A DECONSTRUCTIONIST ANALYSIS OF ACCOUNTING METHODS FOR COMMUNITY COLLEGES IN THE STATE OF VIRGINIA

by

Edward J. Banas, Jr.

Dissertation submitted to the Faculty of the Virginia Polytechnic Institute and State University in partial fulfillment of the requirements for the degree of

DOCTOR OF PHILOSOPHY in

Public Administration and Public Affairs

APPROVED:

Orion White, Chairman

Mary T. Christian

Cynthia McSwain

A. Larkin Dudley

Gary Wamsley

June 14, 1994

Blacksburg, Virginia
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(ABSTRACT)

There is a growing literature in the field of accounting that addresses the issue of the ideological nature of accounting. This literature does not address the distinctive area of accounting for public organizations. This literature has not acknowledged the development of the new techniques of textual analysis generally called deconstruction. This dissertation both focuses on the ideology of accounting theory and practices, and addresses this issue through deconstructionist methodology as applied to a case study of accounting for a community college.
ACKNOWLEDGEMENTS

I cannot begin to thank my committee enough for their faith in me and what I was doing or the impossibility of completing this work without their assistance. For these reasons I recognize Orion White’s thoughtful inspiration, his patience of Job, and constant support which led this project to fruition. The background, experience, and scholarly mentoring of Mary Christian, Larkin Dudley, Cynthia McSwain, and Gary Wamsley were invaluable in the development and execution of this project.

To my friends, thank you from the bottom of my heart for all the assistance in completing this project—yours was truly a labor of love. To my parents, your love and your belief that I could "do this" helped me during those frequent bouts of writer’s block.
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LIST OF ABBREVIATIONS

AA Associate in Arts Degree
AAA Associate in Applied Arts Degree
AAS Associate in Applied Science Degree
AICPA American Institute of Certified Public Accountants
APB Accounting Principles Board
ARB Accounting Research Bulletin
AS Associate in Science Degree
ASF assignable square feet
CARS Commonwealth Accounting and Reporting System
CEO Chief Executive Officer
CPA Certified Public Accountant
DEA data envelopment analysis
DoD Department of Defense
ELI Extended Learning Institute
FAF Financial Accounting Foundation
FASAB Federal Accounting Standards Advisory Board
FASB  Financial Accounting Standards Board
FTE   full time equivalent
FTES  full time equivalent students
GAAP  Generally accepted accounting procedures
GAAS  AICPA's generally accepted auditing standards
GAGAS generally accepted government auditing standards
GAO   General Accounting Office
GASB  Governmental Accounting Standards Board
GFA   general fixed asset
GFAAG general fixed assets account group
GLTDAG general long-term debt account group
JTPA  Job Training Partnership Act
LANs  Local area networks
M&O  maintenance and operations
MPA  Masters of Public Administration
NCGA  National Council of Governmental Accountants
NVCC  Northern Virginia Community College
OMB  Office of Management and Budget
ROTA return on total assets
SBFM  Section on Budgeting and Financial Management
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<th>Abbreviation</th>
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<td>State Council for Higher Education in Virginia</td>
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<td>SEC</td>
<td>Security Exchange Commission</td>
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<td>TQM</td>
<td>Total Quality Management</td>
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<tr>
<td>VCCS</td>
<td>Virginia Community College System</td>
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<td>VSCPA</td>
<td>Virginia Society of Certified Public Accountants</td>
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CHAPTER 1

INTRODUCTION

Statement of the Problem

In the United States we are experiencing broad scale institutional failure and disillusionment with our rationally grounded institutions and the strategies of rational control that we have deployed to operate them. It appears that rationalism is not so rational after all. There is a growing feeling among many that we must find alternative institutions and strategies of operation for them. This situation holds heavy implications for organizational techniques like accounting, as it has been a staple of these strategies of rational control. It too, has been charged with mis-representing itself and failing us.

The enduring self-image of accounting is that it is a neutral set of techniques which passively and objectively record and represent the results of organizational activity. This view is also at the centre of accounting’s projected image; it is a view which serves to legitimate not only the accountant as an impartial professional, but also the role of accounting information as the neutral arbiter of organizational truth. . . . [But] accounting appears not as a mirror of organizational reality but as a set of practices which helps create and shape organizational reality. (emphasis added) (Roberts 1991, 355)
Historical Perspective on the Problem

We now appear to be in the last stage of an era referred to as modernism. Set in a broad historical perspective, modernism is perhaps the last developmental phase of the Enlightenment. That we are in a concluding stage is indicated by the fact that we are experiencing the tensions generated by the direct opposition of modernism with what is being called the age of post-modernism.1 Modernism consolidated and defined its identity through the twentieth century as industrialism matured. The key theme of modernism is progress-viz., that conditions can be made better and that there is an ideal state towards which we can move through scientific research and rational action. Indeed, it can be said that the ideas of modernism and progress are synonymous. During the twentieth century we developed the idea of rational action which previously, had not attained a very sophisticated form. The modern form of rational action is distinctive in that it introduces the concept that one can shape activity to a specific purpose, a definite measurable goal. The idea of action tied to a specific goal is the hallmark of organizational

1I use the term post-modernism as an umbrella label that encompasses post-structuralism. Though the terms are not synonymous, the differences are inconsequential to my discussion (Sarup 1989, 131; Rosenau 1992, 3).
theory and the modern theory of management by which they are operated. It developed from the general idea of rationalism that was spawned by the Enlightenment.

From its beginnings, predating the written word to its present state of evolution, accounting has helped shape and in turn, has been shaped, by the idea of rational, objective oriented management. This relationship of mutual influence between accounting and management occurred first in business management and then it moved beyond it to public management. It has now become a central aspect of public administration. Prior to the mid-eighteenth century, accounting was concerned with the individual entrepreneur or the small business entity (family businesses, partnerships).

With the advent of the industrial revolution, the small business entity was replaced by the large corporate business enterprise and small government was replaced by a growing, much less laissez faire, government. Large corporate organizations replaced family farms as the dominant economic entity in society. Men and women left the family farms to become laborers and professional managers in large organizations, public and private. Public organizations became more involved in the lives of individuals (e.g., labor/management relations, occupational
safety regulations and enforcement, fire codes and inspection, etc.) and, so as to fend off the increasing wave of exploitation of the public, more involved in private organizations (e.g., the 1887 Interstate Commerce Act, legislatively mandated the standardization of railroad accounting), and more involved in places where individuals and private organizations interacted. Cities drew people from the rural areas into their more densely populated spaces, and municipal governments had to respond by providing increased municipal services (police protection, fire departments, etc.).

The industrial revolution put tremendous strains on accounting and management technologies. Organizations attempted projects of unprecedented proportion, requiring capital investment on a scale previously unimagined. By 1825, one of the largest capital outlays was for the Erie Canal, capitalized at $7 million. The nascent railroad companies quickly surpassed this record when several were capitalized at $10 million each (Harmon and Mayer 1986, 80).

New accounting procedures were needed to comprehend operations of this magnitude. Organizations developed new methods of accumulating and summarizing cost data for calculating unit costs. Many of these organizations were providing similar or identical goods and services to
the same customers. Prices were not set by the organizations but by the supply and demand of the marketplace and economic survival depended upon providing the good or service at the least cost. Unit cost data were developed to determine the cost components of total cost. Managers then used this information to determine where costs could be reduced.

The owners of these organizations were not always the managers. For this reason, accounting controls were developed and introduced—to protect the absentee owners from fraud and financial abuse. This same need for rationalization and accountability affected the accounting and management of public organizations as fears about fraud and abuse grew with the size of government.

Two results of the public scrutiny that was focused on the government were the Pendleton Act of 1883, which was directed at abuse in the government personnel system, and the Budget and Accounting Act of 1921, which was directed at abuses in financial management. The Budget and Accounting Act resulted in, amongst other things, the establishment of the Bureau of the Budget and the General Accounting Office (GAO). Management and accounting practices were often prescribed for the ailments targeted by the reform movement of public organizations.
Private organizations experienced a reform movement, manifested in a search for rationality and accountability, and prompted by price-based competition. This search fostered the development of rationalist management theories that re-enforced accounting and accounting practices that in turn re-enforced rationalist management practices. The complementary relationship of management and accounting is apparent in Frederick Taylor's task oriented Scientific Management (The Academy of Management 1986). It was one of the first and most noteworthy attempts to find "the one best way" of performing tasks. He applied his practical engineering background and shop floor experience to develop the "science" of management.

To further implement his theories, Taylor created an accounting system to justify his new approaches to management (Merkle 1980). What is often overlooked is that the virtues of scientific management were not prima facie obvious to people at the time. The laundry list of management commandments Taylor developed was patterned on the metaphor of the organization (and the employees) as machine and was considered universally applicable. Its extreme rationalism ignored the situational aspects of management, which demand intuitive responses.
This is scientific management's strength; it reduces management to rational responses to known problems whose solutions have already been devised. One weakness is that many problems have unique characteristics which make generalized solutions impractical. Their solution requires more discretion than is afforded by Scientific Management. However, some of Taylor's basic premises are still considered conventional wisdom by many managers today. Such is the power of accounting to help legitimate rational management.

Other management theorists followed the Taylor model in developing laundry lists of principles and rationalist methods of management. In addition to Taylor's Scientific Management and its task orientation, the Academy of Management's 1986 video, *A Question of Management: A Historical Perspective*, has identified three other significant management approaches or theories:

1. The Administrative Approach

2. The Human Relations Approach

3. The Systems Approach
   a. Contingency Theory, and
   b. Situational Leadership
The image of the organization and its workers seen through the machine metaphor fueled an obsession with productivity, and led some management theorists, who formed the Human Relations Movement, to pursue the human factor in their research as a way of further increasing productivity. The Hawthorne Experiments represented one branch of this movement and had a significant impact on management theory. Although the Movement emphasized study of the human factor in the production formula, it was hardly humanistic. Increasing productivity was the sole motivation for the experiments. The Human Relations Movement model was less mechanistic than Taylor’s but still relied on “scientific” methods, the idea of cause-and-effect relationships (Harmon and Mayer 1986, 98), and placed a premium on efficiency.

In recent years, systems theory has garnered much attention. Whether contingency theory or situational systems theory, they are, however, simply an extension of the principles of science-based rationality.

These modern theories of management all have a common thread running through them. Though different in appearance, they share a commitment to rationalism, the dominant paradigm of the modern age. As a lens for observing organizations, rationalism, in my opinion,
observes the "gut feeling" or intuition used by many managers. An example of this commitment to rationalism in management theory is the use of accounting data to rationalize action after the fact. Cost-benefit analysis was used by the British to rationalize the construction of the Indian Canals, railroads, and state of India infrastructure (Pingle 1978, 63). Accounting, the reliable reinforcer of rationalism, underpins these forms of management theory.

Many authors have postulated that accounting's function has been nothing more than to make control of the organization from the top possible and this indeed does seem to be largely the case. Accounting is social control through accounts (Rorem 1928, 519). It is also effective for purposes of political manipulation. One study showed that factory workers were much more trusting of accounting data used as a basis for closing their factory than they were of articles in the factory newsletter addressing the qualitative reasons for closing (Knights and Collinson 1987, 459).

Financial accounting is at its most powerful since it has the effect of disciplining workers in such a way that they voluntarily extend the power of their own subjection. (Knights and Collinson 1987, 459)

This power of accounting information was also addressed by Roberts.
The power of accounting information in organizations arises from the way it has been institutionalized as the most important, authoritative and telling means [of communication]. . . [accounting has the] capacity to present information as if it were objective fact; the detail can be contested but not its basic capacity to reflect the truth. (Roberts 1991, 359)

The power of accounting information is its perceived irrefutability derived from its scientific nature, and the belief that numbers do not lie. As testament to the power of accounting information, we have the two aforementioned examples; retroactive rationalization of the construction of Indian continental infrastructure and accounting data supporting the closing of a factory were believed more by the factory workers than other (qualitative) information supporting closing the factory. Scientific Management was innovative in that it assumed that purposes or outcomes could be rendered specific enough to be measured objectively. Some managers related work routines to outcomes to a degree never before experienced. Of course, the notion that action must have purpose is timeless but what Taylor did was to insist on the specific definition of purpose and on the determination of the one best way to achieve it. This idea of bending action to a specific, set, and defined purpose was what made Scientific Management seem to be a new and sophisticated way of doing things.
The idea of specific purpose was made possible by the notion of accountability as adherence to the “one best way” and was how Scientific Management spawned the idea of accountability. In turn, the one best way provides the standard against which a sophisticated accounting can be done. With the idea of accountability (the one best way), we get the modern notion of accounting as a central device of management. In the public sector, the GAO, the audit arm of the U.S. Congress, analyzes not just numbers but also the process involved in governmental agencies and projects—management becomes accounting and accounting becomes management.

Accounting and Scientific Management matured together through the twentieth century. This pattern of joint development created the illusion that there is an achievable, objective way of assessing progress. Because accounting invokes numbers, this illusion then began to veil the subjective dimension of management to even a greater degree than it did previously. Hence, the two mutually reinforced each other.

Currently, the idea of progress has become problematic; ecological and environmental problems, the social ills of the inner city, and a soaring national debt have placed our institutions in a dire condition. Further, we often seem to be bordering on the brink of
governmental failure. It is in this context that Scientific Management, rationalism, and the illusion of objectivity created by accounting is being challenged. We see that the devices of rationalism have obscured our vision and created an illusion of progress—but not the reality of it. This illusion of a meaningfulness that is objective and value-free is turning to sand in our hands. By deconstructing the accounting practices of Virginia community colleges, I will expose the underlying assumptions inherent in these accounting practices and the values they support, and by so doing, contribute to making real the possibility for an open, free discourse about the forms our society should take.

In my view this history indicates that we must move forward with a major conceptual revision at this crucial point between modernism and the dawn of post-modernism. We must break through the illusion that accounting and its companion technology, management, objectively comprehend and represent the reality that organizations face so that we are not trapped by it. We must gain more objectivity and clarity in our perceptions.

In writing this dissertation, I am aligned with all the people who are rendering critiques of and revising the paradigm of rational manage-
ment (Scientific Management) tradition. In expanding the perspective by looking at the technology of accounting, I am seeking a clearer, more comprehensively balanced view that will encompass a broader range of values and variables than the rational approach.

This new perspective or alternative means we must abandon the notion of Progress—the liberal idea of creating Heaven on Earth. However, it does not mean that we must live in pain and misery and don sackcloth and ashes. Rather, in my view we can trade modernism for a collaborative social process that will be both more fulfilling and effective than can rationalism. We must realize that the only true meaning progress can have is perpetual melioration and situational improvements.

As Murphy's law dictates, our plans are always going to fall apart and things are always going to go wrong. This reality teaches that we can be happier by just continuing to struggle with our problems and ameliorate them than we can by chasing the carrot of a final utopia. But, before we can achieve that kind of happiness, we must escape the trap of rationalism. This does not mean throwing away the ideal of progress but to redefine it. My project is to deconstruct accounting practices so that we can see through the illusion of objectivity they create and become able to make choices without being beguiled by the fantasy world created by
accounting practices—a world where we feel we are being “objective” in our choices. We then will be able to use accounting rather than have accounting use us.

Accounting is a technology of measurement and control (that we call the chief accounting officer of a firm the “controller” is emblematic of this) that is powerful because it possesses a thick veneer of objectivity. It enables its users to legitimate their actions by invoking accountings' perceived logical, rational methodology. Accounting is yet another example of using (hiding behind) a veil of logic and rationality to justify action we want to take for other than logical or rational reasons. It enables us to dodge accountability and deflect criticism by offering its users a shield of logic and rationality. Why do we need logic and rationality to tell us what we know or feel in our heart (or gut, or soul)? We tend to think of accounting as neutral—a language used only to describe. I hope to show that in fact it is not neutral, but is, actually, reality construction.

Why is accounting used as the language of business? Do we hope that there is a linearity to our world? If that were true, ratio analysis of financial statements would be more of a science than an art. Do we really expect that two factors (e.g., net income divided by assets
employed, yielding return on assets) will accurately predict the future performance of the organization? Is not the future predicated on a myriad of variables with millions of permutations (some beyond the organization's control and predictive efforts e.g., the economy, consumer confidence; some within the organization's control and predictive effort e.g., personnel costs, capital budgeting expenditures)? Do we rely on this logical methodology to relieve ourselves of accountability? If something goes wrong, it is not due to something we did or did not do. We absolve ourselves of blame and disassociate ourselves from the decision and its consequences—the blame is laid on something inexplicable since we can say our decision was based on logical, rational, linear methods. These methods can be defended only by appealing to the desire to be logical.

Not all organizations account for the same activities, or account for the same activities in the same manner. USAir Group, Inc. and Delta Air Lines, Inc. are both in the same business. However, USAir depreciates its airplanes over a ten-year period whereas Delta uses a seventeen to twenty-year useful life. This is remarkable because both airlines use similar airplanes.
The Mars Company, a privately held company, is not subject to the same accounting and reporting requirements as a publicly held company; public organizations can account for their activities in ways that differ from those of privately or publicly held companies. Where a publicly traded company such as General Motors is more concerned with the "bottom line" (i.e., net income), Mars is more concerned with return on total assets (ROTA), and the City of Fairfax, Virginia, is more concerned with accountability (stewardship).

To the uninitiated, these differences may be analogous to the expression in language that a certain difference is "just a matter of semantics." However, the differences in what we account for and how we account for it is much more important than mere semantics. In fact reality, or a depiction of it, is at stake. Just as at a track meet, how do we account for the winners? Although we can determine the fastest sprinter in the 100 meter dash and the fastest runner in the 1500 meter run, which of the winners in the two events is the fastest—in an absolute sense? Both events involve running a set distance in the fastest time. But which is the better runner—which is the fastest? When we account

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2This concern may be attributable to General Motor's stockholders being more concerned with—understand better—the concept of net income.
for the high-jump and the long-jump events, which determines the better jumper? Is it the jumper who won the high-jump for jumping the highest? Or is it the jumper who wins the long-jump for jumping the farthest?

We accept that there are champions in various aspects of running and jumping. We measure excellence with specific measures. In accounting we use only summary measures (year-end balances on the balance sheet, net income for the year, etc.) and still try to determine who is the best runner or who is the best jumper. Accounting is used by organizations to judge and determine which organization is the most profitable, the most efficient, or has the highest return on total assets. Perhaps accounting is attempting to quantify what Persig (Zen and the Art of Motorcycle Maintenance, 1978) was unable to qualify—what is good and what are the characteristics of excellence.

The quantification of qualitative issues, as it applies to accounting for public organizations, then, is one focus of this study. How does what public organizations account for, and how they account for these

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3Accounting for public organizations in this dissertation is synonymous with governmental and not-for-profit accounting. "The composite activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governmental units and agencies. The term generally is used to refer to accounting for state and local governments, rather than the U.S. federal government" (Hay 1989, 729).
things, dictate what organizational results are achieved. So then how are these results measured? Does the perspective of the observer/recorder of the phenomena distort the process and the results by their choice of methods of recording and what they record? Do accountants prejudge (prejudice) what they seek to measure and describe? What part, if any, does feeling as opposed to thinking play? Logic versus pathos? Is there a visceral aspect to accounting or, perhaps, a visceral accountant? In "Weikian" terms, is budgeting a method for justifying where we thought we would be? Is accounting just a tool for getting us there or getting us there after the fact?

These questions lead me to conclude that the current organizational climate is one of change. More women, minorities, and "English as a second language" persons are in the work force than ever before. The United States is facing stiffer competition in the economic sphere and there is a crises in The Public Administration (Hanson 1991, 1-12).

*In Weick’s *The Social Psychology of Organizing*, he tells a story from Bland to illustrate how people (and organizations) construct reality and thus reconstruct history (in accounting this would be the reconstruction of financial reality). Weick explains this as, “How can I know what I think until I see what I say” (Weick 1969, 5)? The story goes, “A professor, named Alex Bavelas, often plays golf with other professors. 'Once, he took the foursome down to the golf course, and they were going to draw straws for partners. He said, "Let’s do this after the game”’ (Brand 1975, 47).
If, as we are told by accounting textbook authors (Meigs and Meigs 1990, 3) and accounting researchers (Belkaoui 1978, 97-104) that accounting is the language of business, then does it also play as important a role in government? Since it has been used to underpin the status-quo management and organizational theories, if we have a crisis in management, do we not also have a crisis in accounting? If management is undergoing a paradigmatic shift, should not accounting follow suit?

**Overview of Literature and the Contribution of This Study**

The literature to which this dissertation seeks to contribute is that body of work that is aiming at development of techniques for exposing the ideological underpinnings of accounting practice. Further, however, attention here will be focused specifically on public sector organizations. Accounting researchers have become increasingly sensitive to the ideological implications and underlying assumptions of accounting, but little or no scrutiny has been turned to this matter in the case of public organizations. Hence, the ramifications of accounting ideology are little understood for public organizations and public policy, as these, to repeat, have largely been ignored by the accounting literature. The journal
Accounting, Organizations, and Society purports to publish articles dealing with the impact of accounting on all organizations. These articles, however, either deal with organizations generally or, private organizations specifically and the impact of accounting on them.

There is management for private organizations (referred to as Business Administration) and there is management for public organizations (referred to as Public Administration). There are separate literatures for each of these types of management. Perhaps, it is as Graham Allison states, "... that public and private management is at least as different as they are similar, and that the differences are more important than the similarities" (1983, 451). The accounting literature also reflects this difference and recognizes the difference between accounting for private organizations and accounting for public organizations.

