020, and 89% of MSTax students similarly identifying as Caucasian. While our racial diversity is largely in line with the SBA and the university as a whole, we believe that a more diverse student body would create a richer and more dynamic learning environment for our students. For the Fall 2020 entering freshman class, approximately one in three students intending to pursue an SBA degree identified as a student of color (78 out of 234 students). This suggests that future classes may trend more diverse, but we need to be intentional in how we connect with these students when promoting the accounting programs.

Attracting and enrolling a more diverse and inclusive student body has been traditionally presented challenges for the University. These challenges were acutely experienced during the AY 2020-21 when several of Gonzaga's African American community members were targeted in a hate incident during a virtual Black Student Union meeting. Throughout the academic year, we held a series of campus-wide discussions which centered on ways to build a stronger and more accepting community for all our students, faculty, staff, and stakeholders. We held similar discussions within the SBA and our AAU and several of our current strategic initiatives reflect our intentions to create a more inclusive and diverse learning environment within Gonzaga's accounting programs.

The difficulties attracting and supporting a diverse student body are not limited to Gonzaga University, the SBA, and the AAU. Spokane, where Gonzaga is situated, is not a particularly racially diverse city. The 2019 U.S. Census "QuickFacts" indicate that approximately 85% of the city's population is White/Caucasian.¹ Thayne McCulloh, Gonzaga's president, has made increasing student diversity a priority and the University has made some positive strides in this area. For instance, racially diverse students made up 29% of the entering class in Fall 2020, compared to 26% in Fall 2015 and 18% in Fall 2010.

¹ 2019 data (most recent available) obtained here:
<https://www.census.gov/quickfacts/fact/table/spokanecitywashington/PST045219>

Sparsity in Elective Offerings

The Gonzaga undergraduate accounting curriculum currently has no formal elective credits amongst the 27 required credits. The MAcc (MSTax) programs currently have five (four) elective credits amongst the 30 required credits. The limited elective offerings reflect the challenges of offering three full accounting programs and required courses in “service” to the SBA with only ten full-time faculty members. While we believe the curricula to be comprehensive, technical, and well designed, the lack of choice may not appeal to some students. Further, the current accounting curricula may not square well with the proposed “core-plus” CPA exam model, which encourages exam takers to take specialize in one of three proposed areas: (1) business reporting and analysis; (2) information systems and controls; and (3) tax compliance and planning. The proposed/new CPA exam model is expected to launch in 2024 and it will likely necessitate changes to our accounting curricula, including more flexibility and elective-course offerings. We continue to monitor the CPA exam developments and changes in the accounting profession more broadly for guidance in establishing accounting curricula that best fit the needs of our students and other key stakeholders.

Limited analytics and technology related curriculum

While we have taken steps to integrate technology and data analytics in our curriculum, we recognize that we need to continue to invest in this important area. Technology is driving rapid change in the accounting profession and our graduates need to be well prepared to adapt to this reality. Technology and data analytics knowledge and skills are of paramount importance and our current offerings are relatively limited. Currently, we offer a standalone (3-credit) data analytics course required for all undergraduate accounting students. In addition, the undergraduate auditing course (ACCT 464), Cost Accounting (ACCT 363) and Accounting Information Systems (ACCT 362) include technology or data analytics projects or modules, but this important area is not substantially included in other undergraduate accounting courses.

At the graduate level, our MAcc program is best positioned in this area with a seven (7) required credits in technology and data analytics subjects. MAcc students are also exposed to several weeks of content on the subject in the Audit Research and Practice (MAcc 665) course. In addition, MAcc students may take up to five (5) elective credits, including graduate accounting and MBA program offerings that would further develop students’ technology skills and knowledge. Newly developed courses in Blockchain and Alteryx should continue to increase the breadth of our graduate program offerings in technology and data analytics. MSTax students currently are only required to take a single two-credit technology and data analytics course. In addition, MSTax students have four (4) elective credits, although many students pursue specialized tax courses with these electives. Going forward, we intend to increase the graduate program elective offerings to ensure these programs are well positioned to provide students with the technology skills and knowledge they require to succeed as accounting professionals.

OPPORTUNITIES

Graduate Accounting Programs

The Covid-19 pandemic brought many challenges to an increasingly challenged higher education industry. Some private institutions have closed their doors. Gonzaga has been fortunate and successfully weathered the storm with relative stability. There have been no layoffs or pay cuts in the AAU and student aid has increased. Specifically, the Graduate School of Business offered a new 15% scholarship for all Gonzaga alumni pursuing a MAcc, MSTax, or MBA degree. This new scholarship will continue going forward and should help retain those undergraduate students concerned about the affordability of a graduate accounting degree.

The Gonzaga graduate accounting programs are poised to move to the next level coming out of the pandemic in several ways. First, we anticipate an increase in demand for a professional graduate degree, in part due to pent up demand for those who postponed their education during the pandemic lockdown. Additionally, we see a Gonzaga graduate education as a landing spot for those students interested in a more personal educational environment, but with fewer options given the closure of similar, mission-based institutions. Second, Gonzaga has partnered with a consulting firm to market the MAcc program to international students. We anticipate the launch of Gonzaga Global will yield increased enrollments and a richer, more diverse student body. Also, the MAcc program is currently in the process of becoming STEM-designated, which will yield benefits to international and domestic students alike. Third, new leadership in the accounting programs provides an opportunity to update the curriculum and enhance offerings in the MAcc program to include a larger focus on technologies used in the profession, including analytics, artificial intelligence (AI), robotic process automation (RPA), and database management. The timing is complementary to the launch of the redesigned CPA exam in 2024. Finally, in this golden era of Gonzaga athletics, free marketing abounds as the men's and women's basketball teams maintain national prominence every spring. Gonzaga has become a household name across the country and the world. The flag-bearer for Japan's 2020 Olympic team, Rui Hachimura, is a former Zag. With the aforementioned coming into alignment, our graduate accounting programs have a unique opportunity to leverage the Gonzaga brand and move to the next level.

The MSTax program sees an opportunity to continue to expand offerings to an audience wider than just the CPA or aspiring CPA. Many local attorneys are interested in tax expertise as well as professionals in industry finding themselves working in the tax function. The demand for tax specialists continues to rise while many advanced tax programs have been discontinued over the past few years, including the program at Washington State University.

Finally, both the MAcc and MSTax will continue to be offered in the "HyFlex" (dual in-person and remote accessibility) format going forward, reflecting the new normal post-pandemic. The required technologies for a hybrid teaching model are now installed and available in all classrooms across campus. Flexibility is the future of business and as business educators, we see an opportunity here in following suit.

New and Flexible Course Offerings

In recent years, we have added new course offerings in data analytics, corporate governance, and in sustainability accounting. However, we note that the CPA exam and licensing models are likely to be revamped in the coming years, so we have an opportunity to identify new course offerings to ensure the accounting curricula are responsive to the new CPA exam and licensing formats. In particular, the

proposed changes would adopt a “core-plus” model consisting of a “core” of generalized accounting knowledge “plus” a selected area of specialty expertise. This model slims down the base of specialized knowledge for all accounting majors, while at the same time incorporating additional topics for the expertise areas, especially in subjects like data analytics, technology, and information systems. To adapt to this evolving landscape, we need to make sure our accounting program is flexible and that we can design and implement, or collaborate with faculty throughout the SBA, to offer new courses in a timely manner, so that our students will be prepared to excel on the new CPA exam, as they have so consistently on the exam in its current iteration. Two key constraints which will need to be overcome, are (1) limited flexibility in the current undergraduate curriculum; and (2) faculty knowledge and proficiency to teach courses in new and developing subjects.

Continuing Professional Education and Certifications

Another area where we see potential is in offering continuing professional education (CPE) and/or certification courses for students, alumni, or even for other stakeholders in our community. This could be accomplished either through the initiation of a conference or distinct courses/seminars taught by current AAU faculty members or by other appropriate experts. There are several key benefits to offering CPE, such as increased professional engagement and networking, growing the reputation and visibility of the Gonzaga accounting brand, and developing faculty technical knowledge and expertise. Certification programs offer similar benefits, but also could be deployed for current students to build applicable skills and proficiency in areas relevant to their professional development, such as data analytics, data cleaning, and/or data visualizations, just to name a few. CPE offerings and certification programs may also bring additional revenues into the university, the SBA, and the AAU most specifically. Some key constraints to implementing CPE and certification courses or seminars are (1) limited faculty availability/capacity; (2) a lack of appropriate knowledge/proficiency in relevant topics; and/or (3) the lack of an existing framework for this kind of initiative.

Alumni Network

Gonzaga alumni tend to be very committed to the institution and its continued success. Many participate in annual fall recruiting efforts on campus with their employers, and many regularly serve as guest speakers in classes or at Beta Alpha Psi meetings. However, the AAU has done relatively little to date to build a strong accounting alumni network for both placement and fundraising purposes. While many faculty members stay in contact with former students and advisees, there is no formal or uniform outreach to alumni. Much could be done to strengthen the long-term ties between its alumni and the AAU. In the past year, the AAU launched a Gonzaga Accounting LinkedIn group and the AAB and Beta Alpha Psi officers and members will hold further discussions about initiating a formal alumni group with annual programming and periodic accounting area updates in the coming 2021-22 academic year.

THREATS

Graduate Accounting Programs

As mentioned above, Gonzaga is poised to move to the next level. Our biggest threat to doing so is aversion to change. The game has changed in higher education and graduate accounting is no exception. Change can be difficult. It can be uncomfortable. It is human nature to resist change. But change is now necessary for our programs to stay relevant. What the place of graduate accounting programs will look like after the pandemic is to be determined, but we will need a general willingness to be agile and anticipate change as it comes. The challenge of the accounting leadership will be to convince the exceptional faculty that certain changes are good and beneficial for the programs, students, faculty, and staff. This will entail a process of continuous communication and collaboration.

As the demand for accountants increasingly outpaces supply, firms and other employers are no longer requiring or preferring a graduate degree for entry-level professionals. Students have a variety of options in pursuing the 150 semester-credit hours necessary to sit for the CPA exam. Many students arrive on campus in their first year with college credits in hand. Others opt for less costly community college credits. Still others pursue a second major or minor. These factors strain the value proposition many students undertake when considering a graduate education. There is no indication that this reality will change drastically, and it behooves us to show prospective students that graduate education is more than just a means to attain the requisite education to sit for the CPA exam.

Declining Enrollments

Accounting enrollments have ebbed and flowed across the years. After seeing significant growth through the 2017-18 academic years, accounting undergraduate enrollments have declined in the years since. The Fall 2020 entering freshman class was especially small as a result of the COVID-19 pandemic and accounting enrollments are expected to continue to decline in the coming years as this smaller class proceeds towards their anticipated Spring 2024 graduation. At the same time, interest from recruiters in accounting graduates continues to be strong and we will be hard-pressed to graduate sufficient students to meet the demand for new hires into accounting positions. While these circumstances should help current Gonzaga accounting students to receive accounting position offers and secure competitive salaries upon graduation, it carries the risk of fraying some of our relationships with recruiters who are unable to fill open positions.

Gonzaga offers an accelerated option for graduate accounting students, which allows students to begin taking graduate courses during their senior/fourth year of undergraduate coursework. As such, many of the undergraduate students are also included in the graduate accounting program enrollment numbers presented above. In Fall 2020, 20 students were enrolled in the graduate program as accelerated students (11 MAcc and 9 MSTax) representing declines from recent years. Smaller undergraduate classes may also strain graduate accounting program enrollments, a key evaluation metric for the success and viability of these programs.