The literature for accounting for public organizations is almost entirely of the "how-to," mechanical genre, e.g., fund accounting textbooks addressing municipal and not-for-profit accounting. Federal accounting standards (practices and procedures) are not taught as part of college or university accounting curricula, and thus, there are no
textbooks for federal government accounting. In fact, there is no
codification published by the government or one source of reference for
the federal practices and procedures. Tierney and Hoffman in Federal
Financial Management: Accounting and Auditing Practices claim that:

For many years, there has existed a common body of knowledge
of federal requirements, procedures, and practices. However, this knowledge was not in one reference work, but in countless statutes, policy statements, procedures, and practices that were expressed or mandated by individual federal agencies, the four central financial agencies of the government, and Congress. On occasion, no formal promulgations were made; an operating practice was merely adopted. (Tierney and Hoffman 1976, 1)

In an attempt to supplement the “how-to” textbooks, Ingram has written Accounting in the Public Sector: The Changing Environment. In it he states:

The purpose of this book is to supplement the textual material normally available for courses in public sector accounting and public administration. The standard texts in public sector accounting—by Hay and Mikesell and Fund Accounting by Lynn and Freeman—concentrate primarily on fund accounting procedures. (Ingram 1980, xi)

In Governmental Accounting and Auditing International Compari-
sions, Chan and Jones express the view that the literature for this narrow segment of public organization accounting (comparative international public organization accounting) consists of only four works (1988, 1-10).
There is no literature that addresses the underlying assumptions inherent in accounting for public organizations.

The literature that does treat accounting for public organizations does not address the underlying assumptions inherent in the accounting practices and procedures for them, i.e., their ideological basis. The literature that addresses public organization accounting is more prescriptive (modernist) and explicitly ideological. Mautz (1981) (1988) investigates the accounting of long-lived assets in public organizations. His perspective is apparent in his article's title “Financial Reporting: Should Government Emulate Business?.” Mautz’s editorial (1988) in a leading accounting journal, *Accounting Horizons*, advocates treating public organizations’ long-lived assets as liabilities.⁵

There is a literature, paradoxically, that critically examines the political dimensions of budgeting approaches. This is paradoxical because budgeting is most appropriately seen as a “dialect” of its root language accounting. One unanswered aspect of this story is why the analysis started with the dialect rather than the language.

⁵A radical approach since assets are the opposite (binary opposition) of liabilities.
In the budgeting literature, Schick states that public organization budgeting went through three stages (1966, 243). The overriding concern in the first stage was with control. This is consistent with what we find in private organizations during that same phase of development (Rorem 1928, 519).

The second stage was management oriented, and also parallels the developments in private organizations. At the time Schick was writing, budgeting had entered the third stage, which was the planning orientation.

Schick refers to the development, during this third stage, of a science that "... would furnish objective criteria for determining the optimal allocation of public funds among competing uses" (1966, 254). Cost-benefit analysis is mentioned as a "technology" for decisional-informational capabilities and its application to objective analysis in decision-making.

Wildavsky (1966) describes three tools for decision-making in public administration—cost-benefit analysis, systems analysis, and program budgeting. These techniques currently play a role in public administration's management processes equivalent in importance to what accounting plays in business administration management processes.
He argues that just as accounting is not a source of neutral financial information, these three techniques are neither neutral tools nor free of bias. Cost-benefit analysis is "shot through with political and social values choices." (297) Systems analysis "is more judgement and intuition and less reliance on quantitative methods than in operations research." (299) "[P]rogram budgeting is suffused with policy politics . . . [and] partisan politics." (308)

This technocracy and a desire for value neutral methods are two of the underlying assumptions inherent in accounting for public organizations. These assumptions determine which data are used and how those data are factored into the calculations that underpin the policy decisions that are made by our representatives in public organizations. However, by choosing some data and not other data (the non-selection of data is referred to as "silence" in the methodology of deconstruction), we can discover just what values the data chosen and not chosen have or do not have. Simply putting all the data into one of two categories (chosen and not chosen) attaches a certain value to the data.

The accounting literature has several references to the underlying assumptions of accounting methods for private organizations. The most
noteworthy are *The Effectiveness of Accounting Communication, Unaccountable Accounting, More Debits than Credits*, and *The Truth about Corporate Accounting*, by Abraham J. Briloff; *Accounting Method* by C. Rufus Rorem; and *Paper Prophets: A Social Critique of Accounting* by Tony Tinker. However, this dissertation works from the premises that public and private organizations are different; that management of public and private organizations is different; and that accounting for public and private organizations is also different.

The literature does not address the ideology inherent in accounting in public organizations. It addresses the underlying assumptions inherent in accounting for private organizations only.

To repeat, for public organizations one finds only technical, "how-to" manual-type-treatments. One dimension of the contribution of this work is to initiate a critical framework for accounting and enumerate the effect these practices have on the way we account for public organizations. In this sense, one aspect of my contribution will be to extend the literature of both critical studies in accounting generally, but specifically to add to this critical literature by focusing on public organizations. What the public organization accounts for reveals values
that society holds (what you account for makes apparent what you value; you account for what you value).

The analysis here will be done through the "post-modernist" methodology of "deconstruction" applied to a set of real accounting practices in a case study of a public organization. The core of the contribution this work seeks, though, is to establish a distinctive approach to the analysis of public organization accounting. The critical works of the accounting field are critiques of accounting practices that reveal what values are implicit in accounting practices. The critical literature exposes the value prejudices and raises, through the critique, a case for the values omitted. By exposing those values, the case is made that there is prejudice (pre-judgment) and values that are being unconsciously neglected and need to be included.

Such work is an example of modernist critique as it shows that we are pursuing implicitly wrong values and we do not realize we are pursuing wrong values because they are all hidden by the guise of accounting. If these biases are exposed, the analysis holds new and better values that can be raised against the ones that are being surrepti-
tiously institutionalized through the manipulation of accounting techniques.

A post-modernist critique is not concerned with raising a counter-narrative like this. Such critiques necessarily assume an image or ideal toward which the counter-narrative would hope to make progress. Exposing the narrative of the values that are implicit in accounting only to raise a counter-narrative is to remain within the frame of "modernism." Now, traditional critical approach states that: "Instead of accounting in this way, which helps these people, let's account this way, which helps out these different people." This dissertation focuses not on ideologically confronting the values implicit in current ways of accounting but in showing how the "reality" by which a given allocation of values is justified is created in the first place. The focus is thus on how accounting creates the illusion of a meaningful objectivity. I am not interested in showing that we are leaving out the poor or any other disadvantaged party. That we do leave out people should be obvious. I am simply going to show how the way we put accounting practices together creates an illusion of objectivity that is being used to justify "leaving out the poor." Hence, I am not entering the analysis from a

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prescriptively confrontational point of view as much as I engage it from an analytically confrontational perspective. The purpose of the confrontation that I want to carry out is not to raise a set of counter values but to deconstructively undercut the power that accounting has to present itself as objective and rational so that we will not be bound in or locked into these views. My purpose is to debunk accounting's objectivity so that we can talk more openly than previously to improve discourse about the choice of direction of values and what we want to do in our public institutions.

**Overview of Methodological Strategy**

The post-modern perspective in the social sciences provides new and exciting tools of analysis. None is more central than "deconstruction." By deconstructing a text, one can reveal the rhetorical manipulation involved in the way it defines what is good and bad. This is a more revealing line of critique than answering the question of what is presented in the text. I will use the deconstruction methodology to analyze the rhetorical sources of accounting in public organizations, specifically as they apply to community colleges in Virginia.

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6 To post-modernists, a text is any phenomena or event (Rosenau 1992, xiv).
This method of textual analysis was first applied by Jacques Derrida to philosophical texts.

Deconstruction offers a way of examining human behavior as a textual production, a kind of writing. For Derrida, writing includes not only language but "all that gives rise to inscription in general" (Derrida 1976), namely, all those rule-based aspects of people's lives that involve the reproduction of behavior. The world is not a stage. According to Derrida, it is a text, and the dynamics of this text can be studied as a series of relationships between textual levels. . . . Thus, deconstruction is used, not to abolish truth, science, logic, and philosophy, but to question how these concepts are present in texts and how they are employed to systematically exclude certain categories of thought and communication. The implications of a deconstructive reading are, therefore, not limited to the language of the text itself but can be extended to the political and social context in which the text is placed. . . .

One of the symptoms of an undeclared metaphysics is the dependence of the text on hierarchically ordered binary oppositions (e.g., mind/body, mechanistic/organic, male/female). Derrida brings the reader's attention to the play of meaning between the two terms, one of which is often suppressed or marginalized. . . .

A deconstruction of a text can also reveal the dependence of the text on an idealism that seeks to exclude deviations, mistakes, marginalia, and trivia. The deconstructive gesture is used to explore precisely what the text has neglected and to show that what is excluded is necessarily implied in the categories the text includes. Thus, the concept "normal" must include the existence of the "abnormal," in order for the concept to make any sense. (Kilduff 1993, 14-15)

The specific techniques employed will be similar in scope and depth as used in "Deconstructing Organizational Taboos: The Suppression of Gender Conflict in Organizations" (Martin 1990, 355).
Dismantling a dichotomy, exposing it as a false distinction (i.e., the public/private opposition).

Examining silences—what is not said (i.e., noting who or what is excluded by the use of pronouns such as “we”).

Attending to disruptions and contradictions, places where the text fails to make sense (i.e., “filling in to create a void”).

Focusing on the element that is most alien to a text or a context (i.e., a pregnant executive), as means of deciphering implicit taboos—the limits to what is conceivable or permissible.

Interpreting metaphors as a rich source of multiple meanings (i.e., “launching a product”).

Analyzing “double-entendres” that may point to an unconscious subtext, often sexual in content (i.e., “having a woman”).

Separating group-specific and more general sources of bias by “reconstructing” the text with iterative substitution of phrases (i.e., using the bypass story to isolate gender-specific difficulties).

Exploring, with careful “reconstructions,” the unexpected ramifications and inherent limitations of minor policy changes (i.e., a woman bringing a baby into the office).

Using the limitations exposed by “reconstruction” to explain the persistence of the status quo and the need for more ambitious change programs (i.e., why small-scale organizational reforms will not alleviate gender inequalities at work).

It should be noted, however, that the deconstructive methodology is not a laundry list of predetermined steps applied in all situations to all texts. The above mentioned steps are only illustrative of deconstructive methodology. These procedures reflect the perspective of the
deconstructor and re-presents the deconstructor's interpretation that then
is interpreted by the reader.

The deconstructive process itself is not reducible to a set of
techniques. Deconstruction cannot be summarized as a mechani-
cal series of operations to be applied to any piece of language.
The deconstruction of a text involves a very close reading of the
specific words of that text in the context of taken-for-granted
assumptions. A deconstructive reading must follow the contours
of the text itself; a reader cannot simply apply a group of
preformulated ideas. (Kilduff 1993, 16)

Methods like these can expose the illusion of accounting and show
how objective meaning is not really objective but created through
accounting practices—"... practices which are both the medium and
outcome of the politico-economic context in which accounting is
embedded" (Hopper, Storey, and Willmont 1987, 438).

Preview of the Design and Tactics of the Study

I will look at the way that what we account for and how we
account for it affects decisions at Northern Virginia Community College
(NVCC). I will look at the way NVCC accounts for such broad
categories as:

- How community colleges define, account for, and measure
  success. How is this done? Do they also define, account for,
  and measure unsuccess? Or is this just the "silence" of
defining, accounting for, and measuring success?
• Is the definition of success an operational definition that is biased towards a favorable measurement for the college?

• What is the bottom-line for a community college and what are the implications of this metaphor?

• What is a student and are they accounted for? If so, are they the raw materials of the education process?

• Are employees defined and accounted for the same as employees are defined and accounted for in the private sector?

• What concept of time does the college use; what implications does this have? Does the college’s definition predetermine the way time is accounted for?

• How is the college defined and accounted for in physical terms (dimensions)? What is omitted by a definition of this type?

• Organizations either produce a product or provide a service. What does a community college do? Does it produce a product or provide a service? How is this defined and accounted for? Can the rationalist’s goal of efficiency and effectiveness (productivity in the college’s vernacular) be accounted for? What values are inherent in and supported by the definitions and accounting methods of the college? By using the term productivity, does the college produce something in the manufacturing sense? Does the college have an output? Should the accounting system be patterned after a manufacturing organization’s accounting system?

• Are budgets used to identify where monies can be spent or do they relate proposed expenditures to future results (Drucker 1993, 18[AJ])? Is follow-up information provided—are actual results compared to what was intended?
These are the standards and economic events that NVCC chooses to account for. How NVCC glosses these standards or these values with a thick veneer of objectivity is the focus of my research (in some cases the values and standards are chosen for NVCC by the legislature or state agencies such as the State Council for Higher Education in Virginia (SCHEV), Virginia Community College System (VCCS), or the Virginia Department of Education).

I propose to analyze critically the underlying assumptions inherent in accounting for public organizations, specifically NVCC. As seen above, the review of the literature relating to this project reveals little work done relating specifically to the underlying assumptions of accounting methods used by public organizations.

The text I will deconstruct consists of, but is not limited to: Virginia Community College System accounting guidelines, notes from the Northern Virginia Community College Administrative Council, notes/experiences from an internship with the Dean of Financial and Administrative Services preparing for a change in the accounting and budgeting system, and two legislative sessions as a legislative assistant to a Virginia state delegate.
My goal is to uncover (1) that what we measure and how we measure it in accounting for public organizations determines what we see, what importance it is accorded, and thus, what resources it will be allocated in the future, and (2) that the images created by accounting practices are not “objective” but rather just one of many possible images that one can find in accounting “texts” like the accounting practices and procedures of a community college.

Conclusion

I end this introduction with some thoughts about accounting designed or intended to sharpen the sense of legitimacy that can be attached to the project described above. These thoughts present images that might help bring into tighter focus accounting and accounting's problematic nature in general, and of interest here, its problematic nature in The Public Administration. To begin.

A photographer takes a photograph—a snapshot—of a subject. From this snapshot, could people discern what happened to the subject of the photograph during the previous twelve month period? That is what readers of financial statements try to do. They receive a financial snapshot in the form of the annual report of a private organization.
From this snapshot, the readers try to answer questions concerning the financial status of the organization. One wonders why the financial statements preparers do not anticipate the questions of the readers when providing the financial statements. If financial statement readers do not have questions and if financial statements are understood by most people, why are there financial analysts? What is there to analyze if the information presented in the financial statements is unequivocal and complete?

Accounting is a language or a text used to describe economic activity. This description is a re-creation of the economic activity. We could compare the re-creation of an organization's economic activity through the use of accounting to the re-creation of a baseball game through the use of the game summaries published in the newspapers (e.g., the narratives, the statistics, the box-scores, etc.). The narrative describes the game's highlights—noteworthy defensive plays, important offensive plays, second-guessing of strategies, etc. Statistics describe the performance of individual players—number of at-bats, hits, errors, etc. The box-scores present a summary of the activity. A full picture is not

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*Here I use re-create in the deconstructive sense; the financial statements are another creation of the financial history that was originally recorded on a source document (e.g., an invoice, a deposit ticket, etc.) then journalized (re-created in a journal—the book of original entry), re-created in a ledger and possibly a subsidiary ledger, then re-created as the financial statements.*

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possible from just one of these sources of information (narrative, statistics, or box-scores). To re-create the game from just one, two, or even all three sources would not do justice to most games. Between attending the game or reading the results in the newspaper, which would give a person a "truer" sense of what transpired?

However, even then we cannot always trust our senses. If Plato's story of the four blind men describing an elephant is any indication of the ability of accounting to describe economic activity, it is no wonder that results of an organization's economic activity are difficult to describe. One could compare the accountant's task of describing an organization's economic activity as *projected* by the financial records to the attempts of Plato's cave dweller to describe the outside world by observing the shadows *projected* onto the cave walls.

If accounting is the language of business and public administration is the business of government, then is not accounting also the root language of public administration? If governance is the steering function of the ship of state (government), is not accounting the language for communicating between the steering function and the rowing function (Osborne and Gaebler 1993, 34)? In private organizations, accounting
is used to communicate with people both inside the organization (managerial and cost accounting information, i.e., information for pricing decisions, personnel decisions, etc.) and people outside the organization (annual reports—financial accounting which contain balance sheets—the net worth of the organization at a point in time—and income statements—how much net income or loss was earned during a period of time). Results of governance are not usually communicated to the governed by an annual report as is done with private organizations and their stockholders. What do public organizations account for? Who uses the information and for what purposes? How do they come to consider it as objective—or more specifically, what role did accounting have in creating such a belief. This is the focus of this study.
CHAPTER 2

LITERATURE REVIEW

Introduction

This dissertation seeks to contribute to the understanding of how administrative technique affects the exercise of administrative discretion in the field of Public Administration. Comprehending the interaction of the devices of rational administration with the substantive exercise of administrative discretion has long been a standing problem in the field. An important precept in public administration is accountability to the governed, especially in the stewardship of the assets entrusted to government. This precept places accounting, as the main technique for monitoring accountability, in a central role in the field and indeed in a critical role in the process of governance itself. We can see this precept even evident in the ancient Greeks' practice of engraving in stone and publicly posting the accounts of government officials (Virginia Society of Certified Public Accountants [VSCPA] 1991, 4).
To facilitate this process, government adopted techniques for "... recording, classifying, reporting, and interpreting the financial data of an organization" (Larson and Pyle 1987, 24). This language of business (Belkaoui 1978, 97-104; Meigs and Meigs 1990, 4) was adopted by modern public administrators seeking to learn "... the art of measuring, describing, and interpreting economic activity" (Meigs and Meigs 1990, 4).

Accounting is an ancient language. It predates the written word and can be traced back to 8500 B.C. In our colleges and universities, accounting is most often taught in the schools of commerce, business, management, or administration. Although schools of public and private (business) administration are sometimes placed within the same academic unit, accounting is usually the domain of the private sector curriculum. Considering this curricular division, it is not unusual to find the preponderance of accounting courses offered to be oriented towards (or specifically designed for) accounting for private organizations.

Accreditation standards of the American Assembly of Collegiate Schools of Business for accounting programs place little emphasis on government and nonprofit organizations. (Engstrom and Wilson 1992, 2-3)
This attitude is unfortunate. The business student learns accounting only
to determine where a business has been and to then abstract from this
data where the business is going. Knowing this process does not
necessarily enable them to make the transition to achieving the objectives
of governmental or nonprofit accounting.

Those who enter government from accounting programs understand
business accounting and auditing quite well, at least from a
technical perspective, but have little background in government.
They don't understand the importance of a government budget, the
fact that the "bottom line" doesn't measure the same thing as in
business, the need for restrictions and funds, or the policy
perspectives of government officials taught in [public administra-
tion] programs.

On the other hand, those who enter government financial
positions from public administration programs have little account-
ing education and are unable to understand the internal and
external reports governments generate. They often lack the skills
necessary to manage budgets, to control costs, and to compete for
funds because the in-house accounting system is a mystery. Often,
parallel systems of financial numbers are generated because
accountants and other financial managers don't communicate.

We believe government needs people in government financial
management and in public accounting who understand both
accounting and government. (Engstrom and Wilson 1992, 3)

The authors of this newsletter item, Engstrom and Wilson, are
accounting faculty members from Northern Illinois University and
University of Missouri-Columbia respectively. Their interest (or bias)
in the topic of accounting education for public administrators helps
explain the source of an important issue in the field of public administration.

Since most accounting education is performed by those departments and divisions of institutions of higher learning associated with private organizations (versus those associated with public organizations, i.e., government, political science, or public administration) the accounting curriculum is skewed towards private sector accounting. The overwhelming majority of the accounting textbooks are authored for use in the teaching of accounting for private organizations.

These textbooks are authored by the distinguished faculty members of the nation's business schools. These schools teach business and the accounting courses the faculty deem necessary for a business education. These faculty members are promoted and granted tenure under the same "publish or perish" unwritten requirements as their social science and physical science colleagues. Since the business faculty teach accounting to business students and teach in the school of business, the research they conduct and the writings they produce are directed at accounting for private organizations.

The twenty accounting research journals (the first one published in 1926) and the nine general purpose (non-research) accounting journals
that publish these articles primarily contain articles concerning various aspects of private sector accounting. It was not until 1982 that an accounting research journal appeared that addressed accounting and public policy and in 1985 one that actually addressed governmental and nonprofit accounting.

These two public organization accounting research journals are very technical (rather than theoretical or critically oriented) and are published for the accounting practitioner working in the public sector or the academician (business school accounting faculty member) teaching the one course some states require their Certified Public Accountants (CPA) candidates to take in public organization accounting. For example, the Commonwealth of Virginia does not require a course in governmental/nonprofit accounting for CPA candidates (Virginia Board for Accountancy 1991, 13-27).

Oftentimes the one course that does include public organization accounting is an “advanced accounting” course that also covers topics in private organization accounting not included in other courses. This “catch-all” or “course-of-last-resort” includes public organization accounting topics such as: municipal accounting—accounting for local
governments (referred to as "fund" accounting), nonprofit accounting—which can include accounting for school districts and hospitals, state governmental accounting, and federal government agency accounting.

This lack of emphasis on (or more aptly a conscious ignoring of) accounting for public organizations, except for a cursory review of the mechanics of public organization accounting, is apparent in the literature of both public administration and accounting. Also lacking is any type of critical examination of accounting techniques for public organizations.

One dimension of this dissertation's contribution is that it seeks to bridge the gap between public administration and accounting. Specifically, this contribution is to identify and analyze the underlying assumptions in the accounting methods and techniques employed by public organizations and the way that these practices construct policy meanings. By so doing, it hopes to focus and heighten attention on the fact that the field of public administration lacks an understanding of how the techniques of accounting affect the administration of public agencies.
Boundaries and the Theme of the Literature Reviewed Here

Hence, the literature that this dissertation addresses is that literature that critically analyzes public organization accounting practices and the underlying assumptions inherent in the accounting practices. Unfortunately, for reasons mentioned above, the available literature focuses primarily on private organization accounting methods, and, sometimes, the underlying assumptions of the accounting practices in general.

The literature related to public organization accounting practices is of the "how-to" variety, consisting of techniques for recording the transactions of various governmental or nonprofit entities. This literature will be reviewed in a later section of this chapter. Unfortunately, there is an analytical hole in this literature. It does not consider the underlying assumptions inherent in the accounting practices and procedures that have been adopted for public organizations and hence has no comprehension of the possible ideological basis of these accounting methods. There is no critical analysis (using the operational definition of critical thinking/analysis of Brookfield (1987, 7), i.e., recognizing "... the assump-
tions that underlie the ideas, beliefs, values. . . .” of accounting for public organizations.

The literature that will be reviewed here falls into the following three categories: the literature of public organization accounting, the literature that treats critically the topic of private organization accounting, and the ancillary literature that treats issues of institutional change in educational systems and some critical literature related to public budgeting.

The purpose I will pursue in reviewing these literatures is to show uncritically that the literature of accounting for public organizations accepts the ideology of rationalism and objectivity through which accounting represents itself and places emphasis purely on the distinctive mechanics required for accounting in the public setting. A more specific purpose that I will pursue in treating the critical literature of accounting, which is devoted exclusively to private organizations, is to illustrate the nature of the kind of critical perspective that has been developed so far in the field of accounting. The literature to which this dissertation seeks to make a contribution is that which critically analyzes the underlying assumptions of accounting methods. The specific purpose of reviewing the ancillary literature is to add breadth to the perspective presented here
and again to indicate further the distinctive contribution that the deconstruction methodology can bring to understanding public organizational issues.

The Literature of Public Organization Accounting

I will treat the critical literature much more extensively than the others so that I can make abundantly clear how this kind of critique differs from the critical project of this dissertation, and hence what is distinctive about the contribution the dissertation makes. There is not a great deal of such literature. A review of it shows that the ramifications of accounting ideology for public organizations and public policy are little understood. My review of the public organization accounting literature reveals that there are only a few examples of critical public organization accounting analysis.

Public Organization Accounting Journals

As noted elsewhere, the literature of public organization accounting is limited to the “how-to,” or “mechanical” genre. The two accounting research journals devoted to governmental and nonprofit accounting are relative newcomers to the scene. The Journal of Accounting and
"Public Policy" was first published in 1982. It is published quarterly and contains articles dealing with such topics as: content and format of municipal financial reports, the timeliness of municipal financial reports, taxpayers' economic incentive for compliance, accounting for unfunded pension liabilities, capital budgeting in times of uncertainty, and economic analysis of competitive bidding. The articles are written from a "modernist" perspective. Various accounting techniques in current practice are analyzed as to their perceived impact on the economy or specific sectors of it. Some illustrative examples are:

An article addressing the content and format of municipal financial reports is based on a study of information preferences and the effect of format and basis of accounting on information adequacy and decision accuracy . . . three user groups [were] identified . . . citizens, investor/creditors, and legislative oversight officials . . . a mean usefulness score was calculated for each format. . . . Comments indicate that each group wants different changes in municipal reporting. (Daniels and Daniels 1991, 15)

Research conducted for an article on taxpayer compliance extended previous research by modeling an environment in which taxpayers have uncertainty about their tax liability and by simultaneously considering different tax rate structures and risk-taking attitudes. The major theoretical finding is that greater tax liability uncertainty creates incentives for
taxpayers to increase reported income under certain conditions, but to decrease reported income under other conditions. For ranges under parameter conditions that commonly occur in the United States . . . unless taxpayers are highly risk-averse, an increase in income uncertainty is much more likely to lead to a reduction in reported income. (Beck and Jung 1989, 1)

An article by Dwyer and Wilson examines the timeliness of municipal financial reporting and develops and tests an explanatory model of municipal reporting timeliness based on hypothesized incentives for management signaling, the message contained in the annual report message (i.e., good news vs. bad news), indicators of municipal officials' competence, use of an independent auditor, and the presence of state-mandated accounting and reporting regulation. (Dwyer and Wilson 1989, 29)

None of the articles in this journal sought to examine accounting methods down at their essence and reveal what assumptions underlie them. The article about the economic effects of the then new marginal tax rate exposed only the true percent change in tax rate, and the estimated change the new rate would have on net tax revenue. There was no interest indicated in showing why the change was made, by whom, what the difference was in whom the new rate affected (race, gender and age), or the added burden to the new marginal bracket members.

Research in Governmental and Nonprofit Accounting was first published in 1985. It contains articles concerning: information needs for
municipal bond investment decisions, accounting practices in the health care field, research in governmental capital markets, and the timing of municipal audits.

A recent article entitled "Accounting Numbers and Government Bond Risk: An Explanation of Observed Anomalies" begins by stating that researchers in accounting and finance have examined the association between accounting numbers of local governments and various bond risk measures. The different risk measures used in these studies proxy either the systematic risk (beta) or default risk (yields and ratings) of government bonds. Apparent anomalies have appeared in the empirical results of these studies. Specifically, several studies have found anomalous inverse relationships between systematic risk and default risk proxies for both governmental and corporate bonds (e.g., lower rated bonds frequently demonstrate lower price volatility and systematic risk than higher rated bonds).

The objective of this study is to provide an explanation for the observed anomalies. (Ingram, Dugan, and Wilson 1990, 84)

As noted earlier, nonprofit accounting is often taught in the same course as governmental accounting. The textbooks used for this course include both topics. Therefore, the treatment of both governmental and nonprofit accounting scholarly research in an academic journal is not an unusual combination. A recent article in this journal addressing nonprofit accounting, specifically hospital accounting
illustrates a new approach to setting cost standards for variance analysis for hospitals using data envelopment analysis (DEA). [The authors] focus on the importance of the proper choice and measurement of inputs and outputs in a hospital setting, the assumed production correspondence and the identification of outliers and reference points. [The authors] test whether the sample of observations used in the computation of efficiency scores are indeed homogenous. Using the empirical distribution of efficiency scores [the authors] propose a methodology for setting less tight standards at (say) the 90th percentile level of efficiency rather than the most efficient DEA based standards. (Banker, Das, and Datar 1989, 269)

This sample of the articles published in Research in Governmental and Nonprofit Accounting reflects the quantitative nature of most of the articles published in this journal. In both journals reviewed, mathematical formulae and mathematical modeling are common elements in the articles. Many deal with very specific accounting practices; some articles address the practices from a practitioner's perspective while the more theoretical articles involve some form of modeling exercise. Neither type of article delves into the underlying assumptions of the particular practices. Not one of the articles addresses the qualitative aspects of public organization accounting. This is typical of the research conducted in public organization accounting.

Articles in *The Journal of Accountancy* and *Accounting Horizons*, respectively, address the issue of accounting for public organization long-lived assets. However, Mautz' approach is prescriptive, clearly driven by an ideological agenda. He takes the position of comparing private organization accounting for long-lived assets to public organization accounting methods (1981) and then prescribes a radical treatment (accounting for public organization assets as though they were liabilities).

Several years ago, I offered the opinion, publicly, that the Washington Monument should not be included as an asset in any balance sheet of our federal government. My stated reason was that the Monument currently, and for the foreseeable future, results in a net outflow of cash for the Government. If the annual cost of maintenance and custodianship exceeds any revenues (my recollection is that no fees are charged for entry), the Monument is a liability. (Mautz 1988, 123)

In *The Accounting Review*, King and Baron offer a prescription for changing the structure of accounting for public organizations.

The purpose of this paper is to describe and illustrate a new, unified account structure designed to remedy serious flaws in conventional governmental accounting and reporting practices. (King and Baron 1974, 76)

Carpenter and Feroz look at the factors affecting Kentucky's decision to adopt generally accepted accounting procedures (GAAP) after
a stormy legislative session where no one was able to determine the balance of the Capital Construction Fund.

This paper provides a description of the political, economic, and bureaucratic factors influencing Kentucky’s decision to adopt GAAP for external financial reporting. (Carpenter and Feroz 1990, 68)

These articles are representative of the prescriptive ("I see a problem and I have the answer for it.") modernist approach found in the relatively few journal articles addressing accounting for public organizations.

Governmental/Nonprofit Accounting Textbooks

The remainder of this section (the literature of public organization accounting) deals with the "how-to" books mentioned earlier. These books are mostly textbooks or supplementary material used in accounting courses. A standard textbook in the field of accounting used for the governmental/nonprofit course at many colleges and universities is the newest edition of Accounting for Governmental and Nonprofit Entities by Leon Hay (the earlier editions were by Hay and Mikesell).8 Its chapters

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8A subset of this literature is described by the title of Bryce’s (1991) textbook, Financial & Strategic Management for Nonprofit Organizations. Although not addressing accounting for nonprofit organizations, financial management of a nonprofit organization is predicated on a knowledge of nonprofit accounting.
cover the practices and procedures for recording transactions affecting a wide variety of public organizations. This book is used in the first or second semester of a student's senior year and assumes that the student has an intermediate knowledge of accounting (debits, credits, special journals and ledgers, etc.). Although the author assumes he is talking to a private organization accounting "literate" audience, the following comment seems directed at the public, not just the private organization accounting literate public.

The objectives of financial reporting for governments and not-for-profit entities stress the need for the public to understand and evaluate the financial activities and management of these organizations. All readers must be aware of the impact on their lives, and on their bank accounts, of the activities of the layers of government they are obligated to support and of the not-for-profit organizations they voluntarily support. Since each of us is vitally affected, it is important that we be able to read intelligently the financial reports of governmental and not-for-profit entities.

In order to understand the content of the financial reports it is necessary for the reader to make the effort to learn the accounting and financial reporting standards developed by authoritative bodies. (emphasis added) (Hay 1989, 2)

This statement is curious because, as mentioned above, the students are assumed to have the private organization accounting background necessary to understand the course (the course being offered to accounting—not public administration—students) but also, this course would be
offered in the business department not the public administration, political science, or government department. To be of benefit to the public, and not just accounting or business students, the business department rather than the public administration, political science, or government department, is a curious provider of such courses.

Adding to this curiosity is the assumption of the availability of the governmental and nonprofit entity financial reports. Stockholders of publicly traded corporations receive annual reports and interim financial statements. These statements are usually available to non-stockholders from stock brokerage firms, public libraries, and the organization directly.

This openness and accessibility of private organization financial data are quite different from the manner in which public organization financial data are disseminated. In a footnote to a homework problem, Hay explains the process of requesting public organization financial data. He includes directions and a sample salutation for correspondence for the initial request and notes that in some cases a second and third request may be necessary. This process is much different than the one referred to at the beginning of this chapter "... where in ancient Greece,
citizens were appointed to review the accounts of government officials. These accounts were engraved in stone and exposed to the public” (VSCPA 1991, 4). We can only wonder as to how many people looked at these posted accounts (let alone what percentage read, and of those that read, how many understood what they were reading).

Other than these points, the accounting principles and methods that are found in Hay conform with GAAP as promulgated by the Governmental Accounting Standards Board (GASB), an “independent standard-setting board in the private sector.”

In its Concepts Statement No. 1, “Objectives of Financial Reporting,” the Governmental Accounting Standards Board noted:

The Board believes that financial reporting plays a major role in fulfilling government’s duty to be publicly accountable in a democratic society. Public accountability is based on the belief that the taxpayer has a “right to know,” a right to receive openly declared facts that may lead to public debate by the citizens and their elected representatives. Use of financial reporting by citizens and legislative and oversight officials is pervasive.

Financial reports of state and local governments, according to the Governmental Accounting Standards Board, are used primarily to (1) compare actual financial results with the legally adopted budget; (2) assess financial condition and results of operations; (3) assist in determining compliance with finance-

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9The GASB is one of two “independent standard-setting” boards operating under the Financial Accounting Foundation. The other board is the Financial Accounting Standards Board.
related laws, rules, and regulations; and (4) assist in evaluating efficiency and effectiveness. (Hay 1989, 1)

Hay does not explain why we account for public organizations the way we do, only that the way he tells us to account is the way to account for public organizations. Unfortunately, Hay is not alone in this stance.

United Kingdom Governmental Accounting Textbooks

In the United Kingdom, accounting educators use textbooks with a similar approach to the Hay textbook to educate students in public organization accounting. Henley, Holtham, Likierman, and Perrin (1983) and Jones and Pendlebury (1988) represent to the United Kingdom public organization accounting student what Hay (1989) represents to the United States students of public organization accounting. Students are taught how to do things (not why they are done) and what is important (not why it is important). Financial management is the key to public sector accounting, a sector which “... is not a uniform organisation.”, (does this mean that the private sector is a uniform organization?). “Value for money is of underlying concern throughout the whole of the public sector” (Henley et al. 1983, v).
Of special interest to a critical perspective is the inclusion of a discussion concerning the different parties involved in public organization management and, consequently, the different interests of the parties involved. The short-run perspective of the politician is compared to the long-term perspective of the public administrator. A politician may choose the "low-bid" street paving company to give the voters some tangible evidence of promoting their interests while not increasing the voter's taxes. The administrator of the highway department would like to see the government pay more for a road surface so as to get greater longevity and lower maintenance costs. Interest incongruence can also arise between public organizations. To use an Americanized example, the Agriculture Department subsidizes tobacco farmers while the Health and Human Services Department requires that warnings to smokers be printed on cigarette packages. It is in this arena that the public sector accountant has the responsibility of developing systematic arrangements to assist management in comparing and improving the performance of the service or institution, the public sector auditor has, among other duties, the complementary role of examining whether management actually performs that task efficiently. (Henley et al. 1992, viii-ix)

This idea of efficiency is combined with economy and effectiveness by Jones and Pendlebury and "... provide[s] a focus to our
understanding of public sector accounting” (Jones and Pendlebury 1988, 3). Efficiency is the most important of these “fundamental concepts” and can be measured by dividing output by input. Efficiency measures success in terms of output and economy is a measure of input. This explanation precedes the remainder of the book, which is an explanation of the British version of GAAP for public organizations. Although not precisely mentioning the underlying assumptions to specific public organization accounting practices, the delineation and explanation of the “fundamental concepts” is a move in the direction of a critical perspective. However, as the information on the back cover of the book points out, the book is

written primarily for students preparing for professional accountancy examinations, . . . and specialist undergraduate and graduate courses at universities and polytechnics. (Jones and Pendelbury 1983, back cover)

Comparative (International) Governmental Accounting

In 1886, British accountants, who had been organized since 1870, helped organize the accounting profession in the United States (Miranti 1990, 29). It should not be surprising that this “helping hand” by the British accounting profession influenced accounting practices and
procedures in the United States. In spite of these close, early relations the accounting practices of both countries have developed independently.

Other nations without a common accounting foundation with another nation or nations have developed their own particularistic "brands" of accounting. German companies following German accounting principles are forbidden to list (and thus trade) their shares of stock on United States stock markets regulated by the Securities and Exchange Commission (SEC) (Wyatt and Yospe 1993, 80).\textsuperscript{10} The SEC has ruled that the German accounting practices are potentially misleading to investors not familiar with German accounting principles.

This and similar situations involving differences in accounting principles and practices with other nations have motivated accountants to seek solutions to differences as well as common ground in their respective accounting practices. International symposia are routinely held for this purpose. The World Congress of Accountants met last in October, 1992, in Washington, D.C., attracting over 3000 representatives from ninety-six countries. At issue however, were the differences in accounting practices for private organizations in different countries. The

\textsuperscript{10}Daimler-Benz is currently negotiating with the SEC on changes in its financial reporting for possible listing and trading on the New York Stock Exchange.

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differences in the accounting practices for public organizations in various countries have not received the same amount of attention that has been focused on the differences in accounting for private organizations across country lines. In the "proceedings" of a symposium on international comparative governmental accounting, Chan and Jones (1988, 5-7) reported that the literature for this topic consisted of only four works.\(^{11}\) Those four works, however build on the foundation of accounting for public organizations.

Accounting and auditing for national governments is somewhat paradoxical. On the one hand, it is of indisputable, fundamental importance to all civilised states. An eight-hundred-year-old textbook puts it this way:

Those whose duty it is to guard . . . (the wealth of the state) . . . have no excuse for slackness, but must give anxious care to its collection, preservation and distribution, as they must give account of the state of the realm, the security of which depends upon its wealth (Johnson, 1983, pp. 1-2).

In the same vein . . . (Normanton, 1966, p. xvi) calls state audit ‘one of the most ancient devices of government; no civilization has ever been without it’ . . . the subject of state audit [is] ‘explosive’ and . . . ‘Without audit, no accountability; without accountability no control; and if there is no control, where is the seat of power?’ (Chan and Jones 1988, 3)

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\(^{11}\)"The accountability and audit of governments" (Normanton, 1966), State audit (Geist, 1981), A history of taxation and expenditure in the western world (Webber and Wildavsky, 1986), and Budgeting: a comparative theory of budgetary processes" (Wildavsky, 1986).
The international comparative literature contributes to the dialogue of the importance of public organization accounting. The works in this area also reflect the importance accorded public organization accounting by other countries.

United States Federal Accounting Literature

A move in the direction of a critical perspective in federal government accounting was made by Tierney and Hoffman. As stated in chapter one:

For many years, there has existed a common body of knowledge of federal requirements, procedures, and practices. However, this knowledge was not in one reference work, but in countless statutes, policy statements, procedures, and practices that were expressed or mandated by individual federal agencies, the four central financial agencies of the government, and Congress. On occasion, no formal promulgations were made; an operating practice was merely adopted. (Tierney and Hoffman 1976, 1)

Until this book was published in 1976, students of public organization accounting were limited to a one chapter overview of the subject in a governmental/nonprofit accounting class using a textbook such as Hay (1989). “This study combines in a single reference source information on how the government budgets, accounts for, and audits federal monies” (Tierney and Hoffman 1976, 1). Although written with the practicing CPA in mind, one does not need a background in accounting to under-
stand the fiscal cycle, federal contracting, the grant system, and explanation of federal audits. It can be put to good use by anyone wishing to understand the intricacies of federal financial management and accounting. The authors, however, do not critically analyze the accounting practices for the federal government or delve into the underlying assumptions on which they are based.

Supplementary Textbooks

There are several supplementary public organization accounting textbooks. These books supplement the “how-to” genre with articles by various authors addressing practical and theoretical questions encountered in accounting for public organizations.

Brown (1988) edited a work for the PAR Classic Series, Accounting and Accountability in Public Administration. This work “opens the door” for a critical analysis of accounting for public organizations but it only begins the dialogue by presenting evidence of the importance of accounting to public administration.

It is a curious puzzlement and an interesting contradiction that for so long public management seems largely to have ignored accounting, often called the language of management. For example, few programs in public administration offer in-depth course work in the accounting field.
... if accounting and financial reporting are among the fundamen-
tal aspects of management accountability ... why is it that many
essential financial reforms have only recently occurred in the
public sector? ... The establishment of basic accounting and
auditing principles, standards, and techniques, those uniquely
suited to the public environment and so essential to financial
management, began in earnest only within the last two decades. ...
Moreover, public administration has observed rather than led many of these financial management reforms. ...

Accounting, like so many activities in life, is a powerful tool
for good or harm. Public managers must better learn to make wise
use of it ... public managers and the public at large often
underestimate [accountings'] potency as a management and
policy tool. It is ironic that business, and not public management,
has learned to make greater use of advanced techniques in account-
ing, auditing, reporting, and disclosure. This may help to explain
... America's somewhat unfair fascination with business, rather
than public, administration. (emphasis added) (Brown 1988, vii-
viii)

Articles in the book attempt to explain why public administration
has ignored accounting but they actually just present evidence that
accounting is ignored in public administration.\textsuperscript{12} The authors review the
roles of accountants in government ("the evolution ... from a clerical
and checking function to a cadre of professional accountants ... serving
management") (80), the accounting and financial management skills
taught in MPA programs—the skills were ranked high in importance by

\textsuperscript{12}{The evidence includes a preoccupation with the budgetary process, a lack of entries
under the heading Accounting in the \textit{PAR Cumulative Index, 1940-1979}, a lack of course
offerings in public administration educational curriculum (Brown 1988, 3-4).}
practitioners and students but were not covered in the coursework (103)\textsuperscript{13}, and other accounting issues important to public administrators (i.e., performance audits, the single audit concept for federal assistance programs, etc.).

Ingram (1980) of the United States and Hopwood and Tomkins (1984) of the United Kingdom have contributed to the literature of public sector accounting with similar publications.

The purpose of this book is to supplement the textual material normally available for courses in public sector accounting and public administration. The standard texts in public sector accounting—for example, Governmental Accounting by Hay and Mikesell and Fund Accounting by Lynn and Freeman—concentrate primarily on fund accounting procedures. (Ingram 1980, xi)

Ingram discusses areas of concern in public sector accounting (e.g., accountability and reform) and how such concerns can be addressed by adopting certain prescriptive practices (e.g., consolidated financial statements for the federal government). The focus of Ingram’s work, “the need for accountability and reform in public sector accounting” (1980, xiv), is issue oriented rather than accounting principle, practice, or method oriented. Macro issues such as consolidated financial

\textsuperscript{13}“Fourteen . . . programs spend a week on governmental accounting . . . Twenty-five percent of the programs mention accounting in their syllabi but spend less than a week on it, and 42 percent of the programs do not even mention accounting in their syllabi” (Brown 1988, 104).
statements for the federal government are more an issue of how something should be presented in financial statements (the decision to present it has already been made) rather than what, if, or why something should be presented in the financial statements. Whether certain public organization financial data should be re-presented is an important consideration of this dissertation.\footnote{Here I use re-present in the deconstructive sense; the financial statements are another presentation of the financial data that was originally recorded on a source document (e.g., an invoice, a deposit ticket, etc.) then journalized (re-presented in a journal—the book of original entry) then re-presented in a ledger and possibly a subsidiary ledger.}

Hopwood and Tomkins (1984), both considered members of the critical school, present a work similar to Ingram’s but address public organization accounting issues in the United Kingdom public sector. The linchpins of Ingram’s work are accountability and reform; the linchpins for Hopwood and Tomkins’ work (they are actually the editors of a collection of essays by various authors) are accountability and efficiency. Issues\footnote{These issues include: external reporting and accountability, internal accounting, and the “roles which accounting and accountants play in financial planning and control in public sector organizations.”} are considered in terms of their impact on accountability and efficiency.
The most critical essay and the closest to a deconstructive perspective (though still very much simply a modernist critique) is Perrin's discussion of accounting for assets in the public sector. The editors' own description is that:

Perrin usefully demonstrates . . . how technical accounting questions and options arise in the context of policy discussions, planning processes and the monitoring, evaluation and review of the performance of organisations in the public sector. He shows how discussion of such questions as the alternative use of public resources, their equitable pricing, distribution and financing, and the adequacy of financial return, results in the need to critically assess the state of current accounting practice in the public sector. Once again, therefore, it is shown how technical issues [emphasis added] in public sector accounting come to be grounded in the social, economic and political debates which shape the contexts in which accounting operates. (Hopwood and Tomkins 1984, 6)

Perrin's analytical strategy comes the closest to the method employed in this dissertation. Perrin critically analyses the technical issue (accounting for assets), however, rather than analyzing the actual accounting practice (capitalization versus expensing or depreciating versus not depreciating) of a particular public organization and why that particular practice was chosen by the organization (or whichever makes that decision). I, too, will address the issues in accounting for public organizations. However, I will also address specific accounting practices
and methods; the issues are as important as the accounting practices and methods.