Increase in "Service" Course Offerings

As indicated above, due to the growth of the university's undergraduate population, the number of sections of 200-level principles courses has increased by nearly 85% since 1998, from 13 to 24 sections (including summer terms). In addition, accounting faculty teach a corporate financial reporting class in

the MBA program and a junior level financial accounting course for students pursuing a finance concentration. These courses now comprise six additional sections during the academic year and summer that constitute service offerings to the broader SBA. Altogether, the service offerings have risen from 13 sections to 30 (representing an increase from 39 to 78 credits) in the last twenty-plus years. These service offerings now require more than 3.0 accounting FTE during the academic year, or about 30% of the current accounting faculty FTEs. Staffing this heavy service load while offering a full 27-credit undergraduate degree program and two distinct graduate accounting programs may be particularly challenging during terms with one or more faculty members on leave (i.e. sabbaticals).

III. Progress on Identified Issues

Pursuant to the accreditation visit in Fall 2016, the visit team made two recommendations for continuous improvement relevant to the accreditation standards. These recommendations are as follows:

- **Accounting Faculty Sufficiency & Deployment (2018 standard A6):** In 2015-2016, the MAcc program was serviced by only 25.3% Scholarly Academic (SA) faculty, well below the AACSB minimum of 40%. The expectation is that this deficiency will continue for the 2016-2017 academic year. Plans are in place to correct this through the hiring of an additional Ph.D. and redeployment of faculty among programs. See explanation in “Accounting Unit Participants” section below.

Actions to date of CIR application: Since the last Continuous Improvement Review, the Coordinator of Accounting Programs has monitored the faculty sufficiency in the undergraduate accounting, Master of Accountancy, and Master of Science in Taxation programs on an annual basis. The issue of faculty sufficiency in the MAcc program in 2015-16 was mainly caused by one faculty member who was classified as a Practice Academic and who taught over 30% of the credit hours in the program. As anticipated at the time of the last Continuous Improvement Review (Fall 2016), the issue with faculty sufficiency in the MAcc program continued through academic year 2016-17, with the program well below the 40% benchmark for SA faculty. For the 2017-18 academic year, accounting faculty were redeployed between the MAcc and undergraduate program resulting in the MAcc program nearing the 40% benchmark. In academic year 2018-19, the faculty member classified as PA was on research leave and did not teach in the MAcc program, resulting in the program easily exceeding the 40% benchmark for SA faculty. With the retirement of the faculty member classified as PA, it is not anticipated that faculty sufficiency will be a concern going forward.

Update: In 2020-21, the self-study year, all faculty and instructors teaching classes comprising the undergraduate and graduate accounting programs were classified as either SA or IP. For all programs, and in aggregate the requisite benchmarks for (1) SA (>40%), (2) SA+PA+SP (>60%), and (3) SA+PA+SP+IP (>90%) were met.

- **Assurance of Learning (2018 Standard A4)** The accounting program needs to refine its assessment plan to ensure regular and timely assessment and closing of loop.

Actions to date of CIR application: In response to the concerns expressed in the Continuous Improvement Review, the accounting faculty and the Coordinator of Accounting Programs have taken two actions. First, the faculty completely revised the Master of Accountancy goals to make them more

relevant to the curricular changes made in 2018-19. Second, the Coordinator of Accounting Programs has worked closely with the Chair of the School of Business Assurance of Learning Committee to ensure that a plan is in place to assess every goal twice during the 2016-2021 time period. While faculty retirements, redeployments, and new faculty hiring have caused some mid-course corrections in the schedule, the faculty believe that we are on course to assess each goal in the relevant five-year window with the exception of the data analysis goal added to the MAcc plan. Because the curricular revisions adding data analysis courses were effective only for the 2018-19 academic year, the assessment of this goal will take place for the first time in 2019-20.

Update: The AAU completed all planned AoL assessments during the most recent academic year and for this five-year assessment cycle. An overview of the accounting area’s assessment goals and outcomes is provided in Section IV.C.1 in this report.

IV. Scope of Review – Current and New Programs

This fifth-year maintenance accreditation review addresses the following AAU degree programs:

- Bachelor of Science with a major in Accounting;
- Master of Accountancy (MAcc); and
- Master of Science in Taxation (MSTax)

In the 2020-21 academic year, 104 undergraduate and graduate students received accounting degrees offered or taught by Gonzaga’s AAU. Degrees conferred for each program are provided below:

Degrees Conferred - Accounting 2020-21 Academic Year*	
BBA –Accounting	69
MAcc	15
MSTax	20
TOTAL	109
* includes Summer 2020, Fall 2020, and Spring 2021	

All of these degree programs represent existing programs for the AAU. There were no new graduate or undergraduate degree programs initiated during the past five years.

V. AACSB Accounting Accreditation Areas

A. Strategic Management and Innovation

1. Strategic Management Planning Process and Outcomes

A unifying theme across the University, SBA, and AAU mission statements is an attention to nurturing, supporting, and encouraging student growth, curiosity, and development as ethical leaders and community members. Our collective work as an AAU aims first and foremost to live up to these important statements of purpose. Gonzaga accounting has a reputation for rigor and high expectations of its students and faculty, while at the same time constituting a strong and collaborative community working towards collective and sustained excellence in our scholarly activities, teaching, and learning. Our strategic plan and strategic priorities were crafted in consideration of the overarching mission statements of the University, the SBA, and the AAU and further illuminate our work. All of the critical activities which comprise our work throughout the academic year – from student acceptance and hiring processes, to program review and curriculum/course content choices – are framed by our strategic plan and are undertaken to advance our mission and prepare students for fulfilled careers and lives in a connected and complex world.

The AAU mission statement and strategic plan were primarily developed in 2008 as part of the accreditation self-study process, however the underlying principles well represented the values and operations, which had been long hallmarks of Gonzaga accounting. The original mission statement and strategic plan were developed by accounting faculty in consultation with the dean and the plan was reviewed by a small group of undergraduate and graduate students and select public accounting employers.

Throughout the last thirteen years, the plan has provided direction for many of the activities of the AAU and the core objectives have remained largely unchanged, as we believe these objectives continue to represent our values well during this period of significant change, innovation, and uncertainty. Since the last accreditation visit in 2016, significant progress has been made in achieving most of the goals of the plan. The accounting faculty reviewed and re-affirmed the AAU strategic plan most recently in the spring of 2021 with only minor changes as we collectively believe that it continues to serve as a relevant and appropriate roadmap for our work.

The Accounting Academic Unit Strategic Plan is included in **Appendix A**.

Strategic Planning Outcomes

Over the last five years, significant progress has been made on many areas of the strategic plan. A summary of some of the critical activities undertaken (and accomplishments achieved) since our previous accreditation review in 2016 are as follows:

Objective 1: Develop ethical, professionally competent graduates

- **Strategy A - Maintain Challenging Curricula Responsive to the Needs of Organizations in a Dynamic Global Business Environment**
 - In Fall 2015, the accounting curriculum for undergraduate majors was revised. This change was driven by CPA Exam results from 2013 that indicated that Gonzaga students performed worse on the Regulation portion of the CPA Exam than any other, with less

than 60% passing the first time. As a result, the faculty reviewed the curriculum with regards to topical coverage of tax and determined that one tax course, principally covering individual tax concepts, was not sufficient. In order to provide broader coverage, the faculty voted to require all accounting majors to take both Federal Tax I and Federal Tax II, effective for freshmen entering Fall 2015, the earliest that the change could be effective. Because the accounting faculty also believed that topics covered in Advanced Financial Accounting were crucial to all students, the faculty agreed at that time to require Advanced Financial Accounting in addition to Federal Tax II. This change increased the number of credits in the accounting major from 21 to 24, with all courses now being required, effectively eliminating elective coursework from the accounting major. This change was described in the previous Accounting CIR, however, as a new policy in the Fall 2015 catalogue, it first took effect for most students matriculating into upper-division accounting courses in the Fall of 2017, during the five-year review cycle subject to this report.

- In 2015-16, the accounting faculty adopted a new policy regarding advancement in the accounting major. Beginning with the 2016 university catalog, accounting majors must earn a grade of “C” or better in ACCT 365 (Federal Tax I) in order to progress to ACCT 366 (Federal Tax II). This policy mirrors the policy that has been in effect for ACCT 360/361 (Intermediate Financial Accounting I and II) since 2011. The goal of this policy is to prevent students who are not succeeding in the accounting major from continuing beyond the first semester coursework. This change was described in the previous Accounting CIR, however, as a new policy in the Fall 2016 catalogue, it first took effect for most students matriculating into upper-division accounting courses in the Fall of 2018, during the five-year review cycle subject to this report.
- The Assurance of Learning (AoL) plan for the undergraduate accounting program was revised and updated during the 2015-16 academic year. The revised plan, which is included in **Appendix 11** of the Business CIR, is summarized and discussed more fully in the Assurance of Learning section of this report below.
- Beginning with the Fall 2018 undergraduate and graduate catalogues, the accounting faculty agreed to add a three-credit data analysis and technology class to the accounting curriculum (undergraduate and MAcc). The class expanded the undergraduate accounting major curriculum from 24 to 27 credits. This hands-on, computer lab-based class was offered to graduate students (MACC/MTAX 611; 2 crs) immediately during Fall 2018 term as a requirement for those students to graduate. The course was first offered to undergraduate students (ACCT 311; 3 crs) during the Fall 2019 term as an elective class and as a requirement for transfer students to the university beginning Fall 2018 or later. The current senior class of accounting majors is the first graduating class of accounting majors that is required to complete the course to obtain the undergraduate degree.
- Also beginning with the Fall 2018 undergraduate catalogue, the minimum grade threshold for the “principles” accounting courses (ACCT 260 and ACCT 261). required of all business majors, was raised from a C- to a B-. The change was made based on an analysis that showed that students matriculating into the accounting major who had earned lower than a B- in either of their principles courses often struggled to complete

the major. Since students do not typically begin the business and accounting major coursework until their junior/third years at the university, we collectively believed this policy would help ensure that all students entering the accounting major would be well positioned for success. As a new policy first outlined in the Fall 2018 catalogue, the past academic year (2020-21) marked the first year we would anticipate this modified grade threshold to have an effect on students beginning their upper division accounting coursework.

- **Strategy B – Promote the Highest Standards of Ethical Behavior and Learning**
 - We promote the highest standards of ethical behavior and learning via two primary tactics: (1) we work collectively to integrate ethics into all of the accounting courses; and (2) we ensure adherence to the Gonzaga University student Code of Conduct. One recent example of the integration of ethics into an accounting course is in the new accounting data analytics course, where Dr. Hoag, the instructor, set aside most of a class period at the end of the semester to discuss ethical issues presented by data analytics (i.e. privacy, use of data, etc.).
- **Strategy C – Enhance Students’ Critical Thinking and Awareness Through Engagement**
 - This strategy was added to the AAU strategic plan in the spring of 2021. Although, this is a newly implemented strategy in the strategic plan, accounting faculty members have long been identifying ways to increase student engagement in an effort to enhance students’ critical thinking and awareness when faced with ambiguous and/or complicated accounting problems. Some specific tactics that should aid us in implementing this strategy include: (1) identifying new opportunities to integrate data analytics and technology into the existing accounting courses; (2) leveraging alternative classroom modalities such as the flipped classroom and/or laboratory-based activities; (3) presenting students with novel and/or ambiguous problems that do not necessarily present clear or straightforward solutions; and (4) building on the success Gonzaga students have had in professional case competitions and/or presentations.

Objective 2: Distinguish our programs by dedication to professional careers

- **Strategy A – Attract and Retain Doctorally-Qualified Faculty with Professional Certifications**
 - The two tenure-track faculty members hired to replace retiring faculty members in 2017 and 2018 had each previously worked as accountants and both individuals had obtained a CPA license prior to starting at Gonzaga. In addition, Jillian LaBelle, hired as a Lecturer beginning Fall 2019, is a licensed CPA. Currently, five of the ten full-time faculty members maintain an active CPA license. One faculty member, Sara Kern, is also a Certified Fraud Examiner.
- **Strategy B – Promote Attainment of Professional Certification by our Students and Graduates**
 - In May 2021, the SBA faculty approved a new Professional Development and Support policy, which would reimburse SBA faculty and staff (including those in the AAU) for new, initial licenses *and* for maintaining current licenses and credentials. This policy initially started as a priority of the AAU, which was eventually extended to all SBA faculty and staff. We anticipate this policy will help faculty maintain current, relevant licenses and credentials and may encourage faculty to pursue additional credentials and

licenses, such as sustainability credentials and/or the CFA license, in order to promote the attainment of these professional certifications by students and graduates.

- **Strategy C – Encourage Participation by Students in Professional Activities and Organizations**
 - Gonzaga has an active BAP chapter which holds weekly meetings and facilitates a number of networking and community service activities throughout the academic year. The organization's activities are predominantly carried out by student officers and members.
 - Gonzaga accounting students have logged over 3,000 hours of community service for the VITA program between 2016 and 2019 (we did not participate in 2020 and 2021 due to the COVID-19 pandemic). Collectively in this time period, Gonzaga students aided in the filing of 3,250 returns and helped low-income taxpayers in our community access more than \$4.5M in tax refunds.

Objective 3: Enhance the quality and effectiveness of faculty

- **Strategy A – Enhance Opportunities for Improving Scholarly and Professional Practice Activities of the Faculty**
 - Drs. Dan Law and Matt Hoag co-taught the Accounting Research Seminar in Creighton University's Doctorate in Business Administration (DBA) program from 2017-2019. This opportunity was supported by the SBA Dean and the Coordinator of Accounting Programs at that time, Dr. Gary Weber. Collectively, Drs. Law and Hoag served on seven distinct dissertation committees for accounting students from this doctoral seminar, and both of these faculty members have been able to initiate academic research projects with their former students/advisees from this program.
 - Although working with a fairly minimal operating budget, the AAU and SBA have consistently provided support for faculty to participate in academic conferences, which are crucial for networking with colleagues, for maintaining currency in research practices, and for engaging with new developments in scholarship and practice. The new faculty professional development policy, should help encourage faculty to seek out scholarly and professional practice development opportunities more proactively in coming years.
- **Strategy B – Enhance Opportunities for Improving Teaching Effectiveness**
 - When designing the new accounting data analytics class, Dr. Matt Hoag received grant monies and SBA/AEF support to attend an AACSB data analytics conference in Amsterdam, Netherlands. The conference served as an eye-opening chance to experience firsthand a wide range of cutting-edge, data analytics and technology teaching techniques, resources, and platforms deployed at a leading global institution, the University of Amsterdam.
 - During spring 2019, Dr. Hoag also received funding to complete an online data analytics certification program offered through the Wharton School's online executive education program. This three-month course, titled "Business Analytics: From Data to Insights" allowed Professor Hoag to experience teaching data analytics firsthand and helped to inspire the flipped classroom/hands-on approach he had adopted in that course.
 - Drs. Matt Hoag and Sara Kern each have attended several conferences related to data analytics, technology, and case integration. Attending these conferences have helped

these faculty members integrate technology tools and applications, particularly in the data analytics and undergraduate auditing courses.

- The approval of the new line for the Lecturer in accounting in Fall 2019 has allowed the discipline to offer high quality instruction in smaller classes by a permanent faculty member at the 200-level (Principles of Accounting), without relying too heavily on adjunct faculty. Currently, the discipline only employs one adjunct at the undergraduate level on a regular and continuous basis and all of the accounting principles courses are currently serviced by full-time/participating faculty members.

Objective 4: Increase the stature of the accounting programs

- **Strategy A – Systematically Promote the Accounting Programs**

- The Gonzaga Accounting Advisory Board (AAB) continues to hold regular meetings, generally twice each academic year. The AAU engages the board to identify industry/practice trends and to discuss possible curricular changes to ensure Gonzaga accounting students encounter the sorts of problems and tools they will face/use as professionals. For AY 2020-21, the GAAB had 20 members. A complete list of AAB members is included in **Appendix B** supplementing this report.
- In the last five years, the accounting faculty and BAP student officers have invested significant time and energy networking with professionals and other stakeholders in an effort to increase the number and variety of employers recruiting on-campus. Employers that recruit on campus regularly that did not appear five years ago include RSM, Costco, and West Monroe Partners. The number of firms that recruit at the Gonzaga Accounting Career Fair has increased from 16 to around 35 distinct firms in the past decade.
- In the spring of 2021, PwC invited Gonzaga accounting faculty members to attend to distinct data analytics and technology related workshops. One workshop focused on Alteryx and the other workshop emphasized data visualizations with Tableau.

- **Strategy B – Strengthen Relationships with Accounting Alumni and Stakeholder Organizations**

- In the past several years, we have pushed to expand the AAB's membership to include a more diverse group of professionals from a wider variety of organizations, beyond public accounting firms. This continues to be a priority for the AAU in the years ahead.

Update on Prior Strategic Priorities

Three strategic priorities had been identified during our previous self-study period. Below we present each of these strategic priorities and give a brief update of the actions taken and the outcomes achieved:

1. Reducing class size in upper level accounting courses by offering more course sections beginning in 2017-2018. These will be staffed by full-time faculty. Hiring of additional adjuncts to teach accounting principles will allow for such staffing.
 - **Update:** In AY 2017-18, we offered three sections of Intermediate Accounting I and II (ACCT 360/361) and Federal Tax I (ACCT 365) as opposed to the typical two sections. This enabled the corresponding instructors to more reasonably manage a large junior class of accounting students. However, we saw typical attrition that year given the rigor of the accounting program and we did not need to offer an additional section of any of the other upper-

- division accounting major courses. Since 2017-18, we have seen accounting enrollments decline, so we have returned to our previous schedule teaching two sections of the junior-level courses each year. In addition, we hired a new lecturer, Jillian LaBelle, for the Fall 2019 term and in spring 2020 her position was made permanent. Adding this position has provided substantial flexibility for full-time, tenure-track faculty members to teach the upper-division accounting courses, including the new data analytics offering, which is offered in a smaller class format as a hands-on, laboratory-based course. We believe we are well positioned to keep upper-division accounting class sizes in the range of 35-40 seats in the current environment and could do so even if accounting major enrollments grow in the coming years.
2. Partial reimbursement of the cost of professional licensure/certification for accounting faculty.
 - The faculty of the SBA recently approved a professional development and support policy, which will provide reimbursement for several different expenditures incurred to obtain and/or maintain licensure, as well as for expenses associated with professional organization dues and memberships. Specifically, the policy allows for reimbursement of up to \$1,000 annually (and up to \$2,500 in a three-year cycle) for new licenses or credentials. The renewal of licenses or credentials will be reimbursed up to \$500 annually (and \$1,000 in a three-year cycle). Overall, this policy should help accounting faculty maintain their professional licenses and credentials, and it should also encourage faculty to pursue new licenses and credentials relevant to their teaching, scholarship, and professional development.
 3. Creation of an electronic alumni newsletter with the goal of reconnecting the AAU with its alumni.
 - This is one strategic priority that has seen only minimal progress over the past five years and it is an area that we will focus on in the coming years, with a re-calibrated priority (#3 below). However, we have taken some small steps recently in this area. First, we launched a Gonzaga Accounting LinkedIn group to facilitate networking and communication amongst our current students, alumni, and other key stakeholders and interested parties. Second, we are working to formalize our communications about recruiting opportunities, events, guest speakers, and other relevant information to current students by way of a weekly (or bi-weekly) email. We acknowledge these represent small steps and we will be looking to expand our efforts in this important priority area in the years ahead.

Current Strategic Priorities

Four strategic priorities have been identified for the 2021-22 academic year and beyond.

1. Integrating sustainability reporting, data analytics, and technology content throughout the accounting curricula (undergraduate *and* graduate).
2. Collaborating with students and other stakeholders to develop and present relevant content (i.e. business cases; financial literacy information) for high school students.
3. Launching an accounting alumni network to promote increased engagement amongst our various stakeholders.
4. Promoting an inclusive and supportive environment (both the learning environment *and* within the workplace) through intentional collaboration and engagement with diverse individuals, perspectives, and ideas.

2. Financial Strategies and Allocation of Resources

As a quasi-department within the School of Business Administration, the AAU's operating budget is combined administratively with that of the SBA. The AAU receives no separate budget allocation. SBA operating funds provided by the university are supplemented by unrestricted gifts, restricted gifts, and endowment earnings in order to support the AAU members' work and professional development.

Below is a summary of the SBA operating budget, SBA full-time and adjunct faculty budget (excluding benefits), and accounting-only faculty budget (excluding benefits) for the period from academic year AY 2015-16 through AY 2020-21. For more information on the overall SBA budget, please see the "Physical, Virtual, and Financial Resources" section of the SBA Continuous Improvement Review report.

SBA Operating and Faculty Budgets and Accounting Faculty Budget 2015-2021

Year	SBA Operating Budget	SBA Faculty Budget	Accounting Faculty Budget
2020 – 2021	\$93,887	\$6,780,807	\$1,387,087
2019 – 2020	\$131,062	\$6,744,313	\$1,373,266
2018 – 2019	\$183,739	\$6,613,428	\$1,532,423
2017 – 2018	\$388,247	\$6,201,685	\$1,518,205
2016 – 2017	\$253,335	\$5,988,789	\$1,393,620
2015 – 2016	\$210,939	\$5,320,388	\$1,213,711

As can be seen above, the budget for accounting faculty salaries increased from \$1,213,711 in the last self-study year, to \$1,387,087 in AY 2020-21, the current self-study year. This is an increase of \$173,376. Collectively, this increase is primarily associated with the hiring of a full-time lecturer in the fall of 2019, as well as annual salary growth determined in accordance with the university's Faculty Handbook. Two long-time faculty members and full professors, Drs. Eddy Birrer and Walt Teets, retired in the spring of 2018 and 2019, respectively and each was replaced after a successful recruitment and search process with a new assistant professor. Assistant professor salaries are lower than full professor salaries, thereby offsetting some of the increases associated with the new lecturer position and annual salary growth for all faculty. The accounting faculty budget maxed out at approximately 24.5% of the total SBA faculty budget for 2017-18. However, after the retirements of Drs. Birrer and Teets, the total outlay for faculty salaries has fallen to about 20% of the total SBA faculty budget line item, as the new assistant professor hires came on at lower salaries than the retiring (full) professors. Associate and assistant professor salaries are currently very similar, so accounting faculty salaries are anticipated to remain at about 20% of SBA faculty salaries barring any significant changes to the mix of faculty throughout the SBA. However, this could change if additional accounting faculty members are promoted to full professor status. Four current tenure-track faculty members would be eligible to apply for promotion to full professor during the next five-year review cycle.