This concludes my review of public organization accounting literature. Although there is international interest in the topic of accounting for public organizations, the methodological strategies employed are similar to each other and are very different from that which I employ. Also, the focus of the literature is not the same as this dissertation. My level of analysis is at the underlying assumptions of public accounting practices rather than with issues affecting public sector accounting. In the next section I review the literature that treats critically the topic of accounting for private organizations.

**Critical Private Organization Accounting Literature**

My hope is that the extensive treatment of critical private organization accounting literature here makes clear the nature of what I have called a "modernist critique." Briloff and Tinker clearly want to debunk strongly the facade of accounting. On this point they share a kinship to the purpose of the present study. However, they also do this from an ideological position themselves and hence also wish to reshape accounting to accord with an alternative ideology. This is where the
present study differs with them. The vividness with which they make clear their ideological purpose serves the purpose of showing unmistakably the difference of the goal of the present study with their goal. My purpose is not to debunk so as to reconfigure accounting but to deconstruct so as to open up dialogue.

The private organization accounting literature purported to be “critical” contains two perspectives. One perspective I review is the modernist analytical methodology such as used by Abraham Briloff. The second perspective is Tony Tinker's “radical” approach, which is critical and in addition anti-capitalist.

Modernist Private Organization Accounting Analysis

This literature is rich in both quality and quantity. The most prolific practitioner of this methodology is Abraham Briloff, a practicing accountant and professor of accounting at the City University of New York. His four books and hundreds of articles are critical (literally and figuratively) analyses of the accounting practices for private organizations and the profession that applies the practices.

Briloff's analyses are directed at specific industries (e.g., the land development industry), private organizations (e.g., Equity Funding),
accounting practices (e.g., pooling of interest method of accounting for business combinations), and the accounting profession (e.g., penalties for ethics violations). Briloff's modus operandi is to combine a reactive method with prescriptive solutions. A sentiment expressed in an article quoted by Briloff and a linchpin for his own work is:

"The SEC seems to want primary emphasis placed on financial statements even when the statements give few, if any, clues to business reality" . . . . "The basic misconceptions about accounting seem to stem from two sources: (1) a naïve, simplistic view of who the investors are, what their needs are, and how these needs should be satisfied, and (2) a stereotyped, old-fashioned view of how companies and their stocks should be analyzed." (Briloff 1972, 35)

An excellent example of Briloff's methodology is his analysis of Accounting Principles Board (APB) Statement Number Four, a 30,000 word document entitled "Basic Concepts and Accounting Principles Underlying Financial Statements of Business Enterprises." Briloff begins with a critical examination of the seven characteristics desirable in financial statements:

Relevance, understandability, verifiability, neutrality, timeliness, comparability, and completeness. Clearly, each of these qualitative objectives is unimpeachable—if these terms were fully comprehended and effectively applied, financial statements would be far fairer than they are at present; certainly I would have far less complaint with the financial accounting output of my profession. In fact, it may well be just because these qualitative objectives are not really comprehended that the accounting
profession finds itself seriously enmeshed in controversy. (Briloff 1972, 34)

Relevance in a financial statement requires that the financial accounting information presented in financial statements be "'focused on the common needs of users and not on specific needs of particular users'" (Briloff 1972, 34). It should also "'[bear] on the economic decisions for which it is used'" (Briloff 1972, 34). On the surface, relevance appears to be a laudable characteristic of financial accounting. Upon scratching the surface, however, the Statement identifies the users of financial accounting information as an extremely broad and diverse group encompassing:

Owners, creditors and suppliers (both present and potential), management, taxing authorities, employees—all of whom are said to have "direct interests"; and those with only indirect interests—lawyers, financial analysts, stock exchanges, regulatory agencies, the financial press, and labor unions. (Briloff 1972, 35)

The members within the groups (direct and indirect users) are certainly not homogeneous. 16 How, then, can one-size-fits-all financial accounting information meet the information requirements of such a

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16 For example, if we look at a subgroup of direct users, such as employees, not all employees have similar information needs. There are many economic decisions that could be made by an organization's many employees, each requiring a different type of economic data—hourly wage earners do not always have the same information needs as managers.
"broad spectrum of users" (Briloff 1972, 35)? If not relevant, perhaps financial accounting information is understandable.

"'Understandability' is, . . . , the *sine qua non* of any effective communications process" (Briloff 1972, 36). In a previous section, accounting was described as the language of business (Belkaoui 1978, 97-104; Meigs and Meigs 1990, 4). A language understood by few people is a language that is useless or dying. As an example, Briloff cites his inability to understand Chrysler Corporation's pre-government bailout financial statements.

"Verifiability", . . . would direct that the accounting results "would be substantially duplicated by independent measurers using the same measurement methods." [However], the accounting process must use human agents and human reasoning and therefore is not founded solely on an "objective reality." (Briloff 1972, 39)

In accounting, there is seldom a verification of the method of choosing among alternative accounting practices—the ones that then manifest themselves in the financial accounting data. The audit (or attest) function provides verifiability of amounts (or balances) but not an objective review or analysis of the accounting process. In the physical and medical sciences, researchers often check one another's experiments and results by duplicating each other's experiments. Comparisons of results are
possible because the experiments are reproducible. In the financial arena, accounting methods and processes are questioned only after an organization has gone bankrupt. If the "patient" hasn't died, a physical examination is not performed; only upon death will a diagnosis, in this case a postmortem, be performed.

Briloff is confused by the objective of neutral financial accounting information.

"Neutral financial information is directed towards the common needs of users and is independent of presumptions about particular needs and desires of specific users of the information."

Measurements not based on presumptions about the particular needs of specific users enhance the relevance of the information to common needs of users. Preparers of financial accounting information should not try to increase the helpfulness of the information to a few users to the detriment of others who may have opposing needs. (Briloff 1972, 41)

Briloff is confused by the fact that inherently, financial accounting information is biased towards those people who understand the methods and practices of accounting. This bias precludes financial accounting information from being neutral. If you do not understand French, a conversation in French automatically excludes and thereby "marginalizes" you.

The timing of the reporting of financial accounting information is crucial to the users of that information. Timeliness is of greater
importance to the outside group than to the inside group of users. Some members of the inside group are privy to the information as it is accumulated due to their position in the organization (e.g., the comptroller, the internal accounting staff, mid-to-upper management, etc.). The outside group is forced to wait for interim and annual reports to discover the same information that was available to the inside group. Timeliness is the issue that Briloff uses in his critique of Lockheed, Boise Cascade, and Great Southwest Corporation. Technological advances in the communications industry have enabled outside users to effect trades based on information as it is reported and "... demands that meaningful and timely information be available to everyone involved in decision making regarding investment, or disinvestment" (Briloff 1972, 43-44).

Comparability of financial accounting information is critical for inside and outside decision making. The ability to compare the performance of a baseball player for the Atlanta Braves to the performance of a baseball player for the Chicago Cubs is an integral part of the game (for the fans' enjoyment) and the business (to allow the baseball club staffs to evaluate players). Financial accounting information is not always as comparable as the users' needs require. Occidental Petroleum,
Tenneco, and Texaco Oil Company use a method of accounting for drilling costs that cause:

The statements of two companies in which are supposedly in the same industry [to be] just not comparable—the two methods produce such disparate bottom lines for the income statements.

For comparability to be achieved, it is necessary that the nature and terms of an entity's transactions be essentially constant from year to year; . . . also, that the measurement standards be the same from year to year as well as entity to entity. (Briloff 1972, 45)

The reasons for this lack of comparability (the different methods employed) are buried in the notes to the financial statements, an often ignored section of the annual report.

The objective of completeness is entwined in a tautology.

Financial accounting information "includes all financial accounting data that reasonably fulfill the requirements of the other qualitative objectives." . . . No financial statements for any publicly held enterprise ever reviewed by me is complete since none has "reasonably [fulfilled] the requirement of the other [six] qualitative objectives." (Briloff 1972, 46-47)

The idea of "reasonably fulfilled" is the Catch-22 of accounting information. You are supplied with all the accounting information you need to know. If what you want to know was not included, then you did not need to know it.
Briloff continues in his criticism of accounting fundamentals by analyzing the thirteen principles of accounting. The principles often form the skeleton around which is built the first chapter in an introductory accounting textbook.

The accounting entity principle relates to the “what” one is keeping the books for—in Briloff’s writings this is a private organization. The entity principle states:

That accounting information pertains to a “circumscribed area of interest,” namely the business entity. This is important to bear in mind when predicated decisions on financial statements. Is the particular statement for the group of corporations comprising a unitary consolidation, or is it for the parent corporation alone, or is it merely for one of its subsidiaries? A failure to ask these timely questions has contributed to the confusion, and sometimes grief, of investors in the Penn Central complex. (Briloff 1972, 47)

The entity principle is the theoretical foundation from which Briloff attacks the accounting practices employed by Penn Central that resulted in misleading financial statements that caused tremendous losses for the stockholders. The lines between the parent and subsidiary entities and the business of those entities were obscured by the accounting methods employed.

The going concern or continuity principle prescribes the use of current rather than liquidation values.
Lockheed may have rationalized its ignoring of the C-5A cost overruns and the resultant loss contingency by reference to this going-concern concept—rooting its determination in the expectation that new contracts would somehow cut the festering losses. (Briloff 1972, 49-50)

The third principle emphasizes the "measurement of economic resources and obligations" (Briloff 1972, 50). Accounting records reflect dollar amounts—"economic activities that can be quantified" (Briloff 1972, 50).

The time period principle

demands that the periodic earnings be determined with supposed circumspection. Thus, our accounting function might well be defined as the writing of the interpretive history of management's stewardship of the entity's resources during a particular time period. (emphasis in original) (Briloff 1972, 50)

This principle allows management to classify certain losses as extraordinary and, thus, avoiding any negative effect on the operating results (net income or earnings per share). The corollary to this loss treatment is that non-recurring gains are often treated the same as operating income. When something unusual negatively affects the earnings of an organization, it is not included in the determination of net income, thus, not reducing the bottom line. But unusual gains, are included in determining net income and boost the bottom line accordingly.
Principles five, six, and seven (measurement in terms of money—which appears to be covered by the third principle—accrual, and exchange price) are essentially "mechanical." The next four principles (approximation, judgement, general purpose financial information, and financial statements should be fundamentally related) appear platitudinous.

Substance over form is the twelfth principle. It was the principle ignored by the accountants involved in "Liberty Equities, Penn Central (re Great Southwest), Commonwealth United, [and the] Leasco" scandals (Briloff 1972, 51). The accountants in these situations forgot that substance is more important than form. In each of these situations, ranging from abuses by real estate developers to abuses in business combinations (mergers), the economic substance of a deal was sacrificed to enhance form (financial statement presentation).

The thirteenth principle is often the most misunderstood—materiality. "Financial reporting is only concerned with information that is significant enough to affect evaluations and decisions" (Briloff 1972, 52). This principle affords management and accountants a loophole allowing them to avoid accountability. Materiality is never defined—it is always a matter of judgement. When something is deemed
immaterial, it is not reported. This gives management tremendous leeway in “filtering” the information that is disseminated. Materiality had an affect on the financial statements of Occidental Petroleum and General Dynamics. Both companies chose not to disclose items which became public only after being exposed in *The Wall Street Journal*. Materiality was a key to a court case involving Bar Chris, a company that built and supplied bowling alleys. The court’s decision stated, “‘It is a prerequisite to liability under Section 11 of the [Securities Act of 1933] that the fact which is falsely stated . . . or is omitted when it should have been stated to avoid misleading, be “material'”’ (Briloff 1972, 53). Bar Chris had understated its liabilities by $325,000, and its current assets were overstated by $600,000.

The principle of materiality can affect the income statement as well as the balance sheet. Briloff accuses GAF Corporation of manipulating its sales figures (and thus its net income) by changing its fiscal year. This move enabled GAF to increase its net income for 1970 by 25 percent. These transgressions or lapses in common sense (judgement) were defended on the grounds of immateriality.
The title of Briloff's book *More Debits than Credits: The Burnt Investor's Guide to Financial Statements*, reveals his intended market (burnt investors) and his intended targets (the organizations that the burnt investors invested in). The criticism of the characteristics and principles of accounting reviewed above manifest themselves in the accounting practices and methods called GAAP. Briloff begins his criticism with an analysis of an American Institute of Certified Public Accountants (AICPA) sponsored attempt at codifying GAAP. Table 1, reprinted by Briloff, is from the catalog of alternative accounting methods for certain transactions in Chapter 10 of the AICPA report (codification attempt).

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Number of Alternatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>When revenue recognized for long-term contractors</td>
<td>2</td>
</tr>
<tr>
<td>Accounting for unfunded pension cost</td>
<td>2</td>
</tr>
<tr>
<td>Accounting for funded pension cost</td>
<td>2</td>
</tr>
<tr>
<td>Charging of real and personal property taxes to income</td>
<td>8</td>
</tr>
<tr>
<td>Treatment of tax vs. financial accounting divergences</td>
<td>3</td>
</tr>
<tr>
<td>Methods of depreciation</td>
<td>4</td>
</tr>
<tr>
<td>Inventory methods</td>
<td>5</td>
</tr>
<tr>
<td>Accounting for discounts</td>
<td>2</td>
</tr>
<tr>
<td>Fixed asset acquisition</td>
<td>4</td>
</tr>
<tr>
<td>Fixed asset construction</td>
<td>3</td>
</tr>
<tr>
<td>Development costs in extractive industries, etc.</td>
<td>3</td>
</tr>
</tbody>
</table>


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"In all, the study listed thirty-one separate kinds of transactions with an aggregate of eighty different [accounting practice] alternatives" (Briloff 1976, 7). The effect of all these alternative accounting methods has its ramifications in the court cases involving accounting practices. When courts are asked to:

Interpret and apply GAAP as evidenced in a Maryland Appellate Court judge's sardonic observation that "Accounting concepts are a foreign language to some lawyers in almost all cases, and to almost all lawyers in some cases. . . ." More recently (May, 1974) a Federal District Court judge alluded to the "accounting norms, comprehensible only to the initiate. . . ." (The judge was overly flattering to the initiate.) The phrase *terra incognita* pervades legal and judicial commentaries on the accountant's craft. (Briloff 1976, 8)

Briloff does not just blame the alternative accounting methods available for recording transactions for the confusion of the non-initiates when exposed to the arcane domain of the accountant. The auditor's statement concerning the scope of the audit and the auditor's opinion is published as part of the annual report (oftentimes referred to as the auditor's certificate). In this statement, the auditors state whether the financial statements present fairly (the financial position, results of operations, etc., of the organization) in conformity with generally accepted accounting principles. According to Briloff, this auditor's
statement is ambiguous and must also share some of the blame. In an AICPA report prepared by a special select committee:

In the standard report of the auditor, he generally says that financial statements “present fairly” in conformity with generally accepted accounting principles. What does the auditor mean by the quoted words? Is he saying: (1) that the statements are fair and in accordance with generally accepted accounting principles; or (2) that they are fair because they are in accordance with generally accepted accounting principle; or (3) that they are fair only to the extent that generally accepted accounting principles are fair; or (4) that whatever the generally accepted accounting principles may be, the presentation of them is fair? (Briloff 1976, 9)

The issue of what is meant by present fairly was addressed in both the Continental Vending Machine Corporation and Penn Central court cases. Penn Central and their auditors (Peat, Marwick, Mitchell & Company) were caught generating millions in dollars of net income in the accounting department rather than from the sale of railroad tickets. Investors, creditors, and other outside users relied on the financial statements, especially since they had been audited by such a respected and venerated international auditing firm. Penn Central was thus able to project a much better financial position than was actually the case. At issue was whether

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17One method used involved changing accounting methods from those that expense items more quickly to those that expense items more slowly; e.g., by changing from an accelerated depreciation method to straight-line depreciation or by changing the estimated service life of an asset—the time period over which it is depreciated—from ten years to twenty years.
the financial statements *fairly presented* the financial position of the organization. Briloff questions how Penn Central’s last financial statements could reflect good profits and solid financial position immediately before the organization went bankrupt.

The other half of the “fairness in accordance with generally accepted accounting principles” myth pertains to the “gap in GAAP.” There are still significant numbers of statement users and even some statement preparers who presume that accounting principles are really principles in the true sense of the word. To the contrary, GAAP is not of divine origin; it is, instead, something of a chimera derived from economics, law, mathematics, the behavioral sciences, ethics, communications. Over the past forty years the accounting profession has endeavored to codify this body of knowledge. . . . The body of knowledge which the profession has evolved can lead to a fair presentation—most financial statements prepared in accordance with GAAP do provide a reasonable and responsible basis for decision making. But these very same precepts may be perverted and distorted in practice, . . . (Briloff 1981, 7-8)

Briloff does not just rail against the accounting practices and their ability (propensity) to be used by people seeking an unfair advantage (or used to take advantage of people). Briloff also takes issue with the accounting profession and its leading authorities. Not exempt from his

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analysis is the AICPA, the leading organization of practicing accountants.\textsuperscript{18} It has sometimes been the target/cause of Briloff's ire.

I turn now to what I contend is at the root of the accounting profession's dilemma, namely, the essential failure of the profession's organization (especially the American Institute of Certified Public Accountants) to fulfill the self-regulatory standard presumed for a profession. In brief, I accuse the AICPA of abdicating its responsibility to insist that its members be principled even while searching for the more effective body of accounting principles. . . . Except for occasional platitudinous nods, the Institute has chosen to ignore the most serious transgressions on the part of its members—especially when these have been perpetrated by the major firms identified with the financial and logistical support of the AICPA. (emphasis added) (Briloff 1976, 350)

Briloff investigates the sixty-three suspension or expulsions of members by the AICPA from 1970 through 1974. All but three of these disciplinary actions were directed at members of non-national accounting firms; sixty of the disciplinary actions were directed at accountants practicing as sole proprietors, small partnerships, or regional firms. None of the firms affected by the disciplinary actions was fortunate enough to have a former member of the firm serving as the president, committee chair, or other officer or board member of the AICPA. However, the interna-

\textsuperscript{18} Miranti (1990) provides an interesting "objective" or at least noncritical history of the profession that resulted in certified public accountants. What separates Miranti's work from other histories of the profession is his historical analysis of the organizations that finally synthesized into the AICPA. Antonio (1985) and Greathouse (1985) use a similar approach in their histories of the GASB and NCGA respectively.
tional accounting firms that supply the AICPA with their presidents, committee chairs, and other officers and board members, and commit the transgressions Briloff investigates, received mere "slaps-on-the-wrists" as punishment. Nowhere were the names of the individuals (or their firms' names) of the auditors implicated in Continental Vending, National Student Marketing, Penn Central, Chrysler, Investors Overseas Services (Bernard Cornfeld and Robert Vesco), Maurice Stans (CPA—of Watergate fame), Equity Funding, the Lockheed bribery scandal, etc. These firms are all clients of the "Big Six," the six largest international accounting firms—what used to be called the Big Eight before mergers concentrated them and their power further.

A recent growth market for accountants is the area of management advisory services. Oftentimes, this consulting activity is performed by a department in the accounting firm that also audits the client. Briloff contends that this relationship is incompatible with the auditor's independence. The issue of auditor independence is the cornerstone of trust between the profession and the users of the financial information attested to by the auditors. The auditor maintains independence from the client to ensure a separation between the management of the organization (those responsible for collecting the data) and the person performing the
attest function (those expressing an opinion as to the data's fairness).

What faith could be placed in financial statements that were prepared and attested to ("certified") by the issuing organization rather than attested to by an independent professional (a CPA firm). A table accompanying an article entitled "Who's Who in Management Consulting Services" reprinted by Briloff with his asterisks identifying accounting firms is included here as Table 2.

Table 2.— Who's Who in Management Consulting Services

<table>
<thead>
<tr>
<th>Firm</th>
<th>(Millions)</th>
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<tbody>
<tr>
<td>Arthur D. Little</td>
<td>$121</td>
</tr>
<tr>
<td>Booz Allen &amp; Hamilton</td>
<td>115</td>
</tr>
<tr>
<td>*Arthur Andersen</td>
<td>114</td>
</tr>
<tr>
<td>McKinsey &amp; Co.</td>
<td>100</td>
</tr>
<tr>
<td>*Coopers &amp; Lybrand</td>
<td>83</td>
</tr>
<tr>
<td>*Touche Ross</td>
<td>72</td>
</tr>
<tr>
<td>*Peat, Marwick, Mitchell</td>
<td>70</td>
</tr>
<tr>
<td>Towers Perrin Forster &amp; Crosby</td>
<td>60</td>
</tr>
<tr>
<td>*Arthur Young &amp; Co.</td>
<td>53</td>
</tr>
<tr>
<td>*Ernst &amp; Ernst</td>
<td>51</td>
</tr>
<tr>
<td>Reliance Consulting Group</td>
<td>42</td>
</tr>
<tr>
<td>Hay Associates</td>
<td>42</td>
</tr>
<tr>
<td>*Price Waterhouse</td>
<td>33</td>
</tr>
<tr>
<td>A. T. Kearney</td>
<td>30</td>
</tr>
<tr>
<td>Boston Consulting Group</td>
<td>27</td>
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</tbody>
</table>


The problems with this perceived lack of auditor independence identified by Briloff are:
1. An inability to define (or at least a failure to so define) the nature of the services coming within the ambit of "management services."

2. A failure on the part of the auditor to communicate to the financial community the nature of the services which he has rendered in a situation wherein he is also performing the audit or attest function.

3. A failure on the part of the accounting profession to determine the views of those particularly responsible for comprehending the nature of the audit function, and the implications thereof regarding the compatibility of these extended services with the auditor's independence, in appearance and also in fact. (Briloff 1967, 148)

This conflict of interest in allowing accounting firms to audit and engage in management advisory services for the same client is identified by Briloff as the cause of "a number of major Wall Street brokerage firms that went 'belly up' during the early 1970's" (Briloff 1981, 163). The international accounting firm of Haskins & Sells was both the auditor and had been:

Intimately involved in the development of data-processing systems for their many brokerage clients, and as a consequence developing and piloting the systems of internal control intended to protect the enormous quantities of cash, securities, and other liquid resources of these brokerage clients. (Briloff 1981, 163)

The New York Stock Exchange also saw the conflict of interest in this situation and sued Haskins & Sells.
Briloff’s analyses of accounting “problems” started with his first book. The book is based upon the research for his doctoral dissertation—the results of a questionnaire.

The questionnaire is intended to determine the understanding by the financial community of the auditor’s independent reporting function; of the nature of our economic environment in which the auditor fulfills this function; and of the structure of accounting theory which underlies financial recording and reporting, as well as the way in which this accounting theory evolves.

In addition, the questionnaire is intended to help ascertain the extent to which the financial community accepts and is satisfied with the way in which the accounting profession now performs its independent audit function. In addition to being submitted to leading representatives of the financial community, this questionnaire will also be submitted to active practitioners as well as to academicians in this discipline. The results should demonstrate whether the understanding by these practitioners and teachers of the problems here being considered is consistent with that of the members of the financial community responding thereto. (Briloff 1967, 244)

This questionnaire and its results are the basis of Briloff’s other three books. The issues raised, the firms and financial statements analyzed, and the individuals mentioned are the same in each of his books. The difference between them is a matter of time. The “snap-shot” taken by Briloff of a firm in one book, is updated and elaborated upon in the next book. This methodology provides the reader with a history of the issue, recent changes, and in some cases, resolution. Accounting practices have changed during the time Briloff has been writing. Whether the changes
were directly, indirectly, or not at all a result of Briloff's inquiries is not discernible.

Briloff's inquiry into certain accounting practices and the organizations employing them was directed by the results of his initial research. The questionnaire was used to determine which accounting practices were most arcane, misunderstood, or easily manipulated. Research was then conducted to discover which organizations used these practices to their advantage. These organizations and their accounting practices provided Briloff with the material for numerous articles and his next three books. His method of analysis proved popular with his readers. Briloff chose accounting practices that people (inside and outside users) did not understand. He chose private organizations that these same people were interested in (owned stock in, traded their securities, recommended their securities to clients, were employed by, etc.) and explained the impact on the financial statements of the accounting practices used. He then stated what changes he perceived were necessary to alleviate the problems caused by the accounting practice in question.

Each of Briloff's books ends with a chapter containing his prescriptions for better communication of financial information.
The legislative branch should initiate a high-level inquiry into the factors which contributed to the state of disarray demonstrated by the cases spread on these pages.

But it's undoubtedly through the regulatory process that government should have its most direct and positive impact on the problems here under consideration.

This trade-court idea could be especially appropriate... its judges would be expected to be far more knowledgeable of accounting principles and practices... than the judges of the traditional civil and criminal law courts. I would expect the judges on this trade or accounting court to be independent, of judicial temperament, and in all aspects dedicated to the transcendent aims and objectives of the entire process of corporate visibility and accountability. (Briloff 1972, 310-12)

This set of prescriptions from Briloff's second book are radical and severe from the point of view of the brotherhood of professionalism—perhaps even draconian. To invite congress to investigate any profession is a mean-spirited, dastardly deed. To invite the legislature to investigate one's own profession is unthinkable. The only more heinous crime is to view federal regulation of your profession as having a positive impact.

I shall concentrate on what I consider to be several mainstream proposals for the accounting profession's and our corporate society's transcendence. . . .

I urge that the accounting profession effect a 180-degree turnabout in its position as to responsibility for the promulgation of the financial statements to which the auditor adds his certificate, his *imprimatur* (417-18). . . .

I would prohibit the independent attesting auditing firm from engaging in management advisory, and even tax consultative
services to any entity for which the firm assumes the independent attest function (418-19). . . .

As presently structured the AICPA is particularly effective in its advancement of the economics of the firms; it is extremely capable in advancing the objectives of the firms and their major clients in areas of governmental regulation and taxation. But when it comes to the recognition of the entire constituency of the corporate enterprise, those who are affected and afflicted by the conduct of the corporations whose history is being written with the auditor's involvement, the AICPA develops myopia (421). . . . I propose the establishment by Congress of a Corporate Accountability Commission. Such a commission's responsibilities would . . . assume the responsibility for studying, determining, and promulgating standards pertaining to corporate morality, antitrust and monopoly aspects, accounting and accountability, and corporate tax policy—all this on a national and multinational scale (423). . . .

The Financial Accounting Standards Board would continue to play an important role in this new scheme of things. While it would not be the ultimate arbiter of the standards for corporate accountability FASB [Financial Accounting Standards Board] might well be preserved to be the officially constituted spokesman for the corporate managerial axis. (426) (Briloff 1976)

By Briloff's third book, his prescriptions are more specific. He still views the federal government, specifically Congress, as having the authority and the ability to solve the problems identified in his original research study and subsequent inquiries. Perhaps Briloff is just echoing the theme that government could accomplish whatever it put its power behind (Van Riper 1983, 485). If a problem was discovered in the financial reporting practices of private organizations, then the federal government should and could do something to solve the problem.
In his latest book Briloff still recommends a governmental solution to the problems afflicting accounting.

Some of the exhortations, pleas, and proposals made in the preceding chapters . . . [such as] a major reconsideration of the accounting for business combinations (256). . . . A sharp delineation between the independent audit function and the assortment of consultative services which might conflict with such function (256). . . . An end to the ambivalent consent decrees which have become the hallmark of the SEC’s enforcement process (257) . . . [making] the independent auditor responsible for the choosing [between] the alternatives . . . of GAAP . . . [rather than] corporate management (258) . . . [a] far more radical restructuring of the disciplinary process (260). . . . [Insisting] that all students aspiring for entry to our profession be compelled to at least question, and possibly even to challenge, the doctrines emanating from the Establishment (262). . . . [for these reasons] I urge the creation of a joint congressional committee on corporate accounting (263). (Briloff 1976)

The prescriptions proposed by Briloff are just a repackaging of his original prescriptions. The accounting alternatives for business combinations have been a target of Briloff’s since 1970 when the APB issued its Opinion 16. ¹⁹ His inclusion of the consent decrees prescription (although mentioned in his latest three books) followed after a number of auditors from large international accounting firms plead neither guilty nor innocent to charges in SEC-led investigations. The two

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¹⁹The publication time of the Opinion allowed Briloff to include comments in his first three books, but not making it into his prescriptions until the latest book.
most interesting prescriptions, in my opinion, are the critical thinking requirement for accounting students and the creation of a joint congressional committee on accounting. Briloff’s critical analysis is a modern approach (notice his use of the term Establishment) rather than my post-modern approach. His idea of a joint congressional committee is a much more reasoned prescription than his previous prescriptions (e.g., the trade court, the accounting commission).

Briloff’s research and writings are germane to this dissertation for several reasons. First, Briloff critically analyzes the accounting practices of organizations; unfortunately, the organizations and their accounting practices are those of private organizations. The accounting practices analyzed were brought to Briloff’s attention by the respondents to his questionnaire. Rather than investigating the underlying assumptions of the accounting methods in general, Briloff investigated those practices found to be “troublesome” to practicing accountants and members of the financial community. After the practices were identified, Briloff attempted to solve the problem. Briloff’s solution, though, could be no better than the problem. In choosing a solution, Briloff shows his bias towards the underlying assumptions of the new accounting method (he prescribes the solution) and against the underlying assumptions of the
traditional method. In other words, what he is really doing is advocating one set of underlying assumptions to replace the previous set of underlying assumptions.

Critical/Radical Accounting Literature

Another critical accounting researcher similar to Briloff but of a more Marxist nature is Tony Tinker. Although called radical, his approach uses the rhetoric of Marxism (alienation, social domination, expropriation, etc.). I consider Tinker a "Briloff with Marxist tendencies." Perhaps a better description of Tinker is "Michael Parenti with an accounting degree." Whichever description is more evocative of Tinker's affect on accounting research, his impact on it is irrefutable.

His purpose in writing Paper Prophets was to:

Disclose the power of accounting practice; [to] . . . sweep away the mystifications and the false images of bookkeepers and technicians and show how accounting policy and practice affects the quality of life of millions of people. (Tinker 1985, xv)

The first part of Tinker's book is similar to Briloff's last three books. He begins with a familiar laundry list of corporate accounting scan-
These scandals form the basis for Tinker's argument that we need a new theory of accounting—one that is not based on a marginalist theory of value (which Tinker finds too prone to alienation). He offers several radical accounting theories to replace contemporary accounting. Each of the radical theories is more sensitive to the issue of alienation than contemporary accounting. However, none of these radical theories has been developed beyond the hypothetical stage (e.g., social constituency accounting and emancipatory accounting). These hypothetical theories are deemed an improvement over the present structure since they are more sensitive to the alienation issue.

Tinker addresses the lack of understanding of accounting by politicians and policy analysts with the same broad brush stroke he uses to paint the ignorance of accounting educators, students, and practitioners.

Members of the public do not appreciate the impact of accounting practices, politicians and public policy analysts underestimate the power of accounting, and most frequently, accounting professors, students, and even practitioners fail to realize the import of what they are (and are not) doing. (Tinker 1985, xv)

Tinker's Weltanschauung, his paradigm, is one of radical structuralism.

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For example, National Student Marketing Corporation, Investors Overseas Services, Ponzi schemes, all favorite targets of Briloff's and each appears in several of his works.
The greatest contribution of Marx, Aquinas, Smith, Ricardo, Sartre, and many others was to show that things are not as they seem; this lesson is especially true when applied to accounting. These great social philosophers will help us see accountants in a different light: not as harmless bookkeepers, but as arbiters in social conflict, as architects of unequal exchanges, as instruments of alienation, and as accomplices in the expropriation of the life experiences of others. (Tinker 1985, xv-xvi)

If Tinker is a radical structuralist accountant, it would seem to make him one of the few if not the only one. The label would be almost oxymoronic, considering accounting’s capitalist pedigree.

The profession of public accounting as we presently know it . . . came into being in Great Britain in the 1850’s with the introduction of the companies acts and the bankruptcy acts, legislation designed to protect shareholders and promote capital accumulation during the early stages of the industrial revolution. In the decades following the U.S. Civil War, British chartered accountants came to the United States to monitor the capital investment of the Old World in the New World. (Tinker 1985, xvi)

Tinker acknowledges that accounting contributed to the growth of the United States’s economy during the industrial revolution. The capital necessary for the United States’ industrial expansion was located overseas. These overseas investors wanted the financial data of these fledgling companies and industries certified by “their own accountants.” But what was created to process the financial data were systems that
perform other "tasks." Along with the stewardship function, accounting systems introduced more control.21

Accounting systems and the information that they present are used to control a diverse range of institutional activities, including payment of income tax obligations, rate fixing by public utilities, price fixing and cost control in government contracts, and in the regulation of banks and insurance companies.

The demand for the services of independent auditors arose from the potential conflict of interest inherent in the relationship between corporate management and the stockholders whom the management represent in a fiduciary capacity. Financial statements are one way of evaluating how well corporate management has discharged its stewardship responsibility to the owners. It is the auditor's responsibility to ensure that the financial statements are free from bias and distortion and that they accurately reflect the financial condition of the enterprise. (Tinker 1985, xvii)

Tinker analyzes accounting theory in general and certain accounting rules specifically to "debunk" the mythology of accounting. He attempts to strip away the veneer of accounting's value-neutral facade to expose its prejudices and proposes a set of new and better values to replace these.

We will move beneath the mythology of the accountant as an impartial messenger of economic facts and examine the manner in which the profession shapes our economic and social reality through the partisan set of accounting rules that governs the

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21 Accounting and control is not a new issue. Rorem (1928) wrote about "social control through accounts" in an otherwise straightforward accounting textbook. As mentioned in chapter one, Knights and Collinson (1987) wrote about the disciplinary effects of accounting on shopfloor workers.
reporting and disclosure of information about corporations. (Tinker 1985, xix)

Tinker analyzes the social aspects of accounting and the social function of accounting.

Accounting rules supply one of the most fundamental ingredients of economic and social choices: the valuation of alternatives. . . . The valuation component of decisions is the object of accounting rules. . . .

Members of a society are interconnected through their economic and social interdependencies: employees to investors to consumers to taxpayers to mothers to welfare recipients to students to insomniacs. Accounting information is not merely a manifestation of this myriad of interdependencies; it is a social scheme for adjudicating these relationships. We are all costs and revenues to each other; everyone is potentially a benefactor and a victim in the accounting nexus of social decision. (Tinker 1985, xx)

He recognizes the economic interrelationships and interdependencies and the potential for manipulation.

Tinker analyzes the accounting rules—the bookkeeping procedures that are followed—from a radical perspective.

The ultimate trivialization and degradation of accounting is the near obsession with rules and bookkeeping procedures. Today's students are trained to become greyhounds in bookkeeping and ignoramuses in social analysis. . . . The first task is to debunk the subject's camouflage of "objective," "technical" expertise and expose the discipline's social, human, and moral malaise. (Tinker 1985, xxi)

Insofar as modern accounting systems fail to uncover forms of social domination and alienation, we can view these systems as ideologies that conceal important aspects of social reality. I argue
that as it is presently practiced, accounting is incapable of recognizing even the most blatant forms of alienation, and that as long as this persists, public criticism of, and dissatisfaction with, the profession’s conduct will continue. (Tinker 1985, xxii)

Tinker stretches the imagination of the reader when he suggests that accounting can be used to resolve environmental disasters. In response to the Love Canal environmental debacle and accounting’s responsibilities

Accounting bears a responsibility in the way it helps resolve the distribution of income, whether between corporate polluters and local communities, or between inside and outside shareholders. (Tinker 1985, 9)

This suggestion is a “hard sell” for anyone to make to private organization accountants and their boards of directors.

A particularly interesting target of Tinker’s, though, is the rate fixing structure of public utilities. Tinker analyzes the accounting practices of public utilities and how they rationalize rate increases. Through a subterfuge of accounting reclassification and reallocation of costs, utility companies are able to “prove” their claims of not getting a fair rate of return. The utility companies use accounting sleights-of-hand to massage the numbers—to use accounting to “... not merely describe history passively, it helps to create it” (Tinker 1985, 64).
Conclusion of Private Organization Accounting Literature

Both Briloff and Tinker illustrate well the modernist foundation of current critical analysis of accounting for private organizations. They both pursue the project of replacing the present ideology underlying accounting with an alternative ideology that they prefer more. The same pattern can be seen in other critical writings about accounting. A journal oriented towards the critical and radical approach to accounting for private organizations is *Accounting, Organizations and Society*. A sampling of articles reveals a decidedly modernist approach: Armstrong (1987) argues his view of how the chartered accountants have risen to such a pre-eminent position in the management hierarchies and boardrooms of British firms (the exaggerated importance of the audit function enabled accountants to establish a niche from which they “took over” the boardrooms), Solomons (1991) criticizes the notion that accounting practices should be chosen on the basis of depicting economic events positively rather than choosing practices that depict economic phenomena accurately, and Colville (1981) addresses the dominant behavioral research methodology, the natural scientific approach, why he feels it is an inappropriate methodology, and which alternative methodologies are
better suited to the behavioral aspects of accounting. However, this publication also has published an accounting article using a deconstructive methodological strategy. Because this article is so directly related to the methodology used in the present study, it will be described in more detail in the following chapter.

These journal articles are representative of the direction of scholarly enquiry in private organization accounting. When considered with the works of Briloff and Tinker, the lack of critical analyses of public organization accounting is obvious.

**Ancillary Literature**

The literature reviewed in this section, though not directly related to the purview of the dissertation is included because it (1) involves resource or financial issues and has developed a critical theme in treating these or (2) involves issues of institutional change related to the ones of interest here. As we will see, all this literature works from a modernist position, indicating, perhaps, that the approach used and contribution sought in the present work is novel.
Budgeting

As previously stated, if accounting is a language (Belkaoui 1978, 97-104; Meigs and Meigs 1990, 4) then budgeting is a dialect of its root language, accounting. Budgeting, however, is a complicated process that is much more than preparing a money plan. According to the U.S. General Accounting Office (GAO), “the budget is the principle tool used to effect policy decisions” (GAO 1993b, 1).22 The budget is formulated using accounting information as “the source of data on resources used in prior years” (GAO 1993b, 32). The budget is the primary device for implementing governmental policy (GAO 1993b, 1). Thus, the assumptions inherent in the accounting methods used to formulate the budgets have a direct effect on the policy decisions made by government. The important role of accounting in structuring budgets and hence shaping public policy is not treated in the literature of public organization accounting.

Not all observers of the budgetary process would agree with the GAO's assessment of the importance of the budget to public policy,  

22This importance of the budget explains why California Governor Deukmejian was so anxious “to put to rest the ‘accountant’s debate’ over the existence of a deficit in last year’s budget” (Larson and Miller 1993, 5).
though. Wamsley and Salamon (1975) find the idea of the budget as a steering device:

Can have an unfortunate attraction for political scientists who may find it satisfying to think that the set of phenomena they study has the major role in steering society on a charted course. This line of thinking can be a delusion, and it must be tested constantly against reality. This study challenges the assumption that the budget process is an unparalleled instrument of steering. . . . (Wamsley and Salamon 1975, 249)

Wamsley and Hedblom (1983) wonder:

Is budgeting really the principal strategic instrument in the toolkits of public managers, or just one more function to which they must give their already sorely divided attention? Neither the literature nor the practices of public management gives a clear and unequivocal answer. Both suggest that budgeting can be either an instrument of strategic management or a boring but necessary ritual. (Wamsley and Hedblom 1983, 327)

Whichever view of budgeting one subscribes to, the fact remains that budgeting is an activity that consumes an enormous amount of time in our public organizations. If one observes that the budget for the one period uses results of the preceding period as a starting point and that the preceding period's results are measured using data from the accounting system, the importance the accounting methods have in the budgetary process becomes obvious.
The Role of Accounting in Reinventing Government

During the most recent presidential election, transition period, and early days of the new administration, a popular theme of the administration has been the desire to "reinvent government." This theme is borrowed from the title of a popular book, Reinventing Government (Osborne and Gaebler 1992). The authors do not engage in bureaucrat bashing but exhort governments to adopt an entrepreneurial perspective. This perspective, they write, is necessary in these times of severe budgetary constraints. Entrepreneurial government "searches for more efficient and effective ways of managing:" . . . (Osborne and Gaebler 1992, 18). The ideas espoused in this book borrow much from private organization management. Current public organization accounting systems and methods are criticized and compared to their private organization counterparts.

In any institution, people pay attention to what is counted . . . in government, accounting systems give the long term short shrift. Businesses and governments practice very different forms of accounting. Businesses use "accrual accounting" . . . .

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23Examples of ideas borrowed from private organization management include, encouraging price competition between vendors and providers of goods and services regardless of whether the vendor or provider is a private or public organization, customer-oriented service provision similar to private organization total quality management (TQM) efforts, organizing public organization departments into units similar to profit centers in private organizations, etc.
ments normally use cash accounting . . . [which is] future blind. (Osborne and Gaebler 1992, 243)

[Governmental accounting] developed in response to a rising level of public alarm about government corruption in the early years of this century. The focus was on “control” systems, to make it difficult to steal. Because fraud usually dealt with current transactions, not future obligations [like in accrual accounting], the focus remained entirely on the short term. (Leonard 1986)

Much of the “red tape” in government is a result of accounting methods instituted to prevent fraud and protect the taxpayers.²⁴ A greater degree of accountability is usually concomitant with less efficiency. Starting in the Progressive Era, reformers created red tape to control the Boss Tweeds of the governments of the day but such red tape also frustrates the honest 99 percent of public organization employees.

The government’s preoccupation with numbers is not just limited to what can be termed the control function of numbers.

Government is famous for its endless figures and forms. To an outsider, it seems like an industry that pays an enormous amount of attention to numbers. People in government are always counting something or churning out some statistical report. But

²⁴Examples of this “red tape” include, procurement policies with endless paperwork and associated labor costs followed blindly to please the “bean counters,” ridiculous travel voucher procedures that discourage necessary travel and beneficial professional development because the travel voucher process is “more trouble than its worth,” and other procedures enacted by legislators to make fraud more difficult to commit but which also make “doing their job” more difficult for public organization employees.
most of this counting is focused on inputs: how much is spent, how many people are served, what service each person received. Very seldom does it focus on outcome, on results.

This is true in part because measuring results is so difficult. Measuring profit in business is fairly straightforward. Measuring results in government is not. (Osborne and Gaebler 1992, 349)

This preoccupation with counting (a “bigger—or more—is better” attitude) even permeates public higher education organizations.

A vocational school might pump out more and more graduates of a welding program, for instance. But if those graduates cannot find jobs as welders, what good is the program? It may be generating impressive outputs without generating any positive outcomes. (Osborne and Gaebler 1992, 350)

This tendency to measure process is natural. However:

The problem comes when organizations measure only process—as too many do. Fox Valley Technical College measures many process issues; the number of courses scheduled but later dropped; the use of evaluation techniques that stress skill competency rather than the ability to take written exams; the amount of computer-based instruction offered; and so on. If it did not also measure how many graduates got jobs in the fields for which they trained, their satisfaction, and the satisfaction of employers, however, it might create ever better courses that resulted in ever fewer job placements. Once robots have replaced welders, it makes no sense to keep working to improve one’s welding courses. (Osborne and Gaebler 1992, 351)

The theme being developed here by Osborne and Gaebler is that numbers must not govern, people must govern—and policy should not be based solely on “the numbers.”
The public certainly wants efficient government, but it wants effective government even more. Citizens may be pleased that they spend less per student on education than any other state, but if their schools are the worst in the country, they are not likely to be pleased for long. (Osborne and Gaelber 1992, 352)

An obsession with numbers can actually have an adverse effect on performance. The bored, uncaring civil servant becomes to public administration what the bored, uncaring production line employee is to business administration.