The AAU supports faculty travel, scholarship, and professional development activities primarily through the SBA operating fund. While there is not a specific allotment from this fund for accounting, faculty funding requests have traditionally been met by the SBA, with supplemental funding provided as needed via the Accounting Excellence Fund (AEF), which is discussed in greater detail below. As can be seen in the above table, SBA operating funds have declined dramatically over the last two academic years in response to budget cutbacks tied to the COVID-19 response. Although these budget cuts are dramatic, they primarily reflect the current environment in which travel and in-person conference attendance has been non-existent for the past 18-months. We anticipate the SBA operating budget will be expanded in the coming years, to facilitate conference attendance and related travel, which represents an important facet of faculty professional development and scholarship. Further, the professional development and support policy approved by faculty in 2021, cements the SBA’s commitment to support faculty development and scholarship. Although we do not have a dedicated operating budget within the SBA, we anticipate we will be able to meet faculty needs in the coming years as it pertains to professional development and scholarship.

Supplementing the SBA operating budget is the AEF, which is under the sole control of the AAU. Traditionally, the AEF has been funded with a combination of advisory board member, student, alumni, and/or faculty contributions, however in some years, there are unique opportunities available for contributions to the AEF to fund special initiatives. For instance, Dr. Hoag received a grant from PwC’s *INQUIRES* program in the spring of 2017 to fund travel to a data analytics conference in Amsterdam, Netherlands. In a typical year, the AAU uses the AEF strategically to provide additional graduate scholarships, supplemental travel funds to accounting faculty and students, as well as monies for accounting-related instructional or research needs. Traditionally, we might leverage the AEF to fund faculty travel and conference dues for teaching and learning conferences, and/or for faculty who want to attend multiple conferences in a year.

Altogether, the AEF provides a flexible, source of funding for the AAU’s operations, but the account funds are relatively minimal and the variances in the contributions to this fund make it challenging to plan how to maximize the allocation of these funds in support of AAU faculty development and other needs. Going forward, as the new SBA professional development policy is implemented, we anticipate reduced demands on the AEF allowing us to be more strategic and intentional in its use.

The table below shows both the annual benefaction to the AEF and the ending balance at the end of each of the last five years, as well as the 2010-11 year as a reference point.

Year	Contributions to the AEF	Ending AEF Balance
2020-2021	\$29,707	\$42,773
2019-2020	\$17,467	\$20,731
2018-2019	\$22,069	\$24,694
2017-2018	\$16,987	\$23,267
2016-2017	\$42,341	\$26,861
2010-2011 (for reference)	\$4,425	\$15,265

Overall benefaction to the Accounting Excellence Fund has averaged about \$25,000 annually over the last five years, but this number has fluctuated significantly making it hard to predict and budget available funds. The number peaked during the 2016-17 academic year, largely because of the monies

received through the PwC INquires grant described above. In April of 2021, the AAB formally approved modifications to its bylaws, which include an expected \$2,000 minimum annual financial commitment for board members in support of Gonzaga accounting. Board members may contribute to the Accounting Excellence Fund or to other funds which support Gonzaga accounting programs and students (discussed further below). We anticipate that including a specific financial commitment expectation in the bylaws should help to formalize what was previously more of a tradition and aid in establishing a more predictable annual contributions budget.

Generally, the AEF outflows and expenditures have roughly matched the contributions each year, meaning the ending fund balance remained relatively consistent between \$20,000 and \$25,000. However, in the most recent year, campus-wide travel restrictions resulted in virtually no outlays from the fund for academic conferences and trainings. As such, the balance at the end of the 2020-21 academic year has climbed to more than \$42,000. And going forward, the new SBA professional development policy provides a framework to fund travel and other expenses that previously would have been covered (at least in part) by the AEF. We do not fully know how this new policy will affect reimbursements from the fund, but we anticipate fewer academic conference, training, and certification outlays from the accounting excellence fund in light of this new SBA policy.

Altogether, we are at a crossroads with the AEF. With the new Eddy Birrer scholarship fund (discussed below), and a new SBA policy supporting Professional Development, many of the traditional uses of AEF funds can be met via other sources going forward. At the same time, we anticipate a more predictable source of incoming funds allowing us to be strategic with our objectives for this fund. In the coming 2021-22 academic year, the AAU will discuss and formalize one or more strategic priorities for the AEF so that we can continue to elevate our programs, teaching, scholarship, and engagement.

Accounting Student Scholarship Funds

In addition to monies raised for the AEF, the AAU has secured additional scholarship money for the benefit of accounting students, thereby reducing the need to access AEF for student financial support. These funds come from several sources. First, the university has historically allocated a minimum of \$20,000 per year from the Brajcich Accounting Scholarship Fund to scholarships for graduate accounting students. In 2020-21, the actual amount allocated from the Brajcich was \$49,000. Second, the MSTax program has secured two \$2,500 scholarships from Moss Adams, LLP to support students in the tax program. Finally, Dr. Eddy Birrer retired in the spring of 2018 and a scholarship fund was endowed in his honor. In 2020-21, \$3,250 was distributed from this scholarship fund for graduate accounting student scholarships. Altogether, more than \$57,000 was distributed from these sources to support graduate accounting students during the most recent academic year and we continue to look for ways to build upon our recent success in growing the important endowments, which fund accounting student scholarships. Below is a summary of the corresponding accounting endowment balances for each of the past five years (and including 2011 as a reference point):

Accounting Programs Fund Balances: A Snapshot

FMV for the Fiscal Year Ending 5/31	Daniel G. Brajcich Fund	Moss Adams (Graduate Tax) Scholarships	Dr. Eddy Birrer Endowed Scholarship Fund	Total
2021	\$4,797,000	\$49,217	\$251,435	\$5,097,653
2020	\$3,250,070	\$34,427	\$166,795	\$3,451,293
2019	\$3,201,440	\$34,328	\$156,062	\$3,391,829
2018	\$3,134,043	\$34,746	\$147,251	\$3,316,040
2017	\$2,841,291	\$32,459	-	\$2,873,750
2011 (reference)	\$2,127,962	\$18,092	-	\$2,146,054

In addition to the above noted funds, Gonzaga accounting students *may* receive funds from several different university level funds designated for a variety of majors (e.g., STEM designated: sciences, engineering, math, or accounting). Given the current university and SBA admissions policy and structure, we currently have very little control over these “general-use” scholarship funds. The total value of university endowment funds which include a specific preference for accounting students were approximately \$850,000 as of May 31, 2021 up from about \$530,000 at May 31, 2017.

3. Mission Statement and Summary of Strategic Plan

The mission statement of the AAU at Gonzaga is as follows:

“To develop ethical graduates highly qualified for professional careers in accounting. Our programs will be characterized by rigorous curricula offered in a personalized learning environment. To advance knowledge and application of accounting theory and practice, our high-quality faculty will be involved in a complimentary mix of research and contributions to professional practice.”

The mission statement was modified slightly in Spring 2021 to generalize the scope of our focus in preparing the programs’ graduates (i.e. we removed a reference to allied financial services after the phrase “professional careers in accounting”). Otherwise, the accounting faculty unanimously agree that the mission statement continues to encapsulate the work we do (and want to be doing).

The overarching framework for the AAU strategic plan was drafted in 2008 and this framework has not been changed significantly in the years since. Like the mission statement, the strategic plan was modified slightly and re-affirmed in May 2021. The primary change was to call out a new strategy under the first set of goals (develop ethical, professionally competent graduates), emphasizing the development of student critical thinking and awareness via engagement. There are two primary drivers behind the inclusion of this new strategy: (1) an increased emphasis on critical thinking and problem solving on the Uniform CPA Exam in recent years (which is slated to increase further in the coming years); and (2) the proliferation of data analytics and technology innovation/adoption in the accounting profession. Accounting graduates have always needed to have sound critical thinking abilities; however, these drivers are making this a necessity more now than ever before, demanding that we adjust our strategic plan and strategies accordingly.

The full AAU strategic plan is included in **Appendix A** and a detailed discussion of the strategic management planning process, strategies adopted, and corresponding outcomes are provided above in Section IV.A.1.

4. Intellectual Contributions

Five-Year Summary of Intellectual Contributions

Table 17, “All Research Activities” in the accompanying SBA CIR provides a five-year overview of the intellectual contributions for the AAU. Excluding Professor Don Hackney, who teaches business law, the eight research-active faculty published 32 peer-reviewed articles over the last five years, an average of 4 peer-reviewed publications per faculty member. Eliminating the double-counting caused by co-authorships, the number of discrete publications totals 28, or an average of 3.5 per faculty member. In addition, accounting faculty presented at 39 academic conferences (34 of which, 87%, were peer-reviewed). This number declined significantly from the roughly 50 conferences presentations noted during the last cycle, which is not surprising given the travel and conference restrictions faced over the prior 18 months due to the global COVID-19 pandemic. Two faculty members, Drs. Barone and Law also published their academic work in refereed proceedings in the last five years. Additionally, two accounting faculty members (Drs. Hoag and Law) served on the dissertation committees – either as chair or as a committee member – for seven different doctoral students from Creighton University. Overall, 100% of participating accounting faculty produced intellectual contributions.

Alignment with Mission, Expected Outcomes, and Strategy

Gonzaga has a long tradition as a teaching and service institution and its various mission statements reflect this. The expectation of the SBA and the mission statement of the AAU emphasize that, to be effective in preparing future accountants, faculty must remain highly engaged in the accounting profession and maintain an active program of producing appropriate intellectual contributions. This goal is achieved in multiple ways and all tenured/tenure-track accounting faculty regularly present to student groups, lead CPE for licensed accountants, present at academic conferences, and publish in peer reviewed journals. With the primary mission as a teaching rather than research institution, the endeavors of most faculty are designed for submission to mid-tier and practice-oriented journals.

As stated in the strategic plan of the AAU, and consistent with the School of Business mission, the accounting faculty seek to support a mix of theoretical and pedagogical research, as well as contributions to professional practice. The research over the last five years reflects this goal. Of the 28 peer-reviewed publications by accounting faculty, 6 (21%) are practice-oriented (AIS), 14 (50%) are theory-based (BDS), and 8 (29%) are pedagogical/educational (TLS). This mix of research reflects the broad interests of the AAU faculty and is a testament to the commitment by our faculty to developing a portfolio of intellectual contributions that are consistent with the school and accounting unit’s missions.

Quality of the Five-Year Portfolio of Intellectual Contributions

The quality of the intellectual contributions of the accounting faculty can be demonstrated in multiple ways. First, 26 of the 28 distinct peer-reviewed articles (93%) appear in journals that are listed in Cabell’s. Of the articles listed in Cabell’s, 24 of 26 (92%) appear in journals having an acceptance rate of 50% or less, with 19 of the articles (73%) appearing in journals with an acceptance rate of 40% or less. Nine distinct publications (35%) appeared in journals with publication acceptance rates of less than 20%.

Impact of Intellectual Contributions

The impact of intellectual contributions can be demonstrated in a couple of ways. One such measure is the number of times the accounting faculty intellectual work has been cited by other authors. During the 2016-2021 period, the work of the accounting faculty has been cited 608 times, representing a dramatic increase from the 105 citations noted over the preceding 2011-2016 review period used in our previous self-report. Total citations for current research-active faculty, whether or not occurring since 2016, stand at 1,050. On average, faculty research has been cited approximately 76 times per faculty member since 2016 and over 131 times per faculty member considering all citations since publication.

Qualitative measures are also useful means for evaluating the impact of our faculty's intellectual contributions. As mentioned previously, Drs. Hoag and Law served on the dissertation committees for several students at a peer Jesuit institution. Dr. Law has co-authored several studies with former students and Dr. Hoag has a working paper under review with a former student. Dr. Hoag also worked with his Graduate Assistant during the 2020-21 academic year to develop a teaching case leveraging Alteryx and the SEC's XBRL-based Financial Datasets. This case was used in Dr. Hoag's Data Analysis for Accountants course during the Spring 2021 semester and will be further integrated into the course in the upcoming academic year. Many of the Gonzaga accounting faculty publish teaching cases which do not always garner significant citation counts, but can be used by other faculty in the classroom to foster student learning and discovery. We continue to work to devise ways to better track the use of faculty-published teaching cases at other institutions to assist in our measurement of impact.