If all performance evaluation is done through numbers, service providers may also learn to game the numbers. “We watch the [enrollment and job placement] numbers, but we don’t want our centers obsessed with them,” explains Suzanne Teegarden, director of Massachusetts’ Industrial Services Program.

Our worst centers are those that are numbers-driven. One of them—if the goal is 250 people enrolled, you can be sure they’ll enroll 252. They aren’t very energetic, and they don’t take risks. Our best centers are the ones that really care, that get creative, that do it first and ask questions later. We know the centers well, so we know what the numbers mean. (Osborne and Gaebler 1992, 355)

A remedy for the blind “following” of numbers is for the employees to assist in determining the significance of the particular measure.

To use data effectively, after all, people have to buy into its value. They need to “own” the specific measures used—to feel that they provide useful, relevant, information that will improve the service they deliver. Those who oppose the idea, or oppose particular measures, need a fair hearing. Saddling people with inappropriate measures in whose development they have had no input is a sure
way to create resistance, destroy morale, and encourage cheating. (Osborne and Gaebler 1992, 358)

Legislatively imposed accounting methods are a good example of a measure coming from the top down and oftentimes is a control device—it lets the voters know that the legislators are aware of a problem and have initiated a "rational" method to track the problem—that can backfire. The incentives that "the numbers" (goals, performance targets, success measures, productivity measures, etc.) provide do not always yield the desired results.

The funding formula used to finance nursing home care in Illinois during the 1970s created an incentive to keep people bedridden. . . . The performance measures originally used by JTPA [Job Training Partnership Act] encouraged job training providers to cream [serving only those with a high probability of success]. Perverse incentives like these can undermine the entire effort to measure performance. (Osborne and Gaebler 1992, 358)

Public administrators are not always trained to properly use the information provided by the accounting system.

The Fund for the City of New York discovered, according to Greg Farrell, that "good measures and management information turned out to be much easier to conceive than to integrate into the conduct of government business. . . . Government managers are not, for the most part, used to having or using management information, especially for forward-looking purposes. And on many issues, political pressures are often so great that data seem to be beside the point when decisions are made." (Osborne and Gaebler 1992, 359)
Both Osborne and Gaebler write of reinventing government. Some people have taken issue with the term reinventing. The authors present some new tools that public organizations can use to better provide their goods and services. They also present some old and repackaged ideas. Perhaps the climate is right for the adoption of the ideas that were abandoned or ignored when the time was not right. Perhaps they were abandoned or ignored for reasons that still exist. The ideas concerning counting and accounting are however, worth further scrutiny.

Higher Education

*Lives on the Boundary*, by Mike Rose addresses the failure of public organization educational institutions to serve their students and, thus, society. A central theme is: Students are labeled as “learning disabled” or “special” and are marked for the rest of their lives. Even those not so labeled are treated homogeneously; our educational system is just a large cookie-cutter. College professors expect their students to

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25Goodsell (1993) finds we have in fact accepted—or at least debated—“many of [the ideas put forth by Osborne and Gaebler] for years even decades... What it all comes down to, perhaps, is whether we wish to buy from these authors a mixed bag of old and new and good and bad ideas—labeled collectively ‘Reinvented Government.’ A sensible alternative might be to accept their admonition to be open to new ideas but on an experimental and ad hoc basis... we would most probably describe ourselves as not reinventing government, but rediscovering it.” (86)
possess similar educational grounding. 26 We have created an educational underclass—the educationally underprepared.

The causes of an educational underclass are many. One of the causes for the present situation is the way we account for higher education. The trend to quantify, to count, to number (mentioned in the *Reinventing Government* section), has become an end unto itself in public education organizations.

The drive to quantify became very strong, a reality unto itself, and what you couldn't represent with a ratio or a chart—what was messy and social and complex—was simply harder to talk about and much harder to get acknowledged. Patricia Cline Cohen, the historian of numeracy, notes that in America there is a belief that "to measure is to initiate a cure." But a focus on quantification . . . can divert us from rather than guide us towards solutions. Numbers seduce us into thinking we know more than we do; they give us the false assurance of rigor but reveal little about the complex cognitive and emotional processes behind the [quantification]. (Rose 1989, 200)

This trend towards quantification and what it led us to believe was important in higher education affected the way we perceived higher education. Accounting is oftentimes used to promote efficiency. The

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26 Students are expected to have studied Shakespeare, have familiarity with the Bible, so that literary allusions make sense; teachers take these things for granted. However, when dealing with an ethnically diverse student population or academically able students from academically poor high schools these things cannot always be taken for granted. These students are willing and able to learn but lack the same quality educational background as those they are competing against (Rose 1989).
quantification trend in higher education in turn supported the movement
towards efficiency.

This approach was further supported and advanced by what
Raymond Callahan has called "the cult of efficiency," a strong
push to apply to education the principles of industrial scientific
management. Educational gains were defined as products, and the
output of products could be measured. Pedagogical effective-
ness—which meant cost-effectiveness—could be determined with
"scientific" accuracy. What emerges, finally, is a combination of
positivism, efficiency, and a focus on grammar that would have a
profound influence on pedagogy and research. (Rose 1989, 208)

The effect that this "cult of efficiency" had on higher education
was to have a profound effect on the administration of institutions of
higher education. Examples of this are evident in many states including
Virginia (as we will see in the analysis part of this work). For example,
community colleges are compared to one another in terms of their
productivity. Legislators use these productivity figures to allocate scarce
resources amongst institutions. Administrators use these figures to
allocate scarce resources amongst departments.

Conclusion

The literature of critical studies of accounting methods of public
organizations is virtually non-existent, even though there is much
literature addressing the topic of accounting for private organizations.
This "how-to" genre is more than adequately filled with published work. The supplemental genre has many sources of information of a descriptive nature (i.e., these are the problems you encounter in accounting for debt service funds, or public organization fixed assets, etc.). That a literature of a critical nature is absent in the field of public organization accounting is made all the more puzzling by the fact that there is much more critical literature relating to accounting for private organizations. Further, the critical literature, relatively speaking, of accounting for private organizations is both "consumer (investor) protection" oriented (i.e., Briloff) and anti-establishment/radical (i.e., Tinker).

It seems then, that the contribution this dissertation seeks is therefore validated. This dissertation will contribute to the critical literature of accounting for public organizations by analyzing accounting methods for Virginia community colleges using a non-ideological deconstructive methodological strategy described in the next chapter.
CHAPTER 3

METHODOLOGICAL STRATEGY

Introduction

Literature as well as criticism—the difference between them being delusive—is condemned (or privileged) to be forever the most rigorous and, consequently, the most unreliable language in terms of which man names and transforms himself.

—Paul de Man, Allegories of Reading: Figural Language in Rousseau, Nietzsche, Rilke, and Proust

In this dissertation I use deconstruction as the methodological strategy to analyze certain accounting practices of Virginia community colleges. In this chapter I will discuss my choice of methodological strategy. I will give a brief history of modernism, post-modernism, and deconstruction, discuss the contributions of several individuals to post-modernism and deconstruction, describe the use and cite example of deconstruction in literary criticism, the social sciences, administration, and accounting, and explain my reasons for choosing deconstruction as a methodological strategy.
As noted in the literature review, accounting is described as the language of business (Meigs and Meigs 1990, 3; Belkaoui 1978, 97-104). If accounting is a language then the financial reports that are generated by accounting are its (accounting's) text or literature. And if these accounting reports are its literature, then following de Man's logic is not accounting an "... unreliable language in terms of which man names and transforms himself" (de Man 1979, 19)? In other words, is it not a good candidate for deconstruction?

This post-modern thought is the basic tenet of deconstructionism—viz., that language is unstable and unreliable. Deconstruction originated as a tool primarily for literary criticism where deconstructive "play" was easy to accomplish but increasingly, it is being used in the social sciences and other non-literary disciplines.²⁷

There are now a number of textbooks that extol the virtues of deconstruction as a form of inquiry. Colleges and universities have developed reputations and their faculty considered experts in deconstructive methods (e.g., Yale University and Paul de Man, J. Hillis Miller,

²⁷During the 1980s, deconstructive methodology was used by authors in publications addressing engineering, economics, psychology, forestry, management, industrial organization, property management, and of particular note public administration and accounting (Rosenau 1992, 4).
and Geoffrey Hartman) (Crowley 1989, 19). Once considered “trivial or (paradoxically enough) dangerous” (Crowley 1989, 19), deconstruction is no longer an analytical lens of the radical fringe but an accepted method of scholarly inquiry.

The Historical Evolution of Deconstruction

To understand deconstruction, one must first look at the historical process that led to its development. Post-modernism follows the modern age and post-modern thought is a reaction to modernism in the same way that other eras have produced reactions. Modernism had as its cornerstone a promise of progress through objective, cumulative, scientific knowledge. As modernism failed to deliver on that promise, discontent and disillusionment with modernism increased, creating a philosophic void that has come to be filled by post-modernism. What the scientific method was to modernism, deconstruction is to post-modernism.

Modernism

Various scholars have defined the modern age as encompassing different time periods. Nelson defines modernity as the fifteenth to the nineteenth century (Rosenau 1992, 5). Heller, among others, defines
modernity as prior to the 1960s. Modernity, though, is not just a time-frame, a method of telling time or of conveniently splitting historical periods. It is a philosophical movement that had as its foundation the ideals of the Enlightenment and that has been expressed in the form of social organization that we call modern civilization.

Modernity promised progress and engendered faith in the future (Rosenau 1992, 5). Its vision was that social conditions could be made better, approximating an ideal state towards which reason can guide us. Myth and legend were displaced by rationality. "As modern science replaced religion, the rational individual (the modern subject) replaced God" (Rosenau 1992, 47). The "old beliefs" were subjected to a new scrutiny—the scrutiny of the search for universal truths.

This search for truths manifested itself in many forms and affected all disciplines as people sought systematic, verifiable, consistent, reproducible (viz., "scientific") knowledge. Science could tame and use nature—it could be dominated because it was knowable. It was not intuitive to only a select or selected few like alchemists, wizards,
priestesses, or shaman; it was attainable or at least understandable to a point by many.\textsuperscript{28} It was based on reason.

Reason and science were brought to bear on organized religion and God. Religions and religious beliefs were scrutinized by reformers and protesters (protestants). Modern philosophy made many people skeptical of organized religion. It empowered the once faithful to question the direction of theology—the Reformation was a result of this questioning.

People questioned the role of God in their lives and wondered what effect God had on their economic life. The Calvinist belief in a connection between material success and salvation led to the development of the protestant work ethic. People wanted to “better themselves” and improve their lot in life, and by so doing, save their souls. The modern idea of economic progress arose—namely that economic dynamics could be defined and understood scientifically.

The industrial revolution lured people off their farms and promised them economic progress. Society changed from a rural,

\textsuperscript{28}The terms “scientifically proven” and “recent scientific evidence” are very powerful—their overuse in advertising (“scientifically proven to whiten whites and brighten colors . . . recent scientific evidence in the fight against cavities”) is an indication of just how important science and scientific provability have become.
agrarian culture to an urban, industrialized culture. Lucky industrialists, investors, merchants, and bankers made fortunes in the boom-town atmosphere of the early cities. It did not take a tremendous leap of faith to believe that if the lot of the individual could be improved, then the lot of humanity could be improved as well.

Post-Modernism

Modernity did not deliver on its promises. What modernity delivered was two world wars, nuclear weapons, Watergate, and continued unrest in Northern Ireland and the Mid-East. Discontent with the status-quo, a mistrust that the future would be brighter, and a loss of faith that progress was real resulted from the lackluster performance of the modern age. Science rescued us from the Middle Ages but then seemed best at producing hollow achievements like sending people to the moon. What societal purpose was served? Did it foster better race relations, end the war in Vietnam, end the war on poverty, or feed the hungry?

Post-modernism is the reaction that resulted from this disillusionment with modernism. The unmet expectations of modernity, its unfulfilled hopes and dreams, resulted in discontent with modern society.
What had started as a step forward to lead humanity out of the darkness of the Middle Ages into the bright light of modernity was really a stutter step into a dimly lighted post-modernism. The disillusionment with where progress had brought humanity created a philosophic void. The progress and scientifically proven truths that were to rescue us during modernity and “lead us to the promised land” of the future never materialized.

The European intellectual community, especially the existentialist philosophers, was the first group to respond to this vacuum. Their contribution to post-modernism is described in the next section.

Existentialism

In the European intellectual community, “The French structuralists follow in time, and come to replace, the French existentialists” (Berman 1988, 69). The existentialists with the greatest influence on the post-modernist movement were Friedrich Nietzsche, Martin Heidegger, and Jean-Paul Sartre.

Many post-structuralist thinkers have been greatly influenced by the philosophy of Nietzsche, with its denunciation of the ‘illusion’ of truth and static notions of meaning, its belief in the will to power, its affirmation of the Dionysian way of life, and its hostility to egalitarianism. (Sarup 1989, 96)
“Nietzsche questioned the existence of a thinking, feeling subject who reasons logically and causally” (Rosenau 1992, 44). The post-modernists interpret this as a rejection of the idea of the “modern” subject. In Nietzsche’s work one finds a “suspicion of the values of ‘truth’ and ‘meaning’” (Sarup 1989, 49), and the view that reality is a matter of perspective and interpretation and we are trapped by our perspective and language.

Post-modernists are suspicious of the idea of the rational, intentional subject who can perform the function, for example, of authorship. They believe that meaning is what the reader imparts to a text rather than what the author imparts. Their view is that there are as many interpretations of a text as there are readers of it. These interpretations are affected by perspectives which are formed by exposure to language and, ultimately, fashion the reader’s interpretations.

Martin Heidegger “. . . often crossed out the word Being (like this: Being) and let both deletion and word stand because he felt the word was inadequate yet necessary. Heigegger felt that Being cannot be contained by, is always prior to, indeed transcends, signification. Being is the final signification. Being is the final signified to which all signifiers
refer, the 'transcendental signified'” (Sarup 1989, 35). Derrida was influenced by Heidegger's use of ‘sous rature’ and later used it himself as a device for deconstructing texts.

Jean-Paul Sartre felt there was a gap (gulf) between saying and meaning (Sarup 1989, 16). This is a precursor to Lacan’s idea about the gap between what is said and what is meant and Derrida’s ideas about language. Sartre had a profound effect on Lacan.

Sartre wrote about topics that interested Lacan in his study of psychoanalysis. Of special interest to Lacan was Sartre’s views on the subject and the object. For Sartre, this dichotomy was an important component in love—the objectification of the person we love so that we may possess them.

**Jacques Lacan**


One of Lacan’s achievements is that he has linked psychoanalysis with philosophy, linguistics and literature, and has, at the same time, stressed its status as a science. (Sarup 1992, 28)
Lacan gave seminars and lectures to standing-room only crowds, bringing psychoanalysis to the forefront of social and political issues and radical social criticism. This coincided with the intellectual community’s growing discontent with modern philosophy. Of particular interest to post-modern thought was Lacan’s contributions to linguistics.

Language was a prominent theme in Lacan’s work. It echoed Sartre’s idea of saying and meaning.

However, in language, we can never completely express what we want. There is always a gap between what we say and what we mean. (Sarup 1992, 13)

Language is an incomplete method of communication, whether it is spoken or written. There is always a difference between what we say and what we mean. This is due to the inadequacy of language to say exactly what we mean. If this is true, then it is difficult for someone we are communicating with to ever really understand what we mean since we do not say what we mean—we say only what comes closest to saying what we mean.

In accounting, what accountants say is not necessarily what they mean. There is a gap between what accountants say and what they mean. There is also a gap between what is said and what is meant and what is heard/understood. These gaps are caused by the linguistic sign (where
the signified and the signifier meet), the signified (a concept), and the signifier (an acoustic or visual image).

For Lacan, what is primordial in specifically human experience is not being but language and speech. He insists that there is no pre-discursive reality. Every reality is founded in and defined by a discourse. Men, women and children are only signifiers; being is a function of speech. (Sarup 1992, 43)

Language is necessary to describe life. Thus, how can there be life before language; if something cannot be described, how can it exist?

There is a well-known distinction between what a speaker means by his or her words and what the speaker's words mean. It should also be noted that there is a difference between speaking to someone and speaking with someone.

The speaker and listener are linked; this is what Lacan means by inter-subjectivity. But there is always the point at which the listener decides what the speaker wants to say. The meaning of the speaker's discourse depends on who hears it. In contrast to the usual view that the speaker reveals the true meaning, Lacan writes of 'the discretionary power of the listener'. The stress is on the responsibility of the listener. Lacan argues that truth does not exist before the interpretation. Interpretation creates the truth - it is an inter-subjective process. (Sarup 1992, 78)

If the listener decides what the speaker wants to say, is accounting not open to as many interpretations as there are readers of the accounting reports? The reader creates his or her own reality through his or her interpretation of the accounting data. Is this a revelation or merely a
statement of the obvious? How many times have we heard or used the phrase, “It’s all a matter of interpretation.”?

[The] text requires the production of meanings, the active participation of the reader . . . [who is] no longer a consumer but a producer of the text. (Sarup 1992, 81)

The consumer of accounting data is no longer just a passive reader in the modernist sense but an active producer of the text. The reader’s interpretations are more important than the author’s intent. The author’s intent is suspect—because the language she or he uses ensnares the author in its inter-subjectivity. Since there is a gap between what the author says and what the author means, the reader cannot be expected to decipher what the author meant—rather the reader must find or create his or her own meaning.

Lacan traces most of ego-psychology’s problems and contradictions to the idea that there is an ‘objective’, ‘knowable’ reality. (Sarup 1992, 72)

The lack of an objective, knowable reality is a cornerstone axiom of post-modernist philosophy.

When we watch a film we are like a child, in a hyper-perceptive state, susceptible to the imagery. Really to understand film we must perceive the photographed object as absent, its photograph as present, and the presence of this absence as signifying. (Sarup 1992, 147)
Watching a movie is like reading financial data and reports because accounting is a signifying act. The photographed object is absent; the object of the financial report (the organization—the signified) is absent. It is separate from the accounting data (the signifier). Thus, the signified object is absent, the signifier is present, and the presence of this absence is signifying.\textsuperscript{29} Lacan's work fundamentally revised our understanding of the human subject so as to show how the subject emerges from such chains of signification. His work indicates all the more the integral role that signifying technologies like accounting have in determining human fate.

\textbf{Michel Foucault}

Michel Foucault is an example of the cross-disciplinary character of post-modernism. He was at once a philosopher, historian, social theorist, and political scientist. (Giovannini 1988; Seabrook 1991, 74)

Some of Foucault's work can be compared to that of Max Weber. Foucault's idea of technical rationality is especially important in accounting.

\textsuperscript{29}It might help to think of accounting as a describing activity to clarify the notion of sign, signifier and signified (i.e. the described object is absent, the describer is present, and the presence of this absence is descriptive).
Bureaucracies stressed efficiency of means. In impersonal, bureaucratic organizations reason was shaped into scientific rationality. The objective of scientific rationality is to gain mastery over the physical and the social environment. Weber, following Nietzsche, argued that scientific rationality focused on means but not on ends. . . . In a sense, Foucault reiterates the fears of (Nietzsche and) Weber: science uncovers the mythology in the world; but science itself is a myth which has to be superseded. Scientific knowledge has brought about a disenchantment with the world. Means can be calculated with efficiency—this is what is called technical rationality—but ends, values, become increasingly problematic to determine. (Sarup 1989, 76)

The idea of technical rationality is central to the difference in accounting for private versus public organizations. Accounting for private organizations is much more “ends” (goal) oriented than accounting for public organizations. At the end of an accounting period, private organizations account for: profit/loss (net income—a measure of profitability), financial position (net worth—a measure of solvency), and sources and applications of cash (net cash balance—also a measure of solvency).

Although accounting provides predictive information, most people are aware of accounting as a means to an end (and hence its ends or results—not process—orientation in accounting for private organiza-

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30 I am emphasizing this word using the deconstructive device (developed by Heidegger and adopted by Derrida) called sous rature—under erasure. You cannot say “end of the accounting period” without using the word “end” which also signifies the opposite of means (as in means versus ends) which relates to technical rationality. Even if the word ends is crossed out or erased, it still defines the timeframe for most accounting for private organizations.
tions)—the measurement of business transactions (Meigs and Meigs 1990, 13). This measurement is done after-the-fact; accounting measures the effect of business transactions after the transactions have occurred.

The "bottom line" is a product of this measurement process and is the calculable end being sought by the accountant. The bottom line for private organizations is net income (or net loss); the last line on an income statement. All publicly traded private organizations are required to issue income statements whenever balance sheets and cash flow statements are issued. Since these private organizations all prepare income statements, they measure net income; therefore, private organizations have a bottom line, net income, which can be used as a basis of comparison. The bottom line is a common denominator in accounting for private organizations and its importance and that of the income statement are highlighted by the following statement from an introductory accounting text.

The income statement is considered by many people to be the most important financial statement. The income statement is important

31 The income statement formula around which the income statement is constructed is REVENUES minus EXPENSES (Meigs and Meigs 1990, 82; Larson and Miller 1993, 19).

32 I use this term to describe private organizations whose stock is traded on a stock exchange and thus regulated by the SEC and subject to their accounting standards and those of the FASB.
because it shows whether the business earned a profit... which is one of its primary operating objectives. (emphasis added) (Larson and Miller 1993, 19)

Accounting for public organizations is not “ends” oriented like accounting for private organizations; it is “means” oriented. What is the bottom line for public organizations? There is no one answer. Not all public organizations have the same primary operating objectives.

Government officials rely on accounting information to help them direct the affairs of their agencies just as do the executives of corporations. However, accounting for governmental activities requires a somewhat different approach because the objective of earning a profit is absent from government agencies. (emphasis added) (Meigs and Meigs 1990, 10)

Earning a profit is an end shared by all private organizations referred to in the two previous quotations as businesses and corporations. However, the ends of public organizations are not the same from one public organization to another.33 Therefore, the different approach in account-

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33For example, the ends of the Internal Revenue Service (collection of tax revenue) is different from the ends of the Federal Bureau of Investigation (investigation of federal crimes) whose ends are different from the United States Department of Veterans Affairs (administration of programs for veterans of the armed forces) whose ends are different from the United States Department of Education (administration of federal education programs), whose ends are different from the Department of Education of the Commonwealth of Virginia (administration of state education programs), etc. I am purposely addressing the legislatively mandated end, not an end such as the notion of the public good or the Agency Perspective of the Blacksburg Manifesto and Refounding Public Administration. I would also like to clarify, in regards to RPA where it states (page 38) that the bottom line is "a slogan antithetical to good public administration." I am not advocating the pursuit of a bottom line—am pointing out that there is no clear, measurable bottom line.
ing for public organizations is not to account for what is different from one public organization to another but to account for what is similar or the same—the means. Public organization accounting is more technically rational, the “... means can be calculated with efficiency ... but ends, values, become increasingly problematic to determine” (Sarup 1989, 76). Foucault fundamentally revised our understanding of the connection of knowledge to power and the process by which the development of knowledge comes into play in social change.

Jacques Derrida

In the introduction to his thesis defense in 1980, Jacques Derrida explained

what was in no way meant to be a system but rather a sort of strategic devise, opening onto its own abyss, an unclosed, unenclosable, not wholly formalizable ensemble of rules for reading, interpretation and writing.” (Montefiore 1983, 40)

This was how Derrida, a philosophy teacher at the Paris’ Ecole Normale Superieure, described deconstruction, which others described “... as one of the most important avant-garde intellectual movements in France

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\[34\] A deconstruction of this quote from Sarup indicates that Sarup is using the words calculated and determine as synonymous. Also, the reader can interpret that means can be calculated/determined efficiently or means can be calculated/determined using efficiency. Is efficiency a criteria, a method, or a tool (Sarup 1989, 76)?
and America" (Saru 1989, 34). His works related to deconstruction include: Of Grammatology (1967), Dissemination (1972), Writing and Difference (1967), Margins of Philosophy (1972), and Positions (1972).

What was this new strategic device, deconstruction, to be used for?

The world is not a stage. According to Derrida, it is a text . . . (and) deconstruction is used, not to abolish truth, science, logic, and philosophy, but to question how these concepts are present in texts and how they are employed to systematically exclude certain categories of thought and communication. (Kilduff 1993, 15)

To Derrida, a deconstructive reading cannot legitimately transgress the text toward something other than it, toward a referent (a reality that is metaphysical, historical, psychobiographical, etc.) or toward a signified outside the text whose content could take place, could have taken place outside of language. (Derrida 1976, 158)

Derrida believes that speaking is not privileged over writing—neither provides a grounding for the subject as agent. He also holds that language re-presents reality i.e., that our only access to the real world is through language. Derrida owes a debt to Aristotle for his ideas about the representative nature of language which agrees with Lacan’s notion of the signifier, signified, and referent. Derrida proceeds further, however, in stating that language precedes or makes possible conscious-
ness (Crowley 1989, 4). Both Lacan and Derrida developed linguistic theories that dealt with signs and signifiers (language or the words in a language used to denote something) (Sarup 1989, 3). Both Lacan and Derrida borrowed intellectually on concepts from Ferdinand de Saussure.

Applying these linguistic theories to accounting we can see how accounting precedes and indeed creates "financial consciousness." Just as the umpire says, "They ain't nothin' [neither ball nor strike] till I calls them" (Simons 1976, 29)\(^3\), without the language of accounting to describe a financial situation, it does not exist.

**The Deconstructive Methodology**

Developed by philosophers and literary critics, deconstruction can be defined as an analytic strategy that exposes, in a systematic way, multiple ways a text can be interpreted. Deconstruction is able to reveal ideological assumptions in a way that is particularly sensitive to the suppressed interests of members of disempowered, marginalized groups. . . . Deconstruction focuses on suppressed conflicts and multiple interpretations of a text in order to undermine all claims to objective "truth." The number of possible interpretations of a text are endless. A deconstruction offers a purposeful selection of some of these interpretations, but it does not and cannot claim to represent the objective truth about which

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\(^3\)Another of Weick's stories illustrating the construction of reality and the reconstruction of histories involves three umpires. "The story goes that three umpires disagreed about the task of calling balls and strikes. The first one said, 'I calls them as they is.' The second one said, 'I calls them as I sees them.' The third and cleverest umpire said, 'They ain't nothin' till I calls them'" (Simons 1976, 29).
interpretation is correct or what the author intended to say. (Martin 1990, 340)

Deconstructive ‘close reading’, having ‘interrogated’ the text, breaks through its defences and shows that a set of binary oppositions can be found ‘inscribed’ within it. In each of the pairs, private/public, masculine/feminine, same/other, rational/irrational, true/false, central/peripheral, etc., the first term is privileged. Deconstructors show that the ‘privileged term’ depends for its identity on its excluding the other and demonstrate that primacy really belongs to the subordinate term instead. (emphasis added) (Sarup 1989, 56)

Accounting is a discipline whose foundation is a series of binary oppositions. The rules of accounting (oftentimes referred to as the rules of debit and credit) and the terminology of accounting are constructed out of sets of binary opposition e.g., debit/credit, asset/liability, profit/loss, revenue/expense. The first term is defined by and owes its existence to the second term—without the second term, the first term has no identity. What is a debit (which means an entry on the left side of an account) if there is no credit? If there is no right side of the account (credit), can there be a left side (debit)? If there is only one side to the account, there is no left (debit) or right (credit); there is only the middle.36 The assets of an organization (for accounting purposes, not

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36It may help to visualize the basic account, a T-account. On top of the letter T is the account name; on the left side of the letter’s center stalk is the debit side; on the right side of the letter’s center stalk is the credit side.
for an organizational purpose are the resources that the organization uses
to produce whatever goods or services they produce (e.g., the furnaces
of a steel company, the delivery trucks of a delivery company—e.g.,
UPS). The liabilities of an organization (for accounting purposes) are the
sources of the resources (e.g., long- and short-term debt financing, etc.).
Since the assets are provided by the liabilities, the assets would not exist
without the liabilities.

Derrida stresses the point that it is not enough simply to
neutralize the binary oppositions of metaphysics. Deconstruction
involves reversal and displacement. Within the familiar philosophi-
cal oppositions there is always a violent hierarchy. One of the two
terms controls the other, holds the superior position. The first
move in deconstructing the opposition is to overthrow the hierarchy
(Sarup 1989, 56).

One of the symptoms of an undeclared metaphysics is the depen-
dence of the text on hierarchically ordered binary opposition (e.g.,
mind/body, mechanistic/organic, male/female). Derrida brings the
reader’s attention to the play of meaning between the two terms,
one of which is often suppressed or marginalized. (Kilduff 1993,
15)

The deconstructive methodology is not a formula that one follows in
every instance. It is not a learned set of rules, as grammar is to writing.

The deconstructive process itself is not reducible to a set of
techniques. Deconstruction cannot be summarized as a mechanical
series of operations to be applied to any piece of language. The
deconstruction of a text involves a very close reading of the specific
words of that text in the context of taken-for-granted assumptions.
A deconstructive reading must follow the contours of the text itself;
A reader cannot simply apply a group of preformulated ideas. (Kilduff 1993, 16)

Deconstruction does not offer the user a set of one-size-fits-all instructions and method of analysis. It is very much individualized to the text being deconstructed. Since every reader has his or her own interpretation of a text, every reader could deconstruct a text differently. There is no primacy of theory (interpretation); every interpretation is plausible. The perspective of the reader obviously affects the interpretation, with each reader applying his or her unique perspective.

Deconstruction offers a way of examining human behavior as a textual production, a kind of writing. For Derrida, writing includes not only language but . . . all those rule-based aspects of people's lives that involve the reproduction of behavior. (emphasis added) (Kilduff 1993, 14-15)

Besides being the language of business, accounting is also a "rule-based aspect of people's lives that involve the reproduction of behavior." The behavior being reproduced is the financial behavior of the organization in question. The rule-based aspect of people's lives are the collection of binary oppositions, rules, practices, etc., that we have come to call accounting. The financial activity of an organization has already occurred. Accounting re-produces the organization's recent financial history; re-presents it for the reader to interpret.
A deconstructive reading does not try to aim or turn the text toward some overarching system of meaning that would "make sense of it," . . . 

Nor are deconstructive readings simply destructive. (Crowley 1989, 7)

The deconstructive reading does not point out the flaws or weaknesses or stupidities of an author, but the necessity with which what he does see is systematically related to what he does not see. (Derrida 1972, xv)

A deconstructive analysis of a text is not an assault on the values or practices that undergird the text. It is not a personal assault on the author nor is it a repudiation of a theory or particular way of knowing. It can be used to analyze what is accounted for and what that accounting system supports (what the proponents of the accounting system value and prize). But it is also an effective methodological strategy for analyzing what is not said (not accounted for), or what is at the margins (rather than in the spotlight) i.e., the bottom line.

Deconstruction in Literary Criticism

To the post-modern literary community, Anglo-American literary criticism is based on

suppositions of a philosophical empiricism[37] . . . which . . .

[37] "Empiricism explores and defines the limitations, boundaries, constraints, and conditions of human knowledge, relying on the proposition that what is external to mind is intro-
simultaneously define the grounds of objective knowledge and the limitations of such knowledge. . . . the empiricism of Locke and Hobbes, in which ideas in the mind are regarded as being derived from perception (sensation) and reflection (introspection) . . . leads to the skepticism of Hume. The predominant theme is that the dynamic of this movement from empiricism to skepticism is repeated, cyclically, in the evolution of Anglo-American literary critical theory. After Hume, the first notable instance of this movement is the replacement of neoclassicism by Romanticism in the late eighteenth century. In the twentieth century, the pattern is repeated once again. The suppositions of a scientific methodology grounded in empiricism, especially beliefs about the self, are at first accepted and subsequently challenged. This dynamic occurs both in the development of the New Criticism and in the transition from structuralism to post-structuralism. (Berman 1988, 1-2)

The New Criticism was the manifestation of the modernist philosophy in literary criticism. It was the culmination of the pattern mentioned above. The New Criticism is founded on empiricist principles where experience gives birth to perception and reflection. These principles provide a philosophical grounding for the scientific method (Berman 1988, 26).

A way of knowing, based on experience, was elevated to a superior position by its proponents. The New Criticism was to the literary discipline what the scientific method had become to the physical

duced as "idea" into mind through the mediation of senses. Sensation and perception, while serving as conditions for knowing the world, also call into question the status of knowledge; we can know nothing directly but these ideas. . . . The success of the scientific method, however, has served to legitimate empiricism despite its contradictions; and empiricism has come to mean no more than gathering data through the senses, which is called "empirical". (emphasis added) (Berman 1988, 164).
sciences. It emphasized empiricism, what was quantifiable, and de-emphasized the qualitative. The New Criticism was challenged by post-modern literary critics seeking a new paradigm; one that fit more closely their interpretation of the literary discipline.

In the 1970s, a group of literary critics at Yale University introduced American readers to Derrida’s work by applying deconstruction to the field of literature.

Thanks to the many books and papers circulated by the so-called ‘Yale critics’—Paul de Man, J. Hillis Miller, and Geoffrey Hartman, among others—deconstruction (or at least its American version) has since become a recognizable school of literary thought in this country. (Crowley 1989, 19)

Deconstruction in The Social Sciences

Deconstruction found its way into the social sciences after it appeared in literary criticism. Articles in social science scholarly journals addressing deconstruction began appearing in the 1980s (Rosenau 1992, 4). Post-modern social scientists rejected the idea of the accumulation of objective knowledge and its inherent notion of progress. Post-modernism demanded self-reflection and the abandonment of grounding knowledge, thereby privileging that particular knowledge. Post-modern social scientists rejected the belief that the only way to elevate the social
sciences and social science research was to emulate the physical sciences and their scientific method.

Nowhere is the post-modern effect in the social sciences more profound than in the discipline of history, where the post-modern historians question the idea of a knowable past, historical progress, the ability to explain the past or that there is just one explanation, and the ability of the observer (the historian) to be objective. Since many of the social sciences use a historical perspective, these same questions are the same that post-modern social scientists are asking their own disciplines.

Deconstruction in Administration

Deconstruction has been used in both Public Administration and Business Administration (Private Administration or Management). It first appeared in business in 1982 in Business Week and in public administration in 1975 in Public Administration Review (Rosenau 1992, 4).

Deconstruction is not a formalized set of rules and procedures. It is applied differently in different situations. In this and the next section, I will provide some examples of its application. Two recent articles which illustrate the growing use of deconstruction in management, the disciplinary umbrella under which accounting is taught, are

In Martin’s paper, she
deconstruct[s] and reconstruct[s] [a] story from a feminist viewpoint, examining what it says, what it does not say, and what it might have said. (Martin 1990, 339)

The story she deconstructs is a story told by an executive at a conference about ways to solve society’s problems. The executive told the story in response to a question about how his company responds to the needs of female employees. Martin uses deconstruction to analyze suppressed gender conflict in organizational settings. She takes a feminist perspective and analyzes the executive’s story. In many organizations, it is women who populate the margins. Martin does note that feminism and deconstruction are not always complementary. I, of course, agree with this and that feminism is an ideological position and my view is that deconstruction is an inappropriate tool for ideology. Feminism makes truth claims about gender inequality while deconstruction rejects all truth claims (Martin 1990, 341). However, deconstruction is concerned with
the margins—the areas and people that are “between the lines,” outside the mainstream (i.e., the oppressed, or victims in a society). Thus, deconstruction is a good methodological strategy for the analysis of suppressed gender conflict but it does not agree with feminism’s truth claims.

Martin uses the device of reversing binary oppositions to deconstruct the executive’s story. This is an effective method of feminist deconstruction addressing the primary binary opposites of social relations and the subordination of one of its terms, usually the feminine (viz., male/female). Martin is able to show that the executive’s remarks, which he viewed as supportive of women, were “actually” condescending and paternalistic from a woman’s viewpoint. A summary of the deconstruction methodology employed by Martin appears in chapter one of this dissertation and is listed again.

1 Dismantling a dichotomy, exposing it as a false distinction (i.e., the public/private opposition).
2 Examining silences—what is not said (i.e., noting who or what is excluded by the use of pronouns such as “we”).
3 Attending to disruptions and contradictions, places where the text fails to make sense (i.e., “filling in to create a void”).
4 Focusing on the element that is most alien to a text or a context (i.e., a pregnant executive), as means of deciphering implicit taboos—the limits to what is conceivable or permissible.
5 Interpreting metaphors as a rich source of multiple meanings (i.e., "launching a product").
6 Analyzing "double-entendres" that may point to an unconscious subtext, often sexual in content (i.e., "having a woman").
7 Separating group-specific and more general sources of bias by "reconstructing" the text with iterative substitution of phrases (i.e., using the bypass story to isolate gender-specific difficulties).
8 Exploring, with careful "reconstructions," the unexpected ramifications and inherent limitations of minor policy changes (i.e., a woman bringing a baby into the office).
9 Using the limitations exposed by "reconstruction" to explain the persistence of the status quo and the need for more ambitious change programs (i.e., why small-scale organizational reforms will not alleviate gender inequalities at work). (Martin 1990, 355)

Kilduff's use of deconstruction is applied to a text very different from that chosen by Martin. He deconstructs March and Simon's classic text, Organizations, to reveal a simultaneous rejection and acceptance of the tradition the authors sought to surpass. This double movement of rejection and replication is fully consistent with a hermeneutic approach to organizational studies, but is discrepant with the positivist philosophy of scientific progress that Organizations itself embraces. A deconstruction of Organizations shows that it replicates the moves of its predecessors it condemns. (Kilduff 1993, 14)

Kilduff begins his deconstruction with an analysis of what March and Simon see as their contribution to organizational theory. They seek to fill an absence in the literature with their own contribution. To accomplish this task, March and Simon must first identify the contribu-
tions of their predecessors and then identify the gap that they will then fill. March and Simon identify the contributions of their predecessors as: comparing and treating people as if they were machines; contributing "pieces, bits, and snatches of organization theory and empirical data," that is, a "scattered and diverse body of writing"; and needing to replace these previous contributions with "a series of propositions" that withstood the scrutiny of the scientific method.

Kilduff uses deconstruction to show the inconsistencies—the "saying one thing and doing another thing"—identifying the hidden textual levels within a text. Deconstruction is a powerful tool for "peeling back the layers" of a text to show that the author(s) do not always do what they set out to do. A cursory reading of a text may leave the reader with the impression that the author accomplished what she or he said would be accomplished. In Kilduff's article, March and Simon are shown (to Kilduff's satisfaction) to have reneged on their promise.
Deconstruction in Accounting

Deconstruction was first used in accounting in the article "Letting the Chat out of the Bag: Deconstruction, Privilege and Accounting Research" which appeared in 1989 in Accounting, Organizations and Society (Rosenau 1992, 4). In the article by Arrington and Jere, the authors deconstruct an article by Michael Jensen, "Organization Theory and Methodology" from the Accounting Review.

The text . . . [suggests] that positive theory in accounting should be privileged over other ways of knowing and writing accounting discourses. (Arrington and Jere 1989, 1)

Arrington and Jere use deconstruction to "look between the lines" of the traditional accounting way of knowing to the ways of knowing accounting that are on the margin. They use deconstruction in one of its most useful ways—to analyze the truth claims of a dominant theory of knowledge.

In any discipline, the dominant theory of knowledge serves as a lens to inspect new ideas. No one lens is perfect. Each lens gives us added perspective in one respect but at the expense of another perspective. Just as we can go to a movie theater and experience a movie on the big screen, when that same movie is viewed using a VCR and a nineteen-
inch TV screen, the movies are not the same. Viewing a sporting event through binoculars brings the action closer but you lose significant depth perception for what is gained in "close-ups."

Arrington and Jere use deconstruction to identify what perceptions are ignored by the dominant theory of knowledge in accounting. Their interpretation of deconstruction and a comparison of the modernist view of accounting discourse to the post-modernist's reveal:

Deconstructive readings of texts reveal how unruly and unstable meaning is and efface the veil of linguistic law and order we place over texts. By contrast, modernist accounting discourses deny their discursive textuality, deny their constructivist origins, and present themselves as originating outside themselves mimetically representing "nature." (Arrington and Jere 1989, 7)

Deconstruction is a tool designed to analyze the modernist notions of privileged knowledge, in this case positive theory and empiricism. This opens the debate to different interpretations of what constitutes accounting knowledge. Arrington and Jere do not want to replace one dominant theory with another. This is what makes their analysis distinctively postmodern in nature. By privileging one kind of knowledge over others (privileging one lens over another), participation in scholarly endeavors is limited, almost censored. Deconstruction enabled the
authors "to reach down" to the underpinnings of the privileged knowledge and expose them.

Deconstruction as the Methodological Strategy of This Dissertation

In the 20 years prior to 1970, colleges and universities in the United States experienced few financial problems. Public support of education was strong and business was on the up-swing. Contributions to universities were at an all-time high. State and federal government support also was strong. In general, universities and colleges fared quite well on the revenue side. . . . Most institutions maintained accounting records only on a "fund accounting" basis, and did not collect data suitable for use in long-term financial planning. The financial climate for higher education grew colder in the 1960s, however. Increasing inflation and unemployment . . . tighter state and federal budgets caused several colleges to close. (Giacomino 1980, 32)

In this dissertation, I use deconstruction as the methodological strategy to better show who or what benefits from the accounting methods for community colleges in Virginia. The quotation that introduces this section is from an article entitled "University Controllers: Are They Management Accountants?." What the author stated as the condition of the economy and its effect on colleges and universities is more true today than when the article was written. What is still important is the notion that to operate in an uncertain economic environment, accounting is a
tool to be used by the decision makers—accounting should not be using us. The "fund accounting" referenced in the above quote was inadequate when the article was written. A footnote to a section on fund accounting in a governmental and not-for-profit textbook reads.

If a component unit has adopted accounting principles that are not in conformity with governmental accounting and reporting standards but those principles are considered to be generally accepted, and where the inclusion of the component unit would distort a fund type of the reporting entity, the component unit should be presented in a separate column on the financial statements. GASB standards refer to this as a discrete presentation. [emphasis original] State government reporting entities often use a discrete presentation for financial data of state-supported colleges and universities. . . . (emphasis added) (Hay 1989, 21)

Northern Virginia Community College uses at least three different accounting systems—one is state mandated, one is "home-grown" and was designed and implemented by NVCC personnel to account for what they thought was important, and the third system is a commercially available accounting package for institutions of higher education that NVCC is testing as part of a state initiated experiment. At one time, decision makers at NVCC had information generated by all three accounting systems delivered to them to "help them make their decisions."
There have been studies of public organization accounting systems that have sought to assess the substantive role or lack thereof that accounting systems have played in organizational decision making. An excellent example is provided by Ansari and Euske (1987) who reported the results of a field study of an accounting system in a public organization. They studied a Department of Defense (DoD) accounting system used for depot cost and production reporting maintenance facilities. Their study found no support for the view that:

Information systems are designed in response to problems, [or] are preceded by identification of user needs [that] make possible [the] efficient allocation of resources. . . . The design [of the system] was generally inconsistent with the objectives of the system. (Ansari and Euske 1987. 561)

Perhaps this is why NVCC has three accounting systems. Only one of the systems was designed “in-house” and we cannot assume the level of participation in its design by the end-users of the data. Two of the systems were imposed on NVCC through SCHEV; either at SCHEV’s direct bequest or as mandated by the legislature and interpreted by SCHEV. One system imposed on NVCC was developed by the state presumably to generate data that people “in Richmond” find useful. The other system has been implemented by hundreds of institutions of higher
education but at this time what use decision makers have for the data is unknown.

In recent years, accounting systems have come to be viewed by many as a means of improving the productivity and efficiency of public sector organizations. This is a new role for accounting systems in the public sector. Historically, accounting information has been used primarily for fiduciary control. (Ansari and Euske 1987, 550)

The quotation above is especially meaningful when read with the Giacomini quote at the beginning of this section. The essence of fund accounting is fiduciary control but it is even more basic than that—it addresses the issue here is what we collected (in tax revenue or user fees) and here is what we spent (and where we spent it). I have said elsewhere that public sector accounting is means oriented rather than ends oriented (as is private sector accounting). I am not recanting that belief, rather amplifying the statement.