B. Accounting Unit Participants – Students, Faculty, and Professional Staff

1. Student Demographics and Trends

ADMISSION POLICIES

University Undergraduate All undergraduate students (freshmen and transfer students) must be admitted through the university's admissions process. Admission decisions for incoming freshmen are based on a completed application, an essay, an SAT or ACT score, a high school transcript, and a counselor or teacher recommendation. Admission to the University is competitive. The Fall 2020 entering freshmen class had an average high school GPA of 3.83, and an average SAT (ACT) score of 1260 (28). The entering class was smaller at than has been typical in recent years at just shy of 1,100 first-year students, compared to a typical entering first-year class between 1,200 and 1,300 over the last decade. This smaller freshman class is not unusual given the uncertainty surrounding the global pandemic, but it may result in smaller accounting enrollments in the coming years.

School of Business - Upper Division Business students must apply for admission to upper division (300-level and above) School of Business classes. To be admitted, students must have completed six lower division business core courses with (1) a grade of at least C- in each of these courses and (2) a cumulative GPA of at least 2.7 in those same courses. The six courses are Financial and Managerial Accounting (i.e., the "principles" courses), Micro and Macro Economics, Statistics, and Management Information Systems. Those who do not meet the established minimum are not admitted, but may repeat one or two of the designated courses to meet the GPA requirement.

There is no separate admission process to the accounting major. However, those admitted to upper division courses with a declared major in accounting are separately tracked. For 2020-2021, the average cumulative GPA of declared accounting majors admitted to upper division coursework was a 3.46. Beginning in the Fall 2018 semester, students were required to earn a minimum “B-“ grade in each of the principles courses to pursue an accounting major. This change was implemented based on analysis of student performance in upper-division accounting courses. Accounting major students who had failed to earn a B- or higher in the principles courses typically did not perform well in their upper-division coursework, and many ended up dropping the major altogether. As the change took effect for the freshman class entering in the fall of 2018, the effects of this more stringent criteria would predominantly be expected to occur during the AY 2020-21 year, with the junior-level accounting coursework.

Master of Accountancy/Master of Science in Taxation

All graduate students must be admitted through the admission process established by the Graduate School of Business in collaboration with Graduate Enrollment Management (GEM). Admission decisions are based on a completed application, three essays, a GMAT score, submission of transcripts for all prior college-level work, and two letters of recommendation. The GMAT score can be waived for certain high performing students with a cumulative GPA of 3.5 or higher and a 3.0 GPA or better in all upper division accounting coursework. Admission decisions are generally made by the Director of Graduate Accounting. The Director will, from time to time, convene a small ad hoc group of faculty to review borderline admission files. In addition, the Dean of the School of Business is also consulted if there are unique circumstances.

If the GMAT is not waived, successful applicants will generally exhibit a GMAT score of at least 500 and a cumulative undergraduate GPA of 3.0. Grades in undergraduate accounting courses are given special attention along with personal essays and letters of recommendation. Current GU undergraduate accounting majors may be accepted into the MAcc or MSTax programs if they have completed at least Intermediate Accounting I, have at least a cumulative GPA of 3.25, have earned at least a C+ in all upper division accounting courses, and fulfill all other admission requirements. Such students may take up to nine credits of graduate-level courses during their senior year. These classes count only for graduate credit and do not apply toward the students’ undergraduate degrees.

Beginning in Fall 2021, the MAcc program will have the assistance of an outside consultant hired by the university to attract international students. The Director of Graduate Accounting anticipates 2-5 international students from this partnership the first year and as many as 10 in subsequent years.

Accounting Enrollments

As the University has grown over the last 20 years, the accounting program has also grown. However, in recent years, accounting enrollments have declined for both the undergraduate major and the graduate accounting programs. This trend is expected to continue for the next several years given the smaller entering first-year class in fall 2020. In 2015-16, there were 181 declared accounting majors, and enrollments settled in around 190 declared majors for the subsequent three years. However, in 2019, the number of declared accounting majors declined to 160 (~15%) before rebounding slightly to 172 for the 2020-21 academic year. However, current junior enrollments in upper-division accounting classes are slightly lower than we saw in the 2020-21 and with the smaller first-year class that entered in the fall

of 2020, we anticipate that the number of accounting majors will be at or lower than the 160 declared majors in AY 2019-20 for the next couple of years, at minimum. One of the main items on our AAU agenda for fall 2021 will be to identify ways we can generate interest in the accounting major with the underclassmen (freshman and sophomore) classes, to ensure that we maintain robust interest in our undergraduate programs. One likely consequence of a declining number of undergraduate accounting majors is recruitment pressure on our graduate programs, which draw heavily from our undergraduate program.

Over the past five years, graduate program enrollments were similarly at their highest between the 2016-17 and 2018-19 academic years. At their peak in 2018-19, 104 students were enrolled in our graduate programs, evenly split between the MAcc and MSTax. 2019-20 graduate enrollments declined sharply to 77 (a reduction of about 25%) before rebounding slightly to 85 for the 2020-21 academic year. The decline in graduate enrollments was most pronounced for the MSTax program, which had 32 students enrolled in each of the last two years after peaking at 57 students in AY 2017-18. Much of this decline is associated with the reduced number of accounting majors graduating from our undergraduate program in the past couple of years. However, we have been able to offset the declines in Gonzaga undergraduate student applications/enrollments somewhat by broadening the geographic reach of our graduate programs, including growth in international student applications associated with the university's partnership with a consultant specializing in international student recruitment.

Curricular changes made to the program that condensed the program to nine months (i.e., no summer classes) and the implementation of a HyFlex delivery model should help to maximize the appeal of our graduate programs. We also continue to look for ways to grow the number and size of our endowments so that we can provide competitive financial assistance to students who might be weighing multiple graduate programs. For our undergraduate students, we have begun offering a 15% discount for graduate coursework, which should also make our graduate programs more financially appealing/viable to our undergraduate majors.

Student Retention and Student Support Services

Undergraduate university students who fall below a 2.0 in either term and/or cumulative GPA are placed on academic probation. These students are limited in the number of credits they may take, and must meet regularly with their academic advisor to discuss progress. Students who remain on academic probation for several semesters are subject to dismissal from the university for poor scholarship. The elected University Committee on Admissions and Academic Standing is charged with retaining only those students who can reasonably be expected to achieve at least the minimum standards of the university. Student support services are extensive and the attention and care we extend to our students is a core tenet of our campus community. Each of us in the AAU is committed to providing our students with individualized attention and advising and we will work with students to accommodate their needs.

The School of Business employs specialized freshman and sophomore advisors. These individuals are well versed in both academic program and university services. They work with incoming freshman and sophomores, as well as transfer students, who indicate an intent or interest to study business. Once a student has declared accounting as a major (usually late in the sophomore year), s/he is assigned an accounting faculty member as an academic advisor. Most accounting faculty members have between 10 and 20 advisees. Meetings between faculty advisors and student advisees are typically held twice a year, around midterms and in preparation for course enrollment for the upcoming terms. Faculty often hold

these meetings in-person, however during the 2020-21 year, much of the advising work was conducted virtually via Zoom (or via some similar virtual meeting application).

The combination of rigorous admissions standards along with proactive and personalized student support services places our students in a position to succeed academically despite the rigorous and substantial (i.e. 27-credits) accounting curricula. Student success is observed in a number of different facets including retention rates, CPA exam performance, and recruiting/placement outcomes.

Undergraduate Accounting Retention Rates

Retention within the accounting program is determined by looking at the number of accounting major degrees were confirmed relative to the unique student enrollment during the junior/third year (i.e. the first year of upper-division accounting major coursework) for each corresponding graduate class. As shown in the table below, the undergraduate accounting retention rates have fluctuated between 70% and 82% for five of the last six years. During the last year, we saw this rate jump to 89% suggesting that nearly nine in ten students who matriculated into upper-division accounting courses as accounting majors after the spring of 2019, completed the program successfully.

Accounting Retention Rates: 2016-2021 Junior Year Enrollments vs Degree Conferrals

Class of:	Enrollment During Junior Year	Accounting Major Degrees Conferred*	Retention Rate
2016	86	60	70%
2017	101	81	80%
2018	90	69	77%
2019	105	84	80%
2020	84	69	82%
2021	70	62	89%

**Note: The degrees conferred data includes all graduation dates for a particular “class”, so the numbers will not match figures reported elsewhere in the Accounting or Business CIRs for a specific academic year.*

We anticipate retention rates will remain elevated in coming years as a result of the minimum “principles” B- grade requirement implemented in fall 2018, and which is now fully implemented for all current accounting majors. This policy has likely reduced the number of accounting majors, but it has helped to ensure that students enrolling in the accounting major and beginning their upper-division accounting coursework are well equipped to successfully navigate the rigorous undergraduate curriculum.

Uniform CPA Exam Performance

Gonzaga students have a long track-record of success on the Uniform CPA Exam and it is a point of pride for our program. For 2019, the most recent year with available test results data, Gonzaga students’ first-time pass rate was 82.4%, placing them well above the national first-time pass rate 58.6% average. This pass rate ranked Gonzaga 17th in the nation across *all* accounting programs and 10th best across all large programs (more than 60 candidates in a given year). This marked the second straight year that Gonzaga ranked in the Top 10 nationally for large programs for CPA exam performance. Gonzaga’s 2019 student CPA exam performance also ranked #1 amongst all universities and colleges on the west coast.

In addition, three students – Samuel Crosby (MAcc '15), Chase Ronderos (BBA-Accounting '18; MSTax '19), and Julie Baker (BBA-Accounting '20) – were announced as Elijah Watt Sells award winners over the last five years in recognition of their exceptional performance on the CPA exam and serving as a testament to their hard work, motivation, and technical knowledge/proficiency.

Student Placement and Alumni Career Success

Most accounting students receive the majority of their career placement advice from their accounting advisor as part of the advising process. The Gonzaga chapter of Beta Alpha Psi also plays a pivotal role in professional networking opportunities. Aside from sponsoring weekly meetings with professionals from throughout the west coast and mountain west, Beta Alpha Psi also sponsors a fall Career Fair which was held virtually in the fall of 2020 due to the pandemic. 16 employers and approximately 40 students attended the Fall 2020 virtual BAP Career Fair. For reference, 30 employers and almost 100 students attended the Fall 2019 BAP Career Fair, which was held in person. Beta Alpha Psi also coordinates several service projects each year, most of which are usually co-sponsored with organizations that recruit on campus including Deloitte, KPMG, PWC and Moss Adams.

In recent years, the accounting firms have shifted their recruiting calendar forward to begin formally networking with students approximately two years before students become CPA eligible (i.e. sophomore year for four-year accounting student graduates, and junior year for students taking a five-year, graduate accounting degree program approach). This shift has necessitated a change in how we communicate with and advise our students and we continue to fine-tune our outreach to first- and second-year students at the university to ensure they are prepared to formally engage in accounting recruiting as early as spring of their sophomore/second year. Further, many accounting firms have begun sponsoring accounting and business case competitions as a way to promote the accounting profession, and to provide students with chances to strengthen their critical thinking, teamwork, and presentation skills. A number of Gonzaga students have participated in these case competitions over the past five years, and several teams have performed exceptionally well, earning opportunities to present on a national stage.

The university provides career support through the Center for Career and Professional Development (CPD). A senior CPD staff member coordinates all career placement efforts for students across all of the accounting programs (undergraduate and graduate). In addition, CPD sponsors annual “treks” (intended for all majors) to Seattle, Portland, New York, San Francisco, and Silicon Valley where students attend career fairs held exclusively for GU students and visit potential employers. CPD also facilitates a number of other relevant activities and programs such as:

- hosts a platform for recruiters to post jobs and internships (ZagsIgnite)
- provides career resources such as mock interviews, LinkedIn profile recommendations, career path surveys, and resume workshops
- connects accounting students to professionals and alumni via a mentoring network (GAMP)
- facilitates a variety networking events and resources such as Career Fairs, hosting and coordinating on-campus interviews and information sessions, and coordinating with students on student business cards

Placement from the accounting programs has been very strong over the last few years. According to data from the First Destination survey of 2020 graduates (the latest available data point), the placement

rate from the accounting undergraduate major was 94.3% within six months of graduation (n=70 survey respondents). Graduates from the MAcc and MSTax programs in 2020 also saw significant recruiting success with 96.7% of MAcc students (n=30) and 95.2% of MSTax students (n=21) placed within six months according to the survey. Anecdotal evidence for 2021 graduates suggests that the placement rate for the undergraduate and graduate accounting programs was similarly high. Many of our accounting students receive job offers following their internships and our advising interactions help us keep a pulse on the market. Additionally, recruiters have continued to reach out throughout the spring and early summer suggesting that the hiring market is extremely competitive, which should benefit our students. Official data from the 2021 graduating classes is not yet available. This data is typically collected by CPD in the fall and is typically released towards the end of the calendar year.

2. Faculty and Professional Staff Sufficiency and Deployment

Eight full-time terminally degreed tenured or tenure-track faculty currently teach in the AAU. Six of the eight are tenured, and one of the two untenured faculty members recently received approval of his petition for joint promotion and tenure. This faculty member, Dr. McNellis, will be formally promoted to Associate Professor, Accounting this coming Fall (2021) and will receive tenure in Fall 2022 in accordance with the Faculty Handbook. In addition, there are two Lecturers in the accounting discipline: Cathy DeHart, who was hired in Fall 2013 and Jillian LaBelle who was hired in Fall 2019. Cathy DeHart had her petition for promotion to Senior Lecturer approved during AY 2020-21.

There have been several changes in the make-up of the AAU over the last five years.

- Eddy Birrer fully retired in the spring of 2018. Dr. Birrer was replaced by Dr. Casey McNellis, who was hired in the Fall of 2017.
- Walt Teets fully retired in the spring of 2019. Dr. Teets was replaced by Dr. Monica Banyi, who was hired in the Fall of 2018.
- Drs. Andrew Brajcich and Drs. Matthew Hoag received tenure effective Fall 2019. In addition, Dr. McNellis is slated to receive tenure beginning Fall 2022 as his joint petition for promotion and tenure was recently approved in May 2021.
- Jillian LaBelle was hired as a Lecturer in the Fall of 2013. This position represents a new accounting faculty budget line added due to the heavy course loads and demanding schedules being taught by accounting faculty, especially given the service course offerings to the SBA as described in the strategic management section above.

Below, is a table which lists the AAU's full-time faculty who taught accounting courses during the most recent academic year.

AAU Full-Time Faculty – AY 2020-21

Name	Rank	Year Started at GU	Terminal Degree	Status
Monica Banyl (Tenure-Track)	Assistant Professor	2018	University of Arizona (PhD)	Participating/SA
Gerhard Barone (Tenured)	Associate Professor	2006	University of Wisconsin (PhD)	Participating/SA
Andrew Brajcich (Tenured)	Associate Professor, Director, Graduate Accounting	2012	University of Florida (JD)/University of Washington (LLM in Tax)	Participating/SA
Cathy DeHart (Fixed-term)	Lecturer [^]	2013	n/a	Participating/IP
Matthew Hoag (Tenured)	Assistant Professor, Coordinator of Accounting Programs	2012	University of Tennessee (PhD)	Participating/SA
Sara Kern (Tenured)	Professor	2005	SUNY Buffalo (PhD)	Participating/SA
Jillian LaBelle (Fixed Term)	Lecturer	2019	n/a	Participating/IP
Daniel Law (Tenured)	Professor	2002	Washington State University (PhD)	Participating/SA
Casey McNellis (Tenure-Track)	Assistant Professor*	2017	Washington State University (PhD)	Participating/SA
Gary Weber (Tenured)	Associate Professor	1995	Arizona State University (PhD)	Participating/SA

Notes:

[^] Cathy Dehart had her petition for promotion to Senior Lecturer approved during AY 2020-21 and the promotion will take effect Fall 2021.

* Casey McNellis had his petition for promotion to Associate Professor approved during AY 2020-21 and the promotion will take effect Fall 2021. Per the university's Faculty Handbook, Casey will be awarded tenure beginning Fall 2022.

Guidelines for Participating/Supporting Faculty

Faculty members are considered participating if they are full-time professors or lecturers in the School of Business and are contributing to the fabric of the Gonzaga community through teaching, professional development, advising, and academic citizenship.

Faculty members are considered supporting if they are part-time adjunct instructors with little or no engagement with the school or students outside of teaching in the classroom. Part-time faculty members who have duties beyond the classroom may be judged participating if they contribute to the school through professional development, advising, and service to the university.

All ten full-time faculty are participating members of the faculty as all are fully engaged in the activities of the accounting programs through their teaching, advising, service, and professional development. Although Cathy DeHart and Jillian LaBelle (Lecturers) are not expected to perform research, both have student advisees, engage in accounting discipline meetings, and both are expected to engage in appropriate professional development to maintain their IP classification. All part-time accounting faculty are considered supporting, as none of them engage in non-teaching activities normally required of participating faculty members.

Accounting Unit's Faculty Sufficiency and Qualifications

In order to examine accounting faculty sufficiency along multiple dimensions and across each accounting program (undergraduate, MAcc, and MSTax), a separate Table A9-1 has been prepared for accounting overall, for undergraduate only, for graduate programs in total, for MAcc, and for MSTax. All of these tables use data for the self-study year, 2020-21 and can be found in **Appendix D**. Panel A of Table A9-1 is shown only as a link to the Business CIR report. It reflects total credits/courses taught by accounting faculty, including Professor Don Hackney (Associate Professor of Business Law), who is assigned to Accounting for administrative purposes only. This panel is provided for linking purposes only and will not be discussed further in this section. Panel B reflects accounting in total, *excluding* Professor Hackney. This panel includes all credit hours taught by accounting faculty, whether in the undergraduate program, the MAcc, the MSTax, or the MBA. Panel C provides information about the deployment of faculty in the undergraduate program only. Panel D reflects the deployment of faculty across the two graduate accounting programs, in aggregate. Panels E and F reflect faculty sufficiency and qualifications for faculty teaching in the MAcc program and the MSTax program, respectively.

Panel B of Table A9-1 provides an overview of accounting faculty sufficiency across all programs. 92.54% of credit hours across all programs were taught by participating faculty. This exceeds the 60% threshold specified in Standard A6 as a baseline for sufficiency in the AAU's teaching. Faculty sufficiency at the program level is shown in Panels C through F of this table. Faculty sufficiency in the undergraduate accounting program far exceeds the 60% threshold at 99.5%. The only undergraduate accounting course *not* taught by a participating faculty member is the Forensic Accounting Lab (ACCT 471) course which had only eight (8) enrolled students (24 credits) during AY 2020-21. Faculty sufficiency for the combined and individual graduate accounting programs is substantially lower than it is for the undergraduate accounting program as we utilize a significant number of adjunct faculty in delivering our graduate accounting courses. 63.7% of credit hours in the combined graduate programs (Panel D) were taught by participating faculty. For the MAcc program (Panel E), participating faculty taught 69.7% of credit hours. 54.6% of all MSTax credit hours (Panel F) were delivered by participating accounting faculty, below the 60% program threshold outline in Standard A6. However, these figures only reflect credit generation during the standard academic year (i.e. fall and spring) and *excluding* summer courses/credits. We have typically offered two MSTax program courses during the summer, both of which are taught by full-time faculty. In the summer of 2020, these courses had a combined headcount of 63 students (164 credit hours) and the 60% program sufficiency threshold would have been met had these credits been included in the analysis. Starting Fall 2021, the MAcc and MSTax programs are being transitioned to a 9-month calendar and summer courses will no longer be typically offered. So, we do not anticipate this particular sufficiency issue to arise in the future given the modifications made to graduate accounting programs calendar. In addition, we believe it is appropriate to have a relatively high number of graduate program credit hours taught by adjunct faculty who are practicing professionals and experts in their

fields. In particular, the MSTax courses are highly specialized and technical and staffing these courses with part-time/supporting classified professionals helps to the instructor is well-positioned to teach these courses.

Based on the SBA faculty qualifications guidelines, all eight tenured/tenure-track faculty members are classified as scholarly academic using the criteria contained therein. The eighth, Walter Teets, is classified as a Practice Academic. Based on the new School of Business guidelines, Cathy DeHart (Accounting Lecturer) is classified as an Instructional Practitioner. All part-time accounting faculty are also classified as Instructional Practitioners.

The various panels of Table A9-1 (**Appendix D**) show the faculty qualifications for the accounting AAU as a whole (Panels A and B), for undergraduate accounting (Panel C), and for the graduate programs altogether (Panel D) and for each individual program distinctly (Panels E and F). As stated previously, Panel A of Table A9-1 is provided as a link to the Business CIR report as it includes total credits/courses taught by all accounting faculty, including Professor Don Hackney (Associate Professor of Business Law).

As can be seen from the various panels of this table, the AAU meets or exceeds the criteria contained in Standard A6 in every area. The findings are summarized below:

- SA qualified accounting faculty comprise 72.9% of AAU faculty deployed across all programs (Panel B). At the program level, SA accounting faculty represent 73.9% of faculty teaching at the undergraduate level (Panel C) and 62.9% of faculty deployed over within the combined graduate accounting programs (Panel D). Considering each individual graduate program separately, SA faculty comprise 63.4% and 62.1% of faculty teaching in the MAcc and MSTax, respectively. In all cases, the program faculty qualifications exceed the 40% SA threshold specified by Standard A6. As the AAU has no faculty participants classified as either PA or SP during AY 2020-21, these benchmarks also serve as the combined SA+PA+SP metrics for each respective panel of Table A9-1. In each case, these numbers exceed the combined 60% threshold.
- All remaining faculty are classified as IP (i.e. none are classified as "Other"), and so faculty classified as SA, PA, SP, and IP make up 100% of all course delivery throughout all accounting programs, exceeding the 90% threshold outlined in the relevant standard.
- Table A9-2 (see **Appendix D**) provides further evidence of the faculty sufficiency and qualifications for the AAU, again with Professor Hackney excluded. For the undergraduate accounting program, 73.9% of accounting student credit hours were delivered by faculty classified as SA. 100% of undergraduate accounting credit hours were taught by faculty who are classified as either SA, PA, SP, or IP. For the accounting graduate programs, 62.9% of student credit hours were taught by faculty classified as SA and once again, 100% of graduate accounting credit hours were delivered by faculty who are classified as SA, PA, SP, or IP (SA and IP only, in this case).

3. Faculty Management and Support

The AAU, not being a formal department in the School of Business, has no faculty management policies of its own. Accounting faculty instead follow the faculty management policies in place for the entire SBA. Those policies are available for review as part of the supplemental materials to the School of Business Continuing Improvement Review report (**Appendix E** of the Business CIR).

Faculty support is provided within the AAU as well as by the SBA and the broader University and its varied departments, centers and governing bodies (for example, Human Resources, Center for Teaching and Advising, Faculty Senate/Assembly). The AAU faculty are collegial and supportive of one other. Informal mentoring occurs frequently, and accounting discipline meetings often begin with a summary of hits and misses or an opportunity to share new classroom techniques and innovations. In the spring of 2019, Cathy DeHart gave the entire accounting faculty a tutorial on using PVC pipe to set up a document camera for online learning necessitated by the global pandemic. Several colleagues built their own document cameras using her step-by-step instructions. Altogether, AAU faculty carry out our teaching, research and service responsibilities in a collaborative and positive work environment. Faculty can access trainings, workshops, and a host of other resources both on- and off-campus to support faculty growth, development, and engagement, as well as maintaining physical and mental health and well-being.

C. Accounting Learning and Teaching

1. Curricula Management and Development

The curricula of the undergraduate accounting, MAcc, and MSTax programs are continuously under review. These reviews are most frequently driven by faculty suggestions and ideas for improvement, from discussions with accounting and tax professionals that visit campus, and through the formal assurance of learning process. External stakeholders play a key role in program and curricular development and assessment on a formal basis through the Gonzaga AAB, but also on an informal basis through discussions that take place during the recruitment of students and during visits to campus for classroom presentations.

Major Curricula Revisions (AY 2016-17 through AY 2020-21)

- Raised the Accounting principles courses (ACCT 260/261) minimum grade threshold from a C- to a B- for all accounting majors (Fall 2018).
- Added a required Data Analysis for Accountants course in the undergraduate curriculum, increasing the major to 27 credits (Fall 2018).
- Incorporated required coursework in accounting data analytics and relevant applications to the graduate accounting curricula consisting of 7 total credits in the MAcc and 2 credits in the MSTax program (Fall 2018). MSTax students choose to take either the Advanced Excel (MTAX 601) or Introduction to Analytics for Accounting (MTAX 611) course. MAcc students take both courses (MACC 601/611; 4 total credits) and the Advanced Analytics for Accounting Course (MACC 622; 3 credits).

- In addition to the integration of analytics courses into the MAcc program, the program curriculum was substantially overhauled during the review period (Fall 2018). As summary of the key modifications follows:
 - Courses dropped (8 credits released): Accounting Research and Practice (MACC 640), Integrating U.S. GAAP and IFRS (MACC 669), Law and Regulation (MACC 672).
 - Courses no longer required (3 credits released): Students were required to take either Fraud and Forensic Examination (MACC 670) or the Forensic Accounting Lab (MACC 671). Going forward, these courses will be offered as electives.
 - Reduced elective allowable credits (2 credits released): Students were previously allowed up to five required elective credits to complete the MAcc. Now, students only have three elective credits in the MAcc degree.
 - Added new courses (13 credits added): In total, the preceding three changes “released” 13 credits. These credits were allocated to new courses, including the three analytics courses (7 credits) referenced above, Advanced Topics in Financial Accounting (3 credits) and Corporate Governance (3 credits) were added to the MAcc curriculum as required courses.
- To accommodate the new data analytics requirement for MSTax students (2 credits), the Tax Theory (MTAX 612) course was dropped as a requirement. This course remains on the catalogue for the time being, but there are no current plans to teach the course.

Assurance of Learning

Assessment is an ongoing activity in the SBA as well as in the Gonzaga’s AAU. As a division within the SBA, the AAU follows the school’s Assurance of Learning process. This process is described at length in the “Assurance of Learning” section of the Business CIR report and supplemental information can be found in Appendices 7-11 to the Business CIR. For all accounting-related assessment activities, there is one additional step in the process. After each assessment report is completed, the report and supporting documentation are forwarded to the Coordinator of Accounting Programs for review and comment. In this way, the Coordinator is informed of the context and results of the assessment in order to ensure that the results are considered in future curricular decisions.

Revision of AoL Goals and Plans

As previously discussed in our prior AACSB accreditation review, the accounting faculty revised the undergraduate accounting program Assurance of Learning plan in 2015-16, including all goals and objectives. The result was an updated set of program goals focused on technical knowledge, ethics, critical thinking, and professional preparedness. The goals are now much more comprehensive and all relevant assessment activities are conducted in-the-classroom (i.e. direct assessment) The revised plan was implemented in 2016-17.

In addition, the faculty revised the MAcc program goals effective with the 2016-17 academic year. The goals and objectives were reviewed for currency and applicability following the launch of the MSTax program in Fall 2015, and simultaneously with a curricular revision effort that was started in Spring 2016. The MSTax program goals and objectives are specific to the tax program; the specific goals and objectives for the tax program are discussed below.

The discussion below summarizes AoL activities for the period 2016 through 2021 across all accounting programs. A more detailed presentation of the Assurance of Learning assessments and outcomes will be available at the time of the site visit.

Undergraduate Accounting Assurance of Learning

The goals of the undergraduate accounting program in effect through Spring 2021 are as follows:

1. Students will develop appropriate technical knowledge across the five major areas of the discipline.
2. Students will exhibit an understanding of ethical conduct in a global and diverse professional environment.
3. Students will develop critical thinking skills and demonstrate effective decision-making within a professional accounting context, while making use of data analytics and other relevant technology.

All goals were assessed during the 2016-2021 period. A summary of the results of these assessments is provided below.

Goal 1: The five objectives under Goal 1 specify the desired level of performance in financial accounting, cost, accounting information systems, tax, and auditing. The results from these assessments are discussed below.

- *Financial Accounting:* Financial accounting was assessed in 2017/18 and 2019/20. In both assessments, some learning objectives were not met in Intermediate Accounting I, so corrective measures were taken to enhance coverage of weak areas. In Intermediate Accounting II, students struggled with other comprehensive income in the first assessment but met this learning objective in the second assessment after course improvements were made. Accounting for income taxes was identified as a weak area in the second assessment, so the instructor will develop more problems in this area.
- *Cost Accounting:* Cost accounting was assessed in 2017 and 2019. In the 2017 assessment, two of the three learning objective performance targets were missed. To improve student competency, the instructor used a new text edition and instructor-modified ancillary materials. In the second assessment, desired results were met for all objectives. Also, since the 2019 assessment, the instructor added narrated PowerPoint slides and provided additional helps to students to assist in learning material outside of class; these actions should improve future assessment results.
- *Accounting Information Systems:* Accounting Information Systems was assessed in 2017 and 2020. In the first assessment, students struggled with internal control and key business process documents/activities and were unfamiliar with the payroll cycle and related processes/controls. The instructor addressed these weaknesses by creating flowcharts of various cycles (revenue, purchasing, payroll, fixed assets, and conversion) and creating new assignments, projects, and practice questions. Desired results were achieved in the second assessment.

- *Tax:* Individual taxation was assessed in 2018 and 2019. After the first assessment, deferred compensation lessons were re-organized, specifically the PowerPoint presentation on the topic, and additional time was spent on the material so students could better absorb the content. Likewise, PowerPoints were revised, and additional class time and practice problems were added focusing on §179 expense calculations, another troublesome topic. As a result, student performance improved considerably in the second assessment. One learning objective was still not met in the second assessment, so the instructor will develop out-of-class projects or assignments to provide additional exposure and practice for students.

The entity taxation goal was assessed only once in the current CIR cycle because the course (ACCT 366) became a required undergraduate curriculum course for accounting majors with the Spring 2019 sections. Desired results were achieved for three of four objectives and were barely missed for objective 3. The instructor will simplify his coverage of S corporations given that students will be seeing that material for the first time in the course.

- *Auditing:* Auditing was assessed in 2018 and 2021. Desired results were achieved for the course overall; however, when analyzed by individual topic, the desired performance level was only achieved for five of the eight topics. Confounding factors made it difficult to draw any meaningful conclusions from comparing 2018 and 2021 assessment results (exam questions differed, the exam format changed to online in 2021, and there was a “drop the lowest exam” policy in 2018). However, the instructor made several improvements to the course, including adding Becker review materials, adding emphasis on visualization of data, and creating grading rubrics, summary review sheets, and in-class polling questions.

Goal 2: Students’ understanding of ethical conduct is assessed along four dimensions. The goal was assessed in 2019 and 2021. In the first assessment, desired results for traits 2 & 3 were not met, which was attributable primarily to a template for the assessed work that was not as clear as it needed to be about the expectations expressed in traits 2 & 3. A new assignment that was much clearer in articulating expectations for the case study was created, and students achieved desired results for traits 2 & 3 in the second assessment. Additionally, some formal evaluations of students’ ability to construct a good case study were built into the course. This likely contributed to the improvement as well.

Goal 3: The data analysis goal was assessed only once as the course (ACCT 311) became a new requirement for junior accounting majors in Fall 2020. Task-wise, students struggled most with the Benford’s Analysis and Sequence Check tasks. To assist students in the future, the instructor plans to implement several modifications to the flipped classroom format to (a) incorporate greater structure, (b) provide periodic assessment opportunities so students can gauge their learning BEFORE the exam assessment, and (c) better synthesize the tools and applications via in-class discussion about the application and potential pitfalls. Specifically, the instructor will implement within each learning module a “checklist” of videos/content that students must complete (i.e., greater structure) and a mini assessment at the end of each module that students must complete before progressing to subsequent content. In addition, the instructor and students will discuss the tools as a class to synthesize the concepts and to sharpen critical thinking skills before and after student work on the lab assignments. Finally, these improvements should help students better prepare for, and navigate the timed component of the assessment.

MAcc Assurance of Learning

The goals of the MAcc program are as follows:

1. *Analytical Thinking*: Students will develop critical thinking skills and display effective decision making within a professional accounting context, supported by the appropriate use of analytical and quantitative techniques.
2. *Conceptual and Technical Competence*: Students will demonstrate conceptual and technical competence for professional accounting subjects, including the effective use of relevant accounting standards and appropriate technical research tools.
3. *Professional Ethics*: Students will increase their ethical awareness of issues encountered in a professional accounting environment and will exhibit ethical decision making in their recommended response(s).
4. *Professional Communications*: Students will communicate clearly, intentionally and effectively given the audience and situational context.

All goals were assessed during the 2016-2021 period. A summary of the results of these assessments is provided below.

Goal 1: The learning goal was assessed only once as the course (MAcc 611) became a new requirement for MAcc students in 2018. Task-wise, students scored lowest on the A/R aging problem, but performance on this problem was still quite strong (81.8%). To assist students in the future, the instructor plans to implement several modifications to the flipped classroom format to (a) incorporate greater structure, (b) provide periodic assessment opportunities so students can gauge their learning BEFORE the exam assessment, and (c) better synthesize the tools and applications via in-class discussion about the application and potential pitfalls. Specifically, the instructor will implement within each learning module a “checklist” of videos/content that students must complete (i.e., greater structure) and a mini assessment at the end of each module that students must complete before progressing to subsequent content. In addition, the instructor and students will discuss the tools as a class to synthesize the concepts and to sharpen critical thinking skills before and after student work on the lab assignments. Finally, these improvements should help students better prepare for, and navigate the timed component of the assessment.

Finally, future iterations of this course will consider integrating new technology and applications such as robotic process automation (“RPA”). Professional accountants and accounting firms continue to adopt new technologies, processes, and analytical techniques, and it is imperative that our graduate accounting students be exposed to a variety of current tools and use cases.

Goal 2: The learning goal was assessed in 2018 and 2019. Desired results were not met in the first assessment (in MAcc 665). To address student weaknesses, the instructor implemented plans to improve students’ conceptual understanding of substantive analytical procedures (SAPs) as well as their technical competency, as measured by their ability to cite and apply applicable auditing standards. In the second assessment (in MAcc 663), desired results were met, but the instructor still recommended some course improvements, including highlighting the importance of the critique portion of the case used to assess the learning outcome, and spending more time discussing documentation techniques prior to using the project.

Goal 3: The learning goal was assessed in 2016 and 2019. Desired results were met in both assessments, but the instructor still implemented many continuous improvements. For example, she provided individualized feedback to each student on writing assignments, split the class into two or more groups to make group sizes more manageable for students, and created grading rubrics to communicate expectations to students.

Goal 4: The learning goal was assessed in 2018 and 2020. Desired results were not met in the first assessment, but they were met in the second assessment. In the first assessment, students struggled most with clarity, punctuation, and grammar; therefore, the instructor implemented many continuous improvements in the course, including teaching students how to install and use “Grammarly,” asking students to focus on clarity in peer reviews, distributing a “Common Punctuation Mistakes” document, and developing detailed instructions for formatting footnotes.

MSTax Assurance of Learning

Four program goals were developed as part of the launch of the Master of Science in Taxation program in 2015-16:

1. MSTax students will demonstrate an understanding of the tax law and its application to facts and circumstances in the foundational areas of the federal taxation in the U.S.
2. MSTax students will demonstrate the ability to research issues in federal taxation and effectively communicate findings to the appropriate audience.
3. MSTax students will exhibit an understanding of the ethical framework for tax accountants working in a professional environment.
4. MSTax students will demonstrate preparedness for entering the profession through success on the CPA exam and through success in the placement process.

All goals were assessed during the 2016-2021 period. A summary of the results of these assessments is provided below:

Goal 1: The four objectives under Goal 1 specify the desired level of performance in federal income taxation of partnerships, corporations, wealth transfers, and property transactions. The results from these assessments are discussed below.

- *Partnerships:* The learning goal was assessed in 2017 and 2019. Desired results were met for three of four objectives in both assessments, but the weak area differed in each assessment. After the 2017 assessment, additional in-class materials and examples were developed to address the objective #4 weakness, and as a result, desired results were achieved for this objective in 2019. However, student performance declined in 2019 on objective #3; specifically, students struggled with the allocation of nonrecourse deductions and pre-contribution gains and losses. Since the textbook coverage of the allocation of nonrecourse deductions is weak, the instructor will supplement the textbook with readings from articles in tax journals and treatises. The instructor will also design additional in-class problems and exercises to increase students’ understanding of this area.
- *Corporations:* The learning goal was assessed in 2016 and 2020, and desired results were not achieved in either assessment. The instructor revamped the course after the first assessment,

adopting a new textbook, revising PowerPoint slides and lectures with a renewed focus on fundamentals, and providing additional in-class practice problems illustrating how different rules interact when applied to a specific set of facts. While desired results were still not met in the second assessment, results did improve considerably for three of the four objectives. The instructor will continue to provide more expanded examples on key topics and continue to retool course materials.

- *Wealth Transfers*: The learning goal was assessed in 2020 and desired results were met. The accounting faculty voted unanimously to skip the second assessment of the goal because the higher federal estate tax exemption makes this goal less relevant. Also, the class will become an elective beginning Fall 2021.
- *Property Transactions*: The learning goal was assessed in 2017 and 2020. Desired results were met in both assessments, but results for Objective 3 were lowest in both assessments. In the first assessment, students struggled with multiple asset sales, but this weakness was remedied by extra examples integrated into PowerPoint slides and lecture in this area. In the second assessment, students struggled with identification of capital (v. non-capital) assets and the subsequent netting of gains and losses from capital asset sales. The instructor will address this shortcoming by developing a series of in-class exercises relating to capital asset sales, Section 1231 netting, and the variety of scenarios related to the sale of personal property.

Goal 2: The three objectives under Goal 2 specify the desired level of performance in analyzing the relevant law by utilizing tools provided by subscription research services, library resources, and free information issued by the government or other credible sources; drafting the research results through memoranda, letters, email and other written correspondence in a concise, structured manner to other professionals or clients with varying levels of tax sophistication; and conveying technical tax topics through public speaking presentations. The results from these assessments are discussed below.

- *Analyzing Relevant Law*: The learning goal was assessed in 2016 and 2021. Desired results were met in the first assessment, so the instructor increased the rigor of the assessment by switching to a different tool (BNA). In the second assessment, students were able to identify an applicable Code and Treasury Regulation, but only 42% of students properly identified at least one of the six pre-identified authorities. In the future, the instructor will clearly illustrate in class the use of BNA (or similar tools) to locate judicial and administrative authorities to be used to support a conclusion.
- *Writing*: The learning goal was assessed in 2016 and 2021. While desired results were met in both assessments, the students need to demonstrate a stronger ability in arriving at a conclusion when dealing with ambiguous facts and circumstances. Additional time will be spent bridging the gap from good authority to articulating a conclusion with caveats through class examples.
- *Public Speaking*: The learning goal was assessed in 2016 and 2021. While desired results were met in both assessments, the instructor addressed weaker areas in the first assessment by providing an example presentation modeling effective organization and delivery.

Goal 3: This goal was assessed in 2016 and 2019. Desired results were met in both assessments, but the instructor still implemented many continuous improvements. For example, she provided individualized

feedback to each student on writing assignments, split the class into two or more groups to make group sizes more manageable for students, and created grading rubrics to communicate expectations to students.

Goal 4: This goal was assessed in 2016 and 2018 using CPA Exam results and job placement statistics:

- On the CPA Exam, Gonzaga ranked #33 of 284 (in the top 12%) for large accounting programs in 2016. In 2018, our ranking grew to #7 of 249 (in the top 3%).
- In 2016 and 2018, 100% of MSTax students were placed within six months of graduation.

2. Information Technology Skills, Agility, and Knowledge for Accounting Graduates

Accounting accreditation standard A5 promotes the integration of “learning experiences that develop skills and knowledge related to the integration of information technology in accounting and business” with AAU degree programs consistent with the AAU’s “mission, expected outcomes, and supporting strategies”. The mission statement of the AAU inspires us to develop ethical graduates who are highly qualified for professional careers in accounting. Given the rapid pace of technology adoption and innovation within the accounting profession, our students must experience the integration of information and technology firsthand and in multiple different settings.

All business (and accounting) majors complete a self-paced Business Computing (BUSN 111) as well as principles course in Management Information Systems (BMIS 235). Through these courses, students are exposed to information technology systems, concepts and experience hands-on opportunities to work with a variety of basic information technology applications (i.e. the MS Office Suite; database software).

Other core business courses such as ACCT 260 may incorporate technology tools such as Excel in certain terms and for certain instructors. We do not currently have a specific expectation for technology integration in the accounting principles courses, although some faculty have taken the initiative to do so on their own.

Accounting majors will encounter data analytics and information technology applications in a variety of different courses in the 27-credit accounting major. There are four three-credit courses, in particular, where we have incorporated technology-centric student learning experiences in our undergraduate accounting major curriculum:

- **Accounting Information Systems (ACCT 362):** Students encounter critical information technology concepts and processes. While this class is largely conceptual in nature, students do have a project where they use analytics tools such as Microsoft Excel or Tableau to complete a case involving potential purchasing card fraud.
- **Cost Accounting (ACCT 363):** Students use Microsoft Excel to complete a cost accounting project/case.
- **Data Analysis for Accountants (ACCT 311):** Students work hands-on with a variety of different applications and data analysis tools including, Excel, Tableau, CountThings, and Alteryx. This course is held in one of the Jepson computer labs and students spend a significant amount of

time working hands-on to develop data management, analysis, visualization, and other relevant information technology skills

- **Auditing (ACCT 464):** Students use IDEA (an Audit Analytics application) to complete a case that spans most of the semester. Students largely complete the case individually or in small groups and use different case modules/activities to highlight key auditing concepts and to experience technology-assisted auditing procedures firsthand.

Through these experiences, we believe that the AAU accounting major graduates have gained considerable familiarity with many of the tools, concepts, and problems they may face as professionals. Further, we believe these learning experiences help to facilitate more robust critical thinking, which should set our students up for success as accounting professionals, even in circumstances where they use a different set of information technology tools (or perhaps very few technology applications at all) after graduation.

We have also integrated information technology learning experiences throughout our graduate accounting curricula. MSTax students are required to complete one 2-credit course either in general accounting data analytics or centered on Microsoft PowerBI. MAcc students must take both of these courses and an additional advanced data analytics course based on databases, querying, and data management and analysis. In addition, the Audit Research & Practice (MAcc 665) course includes 2-3 cases/modules, with a heavy data analysis or data visualization component.

Table A6 in **Appendix D** lists the faculty deployed to teach every course associated with one of the three AAU programs, as well as relevant data and technology tools leveraged in each course (if any). With the proliferation of online teaching and learning over the last year and a half, virtually every course incorporates presentation/screen capture software like Kaltura, as well as virtual meeting applications like Microsoft Teams or Zoom.

There are a number of different resources available for faculty to advance their information technology skills and knowledge in order to retain adequate currency as educators. The American Accounting Association (AAA) and a variety of other organizations sponsor regular data analytics and technology workshops/boot camps for faculty members to be exposed to current best practices for data and technology tools integration in their classrooms and in the accounting profession. There are a ton of awesome resources available for faculty to leverage including free firm-sponsored resources such as EY's Academic Resource Center (EYARC). In addition, the accounting firms are also inviting accounting professors to attend seminars on data analysis, robotic process automation, data visualizations, and a host of other relevant topics. These free seminars are a great way for faculty members to be exposed to new technologies and innovations as they're being adopted by the accounting firms. A number of accounting analytics teaching cases have also been published over the last five-years, spanning a variety of contexts and applications.

Attending paid trainings or workshops is also an option. The AAU and the SBA recognize the importance of integrating information technology tools and experiences throughout the accounting curricula and so relevant expenditures will typically be reimbursed whether from SBA funds or the AEF. In some cases, firms may offer grants or other monies to help fund faculty professional development in this important area. To date, we have been able to fund a significant amount of professional development in this important area for faculty who have demonstrated an interest in developing their technology skills and knowledge.

D. Accounting Academic, Professional Engagement, and Professional Interactions

Strategies Supporting Faculty Engagement

Engagement is a core value of the SBA and it is one of the key ingredients to many of our successes within the AAU. Engagement is a key thread throughout all four of the current objectives laid out in the AAU strategic plan and it also is a common element across all four of our current strategic priorities. In short, engagement is at the core of what we do in the SBA and within Gonzaga's AAU. Throughout this report, we identify several different resources, activities, and/or strategies which highlight faculty engagement with the academic and professional community. These distill down to several key strategies:

- A) Providing financial resources and other support so that faculty may engage in academic and professional engagement activities, including relevant professional development.
- B) Maintaining regular and candid dialogue with interested stakeholders, alumni, and students about the state of the program. For the AAU, this is primarily facilitated through: (1) the mentoring and advising relationships we develop with our students; (2) the interactions we have with accounting recruiters, guest presenters, and/or alumni who engage with the AAU and its students throughout the year; and (3) our regular accounting advisory board meetings.
- C) Promoting community both on- and off-campus. Students and faculty are drawn to Gonzaga because of its collaborative learning environment where individuals feel compelled to share their time, knowledge, and/or energy volunteering and serving others. Whether through a BAP community service event, VITA, the Justice for Fraud Victims program, Opportunity Northeast, or a variety of other worthwhile events, activities, and organizations, Gonzaga accounting faculty and students build a stronger community through the expression of care for those around us.

A summary of faculty academic and professional engagement is provided in table format in **Appendix E** and a full presentation of faculty engagement can be obtained from the curriculum vitae provided along with the SBA CIR report and associated documents.