In public sector accounting, it is not the ends, the results that we are interested in (accounting for). We do not look at the difference between what we brought in and what we spent except to determine the size of any surplus or deficit. The size of the difference is a matter of discussion but is not the measure of success that it is with a private
organization's difference between what they brought in and what they spent.

[The accounting system studied] is an example of the world-view McNamara [former Defense Secretary Robert McNamara 1961-1967] brought to the DoD. His power and influence depended greatly on his mastery of the “facts and figure” (Halberstam, 1972). Without quantification and measurement it would have been difficult for him to demonstrate that he was “in control”. (Ansari and Euske 1987, 562)

Both at NVCC and the DoD depot facilities, we see an attempt to get control by implementing and imposing another accounting system. The new system may not be wanted or used by the agency but it is still installed.

Both accounting systems and accountants are symbols of rationality for external groups. They therefore play an important role in reifying the abstract qualities of efficiency, productivity and accountability that are valued by an organization's external constituencies. (Ansari and Euske 1987, 563)

During the course of Ansari's and Euske's interviews with DoD personnel, a common perception of why the accounting system was implemented was to provide “visible external evidence” (to Congress especially) of DoD’s attempt at controlling depot operations (Ansari and Euske 1987, 557). The data generated by the accounting system was not used by the depot managers and the authors were unable to locate anyone
who did use the data to support decisions. In fact, most line managers questioned were not familiar with the system.

Ansari and Euske studied an accounting system as a whole; not the accounting methods comprising the accounting system. Their methodological strategy was modernist in perspective. They were concerned with finding the "truth"—the true purpose of an accounting system, the true users of the accounting system, and the true uses of the information generated by the accounting system.

My study looks at the accounting methods that make up the accounting system of community colleges in Virginia, specifically those methods used by NVCC. I shall offer here my interpretation of how the underlying assumptions inherent in the accounting methods are obscured, hidden, and rendered into a foundation for an apparently objective system of assessing the financial life of the college.

The power of accounting information in organizations arises from the way it has been institutionalized. . . . Part of this . . . lies in accountings capacity to present information as if it were objective fact; the detail can be contested but not its basic capacity to reflect truth. Like the scientific method it imitates, the knowledge that accounting produces is presented as somehow independent of the interests of those who produce and use it. (emphasis added) (Roberts 1991, 359)
Deconstruction cannot and does not claim to reveal the truth about what the author of a text intended to communicate (Martin 1990, 342) in this case the accounting methods of Virginia community colleges, rather, it is a methodological strategy for showing the instability of meaning inherent in these methods.

Both public administration and accounting are disciplines that lend themselves to deconstructive analysis. Deconstruction is effective in disciplines that are rule-bound (i.e., accounting) and framed in binary oppositions (i.e., public administration—political/nonpolitical, public/private, constitutional/unconstitutional, etc.). Post-modernism in public administration encourages a retreat from central planning and from reliance on specialists . . . question[s] the authority of hierarchical, bureaucratic decision-making structures that function in carefully defined spheres. (Rosenau 1992, back cover)

In accounting, deconstruction is a useful methodological strategy because it is not represented by the dominant way of knowing accounting. It represents the radical perspective in accounting—one that is not heard from all that often. A fresh perspective can uncover what the “conventional wisdom” has overlooked.
Deconstruction as a methodological strategy has been used effectively in literary criticism, law, the social sciences, both public and business administration, and accounting. The examples in this chapter are testament to its popularity in scholarly research. It is a fairly new tool of analysis but its results provide insight previously obscured by the blind spots created by modernist analytical lens. Like Arrington and Jere, I do not wish to replace one dominant theory with another dominant theory. As I said earlier, my purpose is to establish a discourse in which we use accounting and stop letting accounting use us. When accounting uses us, it obviates the possibility for meaningful dialogue in our institutions. By deconstructing it, the power to do this can be broken, and the possibility for a new more open and meaningful dialogue raised. My purpose is to contribute to creating the possibility for this new dialogue in our institutions, one unfettered by domination from techniques like accounting. For this reason, I chose deconstruction as the methodological strategy for this dissertation.
CHAPTER 4

ANALYSIS I

Introduction

This is the first of two analysis chapters. In it, I analyze issues raised by the methods used in accounting for public organizations. These issues involve some of the over-arching principles and concepts (rather than the more specific practices) by which accounting achieves its appearance of objective rationalism. Specifically, my analysis of these issues consists of the deconstruction of the accounting principles and concepts of:

- accounting/governmental accounting,
- debits/credits,
- assets/liabilities,
- revenues/expenses,
- bottom line,
- the issue of accounting for long-lived assets,
- fund accounting,
the importance of cash, the accounting basis not the asset, and
accounting/not accounting.

In the next chapter, Analysis II, I analyze some of the more specific accounting methods and practices used, in this case, by NVCC.

As noted in chapter one, accounting predates any written language. Accounting records (actually clay tokens re-presenting various commodities) date from 8500 B.C. Babylonian, Assyrian, and Sumarian clay tablets from 3000 B.C. containing early signs of economic record-keeping (receipts, disbursements, ledgers, and balance sheets) are thought to be the first evidence of writing (VSCP 1991, 4). Thus, this evidence would suggest that accounting is the first written language or that the first written language was developed to re-create the economic activity of early man/woman.

In using deconstruction as a methodology, I will focus critical attention on some of the key binary oppositions that underpin the meanings accounting creates. A table summarizing some of the significant binary oppositions

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38 In accounting, one of the Derridean themes one might explore is "... the production of meaning through binary oppositions and the play of differences." Examples of opposites are: debit/credit, asset/liability, revenue/expense (Arrington and Jere 1989, 24).
the opposition is above all, at a particular moment, to reverse the hierarchy" (Derrida 1972).

Table 3.—Binary Oppositions

<table>
<thead>
<tr>
<th>Privileged Term</th>
<th>Subordinate Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>accounting</td>
<td>governmental accounting</td>
</tr>
<tr>
<td>asset</td>
<td>liability</td>
</tr>
<tr>
<td>revenue</td>
<td>expense</td>
</tr>
<tr>
<td>debit</td>
<td>credit</td>
</tr>
</tbody>
</table>

Accounting/Governmental Accounting

Whenever professionals speak of "accounting," they are usually referring to that type of accounting utilized by private organizations. Whenever someone refers to the accounting utilized by public organizations, he or she qualifies the term accounting with governmental, fund, or not-for-profit (e.g., governmental accounting, fund accounting, or not-for-profit accounting).³⁹

³⁹The textbooks for introductory private organization accounting are titled Principles of Accounting (by Fess and Warren in its seventeenth edition), Fundamental Accounting Principles (by Larson and Miller in its thirteenth edition), Accounting Principles in its third edition (by Weygandt, Kieso and Kell), or Accounting: The Basis for Business Decisions (by Meigs and Meigs in its ninth edition) as is (usually) the first course in private organization accounting. The textbook for the course and the course—the first and the only course—in public organization accounting is entitled Accounting for Governmental and Nonprofit Entities (emphasis added). The course titles and textbook titles further privileges private organization accounting over public organization accounting. Do not both courses (introductory private organization accounting and
I have mentioned the second-class citizenship accorded to public organization accounting by the schools or departments that teach it; private organization accounting is considered accounting whereas public organization accounting is considered a subset of real accounting or as an afterthought to private organization accounting. Why was the Governmental Accounting Standards Board (GASB) recognized by the Financial Accounting Standards Board (FASB) as the authoritative body in matters concerning public organization accounting? Why was it not the GASB that recognized the FASB to promulgate authoritative accounting policy? Why did the private organization accountants create the private Financial Accounting Foundation (FAF) that ultimately legitimated and authorized the GASB, a public body! Thus, private organization accountants indirectly created the governmental/nonprofit accounting standard-setting board. This fact underscores the subordinate position of public organization accounting to private organization accounting.

I explained in chapter two that eight hundred years ago, governmental accounting and auditing was addressed in a textbook as:

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governmental and not-for-profit accounting) teach accounting principles?

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Those whose duty it is to guard . . . (the wealth of the state) . . . have no excuse for slackness, but must give anxious care to its collection, preservation and distribution, as they must give account of the state of the realm, the security of which depends upon its wealth. (Johnson, 1983, pp. 1-2) (Chan and Jones 1988, 3)

Governmental accounting and auditing was also described in chapter two as

‘one of the most ancient devices of government; no state with the slightest pretensions to civilization has ever been without it’ (Normanton 1966, xvi)

Furthermore, as previously mentioned, the preface in Normanton’s text states that:

‘Without audit, no accountability; without accountability no control; and if there is no control, where is the seat of power?’ (Normanton 1966)

However, as previously stated, the accounting that has privilege over public organization accounting is that which answers:

How do business executives know whether a company is earning profits or incurring losses? How do they know whether the company is solvent or insolvent, and whether it will be solvent, say, a month from today? The answer to both these questions in one word is accounting [author’s emphasis]. Accounting is the process by which the profitability and solvency of a company can be measured. Accounting also provides information needed as a basis for making business [emphasis mine] decisions that will enable management to guide the company on a profitable and solvent course. (Meigs and Meigs 1990, 13)
Debits and Credits

The very essence of double entry bookkeeping is the notion of debits and credits. The Latin derivative of debit is debere, meaning to owe. The Latin derivative of credit is creditum (from credere; to believe, trust) meaning a loan.

In current accounting practice debit and credit refer to the side of the account on which a transaction is entered (i.e., to debit cash for $200 means to enter $200 on the left side of the cash account). The relationship of debit to credit is a textbook example of binary opposition. The concept of debit has no meaning without the concept of credit; even using the ancient Latin definition, one cannot owe if there is no loan. The secondary term (credit) defines the primary term (debit). Debit is the primary term because it is always referred to first. We elevate its

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40 Evidence of the first financial record-keeping system dates back to 8500 B.C. and is of the single entry type. The effects of transactions are recorded (are entered—hence “entry”) in only one account. In the double entry system, a written record of which first appeared in 1494, every transaction recorded has at least two entries—a debit and a credit, each posted to a different account. Thus, each transaction affects at least two accounts—is entered twice, hence the double entry. Today, the double entry system is the standard for both public and private organizations. It is interesting to note that the double entry system is itself a binary opposition: viz., at least two components to every transaction with one component recorded first, the superior, and the inferior component recorded last. Also of interest is the use of the term entry/entered.
position by always referring to the rules of debits and credits (rather than the rules of credits and debits). 41

In the general journal, the book of original entry in accounting, debits are listed first in an entry and credits are listed last. When posting from the journal to the ledger, the debits are always posted first, the credits posted last. Without the primary term, there is no secondary term. This confuses the difference between primary and secondary term. How can a primary term be dependent for its definition, its existence, on the secondary term? Debit means the left-side of the account and credit means the right-side of the account. The account cannot have a left-side without a right-side; it would have just a single, one-dimensional surface. The words debit and credit have negative and positive connotations, respectively. Ask most people, and they will guess that debit means to subtract or take away. These same people will tell you that credit means to add or give back. Yet we give primacy to the negative term.

The current proliferation of personal “debit cards,” which allow a consumer to make purchases that are then subtracted from a checking

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41 Many accounting students remember being taught that the debits are on the side of the classroom with the windows and the credits are on the side of the classroom with the door (or vice versa depending on the direction the desks were facing). However, the debits were always mentioned first.
account balance reflected on and accessed by way of a magnetically encoded strip on a plastic card (physically the card itself looks like a credit card or money machine card) further re-enforces the idea of debit meaning to subtract or take away.\textsuperscript{42}

Accounting privileges a term that means to owe. This is curious for public organization accounting. We are tacitly privileging deficits and deficit spending rather than privileging the term that means to trust or to believe.

Credit should be the privileged term rather than debit. Credit should precede debit since credit means to loan and debit means to owe. There must be a loan before someone or something can owe. The loan is a source of equity which should be privileged over assets (that which was loaned).

\textbf{Assets and Liabilities}

Another binary opposition prominent in accounting theory is that of assets and liabilities. Assets are the superior term in this binary

\footnotesize{\textsuperscript{42}The negative connotation of this is both literal and figurative. The cost of purchases are automatically subtracted from your checking account balance (a negative movement in the mathematical sense); most people think/feel negatively about having less money than they did before (their checking account balance is reduced as a result of the purchase).}
opposition and liabilities are the inferior. Should liabilities be subordinate to assets?

Assets are:

Economic resources owned by a business which are expected to benefit future operations. (Meigs and Meigs 1990, 27)

Probable future economic benefits obtained or controlled by a particular entity as a result of past transactions or events. (Hay 1989, 721)

Liabilities are:

Probable future sacrifices of economic benefits arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events. (Hay 1989, 731; Larson and Miller 1993, 49)

Debts or obligations of a business. The claims of creditors against the assets of a business. (Meigs and Meigs 1990, 28)

Assets are the actual objects that an organization uses to produce whatever good or service it produces. Assets can also be rights or privileges granted to an organization (intangible assets e.g., patents, trademarks, etc.). Accounting privileges these objects and rights over the sources of these objects and rights; but should not the source of these assets be the privileged term? In public organizations the source of the resources is the taxpayer—the citizen. The citizens in a democratic
society, as the source of public organization resources, are subordinated to the actual objects they provide the public organization.

However, assets are privileged over liabilities. Liabilities are equity provided by people and organizations outside the entity (as opposed to owner's equity which would be equity provided by those inside the firm). Assets are the things that an organization uses to provide whatever good or service it provides and equities, such as liabilities, are the sources of those assets. Without the source of the resource, the organization would not have the resource. This makes the source of the resource more important than the resource itself since the source has to come before that which it provided (the resource).

**Revenues and Expenses**

Revenues are:

The price of goods sold and services rendered by a business. (Meigs and Meigs 1990, 109)

Additions to fund financial resources other than from interfund transfers (q.v.) and debt issue proceeds. (Hay 1989, 737)

Revenues are privileged over expenses. We use the terms in that order and consider revenues as good and expenses as bad. Private organizations try to earn as much revenue as they can and control
expenses as though the expenses were recalcitrant children. The more revenues in relation to expenses, the greater a private organization's profit. The more revenue over expenses (expenditures) for public organizations, the greater the surplus.

In public organizations that have revenue raising capabilities (e.g., taxing authority), revenue is a factor of the tax rate and the tax base. If the public organization needs to raise more revenue, it can increase the tax or increase the taxable base. Expenses and the accountability of expenditures would seem to be where the privilege should be in public organization accounting.

Of more fundamental concern than what revenue has a public organization been allocated is where/how is the public organization spending the appropriation. Public organizations are allocated money because they exist. What they spend the money on is what matters. The U.S. Congress will appropriate money to the U.S. Department of Agriculture. The concern is not whether the Department will get money or even how much. The real concern is where the Department will spend the money.

Related to the idea of revenues and expenses is the common accounting concept of "bottom line." The idea of a bottom line was
addressed in chapter three, though not directly in a deconstructive manner. I discussed the notion of a bottom line for a public organization as not being the same for all public organizations while the notion of a bottom line for a private organization is fairly standard. Since not all public organizations have the same bottom line, public organization accounting systems are more means oriented rather than ends oriented. In this section I will approach the idea of a bottom line for public organizations from the deconstructive perspective of disruptions in the text.

The term bottom line has become a cliche—applied to different situations and contexts. The *Concise American Heritage Dictionary* defines bottom line as:

1. The lowest line in a financial statement, showing net income or loss. 2. The end result of something. 3. The main or essential point. (*Concise American Heritage Dictionary* 1987, 82)

The term denotes the location on an organization’s income statement of that organization’s net income, break-even, or net loss—typically the first place an investor looks in an organization’s annual report.

The use of the bottom line to mean the final result has certain implications for public organizations. Public organizations do not issue
income statements so they have no bottom line in a true accounting sense.

If an organization has no bottom line, then it does not have a final result.

If an organization has no final result, what does it account for? We look at the bottom line to see whether the organization has a net loss, has broken-even, or has net income. If an organization does not have a measurable final result, it is difficult to know whether the organization is achieving its purpose.

Public organizations do not have bottom lines since they do not issue income statements. Since bottom line also refers to the main or essential point of something and public organization do not have bottom lines, public organizations would appear to be lacking a main or essential point (purpose). This is a "disruption in the text" since we know that public organizations do have purposes. Oftentimes, such purposes are stated in the organization's enabling legislation. However, purposes as stated here may not be measurable or expressible in financial terms. By taking the accounting idea of bottom line and universally applying it to all organizations, we obscure the fact that the results of public organizations cannot be assessed in such a simplistic manner as one can with a profit and loss equation for a private organization.
The Issue of Long-lived Assets

The issue of how to account for long-lived assets has plagued accounting theorists for many years. In this section I focus on the disruption, the inconsistency between how we say we account and how we actually account for long-lived assets. Long-lived assets are those resources which the organization plans to use for a period in excess of one year or one current operating cycle,\textsuperscript{43} whichever is longer. The long-lived assets I consider here are what are also referred to as plant assets, plant and equipment, or fixed assets. This category of assets includes buildings, equipment (manufacturing, office equipment, etc.), vehicles (trucks and automobiles), and other productive resources of the organization.

In accounting for private organizations, fixed assets can be accounted for using one method for financial accounting purposes and another method for tax accounting purposes. These accounting practices are known collectively as depreciation methods.

The cost of a productive facility is one of the costs of the services it renders during its useful economic life. \textbf{Generally accepted}

\textsuperscript{43}A current operating cycle is the period of time it takes an organization to sell its inventory, re-order raw materials, re-manufacture its inventory, and collect the receivables resulting from the sale of its original inventory.
**accounting principles require** that this cost be spread over the expected useful life of the facility in such a way as to allocate it as equitably as possible to the periods during which services are obtained from the use of the facility. This procedure is known as depreciation accounting, a system of accounting which aims to distribute the cost or other basic value of tangible capital assets, less salvage (if any), over the estimated useful life of the unit (which may be a group of assets) in a systematic and rational manner. It is a process of allocation, not valuation. (emphasis added) (FASB 1986a, 32)

An example might clarify this concept. A private organization purchases a building for $2,000,000 and management expects the building to have a useful life of fifty years. At the end of the useful life the building will be worthless and will have to be razed. The organization will derive an economic benefit from the building over its fifty year life, just as it would derive an economic benefit from one of its employee's labor over the employee's term of employment.

Over the employee's term of employment, the organization deducts that employee's wages as an expense. If during 1994, that employee is paid $25,000, that amount appears as an expense on the organization's 1994 income statement. The organization would also reduce income (take an expense) of $40,000 for depreciation of the building. Straight-line depreciation is calculated as: $2,000,000/
50 years = $40,000 annual depreciation. Just as the employee’s wages are applied to the period of time that benefitted from the employee’s labor, the cost of the building is applied to the time periods that benefitted from the organization owning the building. The employee’s wages are a cost of doing business for the organization; the depreciation of the building is a cost (but not a cash outlay necessarily) of doing business for the organization.

However, on the organization’s tax return, it would get a tax deduction for the employee’s wages of $25,000. The tax deduction for depreciation could be as high as $80,000, or twice the straight-line amount. The organization would have $40,000 less in expenses on its income statement than it would on its tax return. Since the organization would use the accelerated method (twice the straight-line amount, $80,000) on its tax return and straight-line ($40,000) on its income statement, the income tax expense on the income statement would be based on the tax return (and hence, the $80,000 depreciation figure).

As one accounting student of mine remarked, “The tax accounting depreciation methods try to reduce the company’s profits to lessen the income tax levied on the organization; the financial accounting methods charge as little depreciation against earnings to make the company look
as profitable as it can.” This method works well in accounting for private organizations. The investors never see the tax return, just the results of tax method depreciation as income tax expense on the income statement. This figure is lower because the tax method depreciation results in a larger depreciation expense deduction than the income statement method.

Thus, the investors only see the result of the two different depreciation methods—the net income figure on the income statement. The investors do not see whether the organization shows a tax loss (analogous to the situation with many individuals and the tax loss on their rental property44) or taxable income—the investors never see the tax return, only the government does. The management of the organization is able to reduce its taxable income through accelerated depreciation, which is reflected on the income statement in the income tax expense. Management is able to show a different depreciation figure to the investor on the income statement (than on its tax return), which since it is lower, makes management “look good.” These methods enable

44Rental property may produce cash income for a landlord. If the mortgage payment is $1000 and the rent is $1200, there is a positive ($200) cash flow. On the landlord’s tax return, if she or he takes $250 per month in depreciation, the landlord shows a $50 per month or $600 per year tax loss. This loss is written-off against any other income the landlord might have, thus reducing the landlord’s taxable income by the $600.
management to present the financial statements in the best light to the investors.

The effect of depreciation accounting on the balance sheet also needs to be considered. The current year's depreciation affects the income statement, as mentioned above. But the current and past depreciation is aggregated into an appropriately named account—accumulated depreciation. This amount is then subtracted from the historical cost of the building\textsuperscript{45} to arrive at the figure that will appear on the organization's balance sheet (financial position statement—what the organization is worth) $1,960,000. This figure will be reduced by another $40,000 next year. Notice that we are ignoring the building's resale value, the effects of inflation, and whether or how the building was paid for (or financed—that is, accounted for on the liability side of the accounting equation).\textsuperscript{46}

The issue of accounting for long-lived assets in public organizations is no less complicated but very different than depreciation accounting in private organizations.

\textsuperscript{45} The book value of an asset is its cost minus its accumulated depreciation which for the building after its first year in service is $2,000,000 - 40,000 = $1,960,000.

\textsuperscript{46} The accounting equation also called the balance sheet equation is: ASSETS = LIABILITIES + OWNER'S EQUITY.
The basis of accounting presently required . . . does not allow for the recording of depreciation of general fixed assets as an expense of the governmental fund that finances the department using the fixed asset [except] for recording of depreciation by enterprise funds. . . . (Hay 1989, 492)

Depreciation of general fixed assets should be recorded in the accounts of the governmental funds. Depreciation of general fixed assets may be recorded in cost accounting systems or calculated for cost-finding analyses; and accumulated depreciation may be recorded in the General Fixed Assets Account Group. (emphasis added) (Codification in Hay 1989, 15)

Thus, except where the governmental activity is run like a business (e.g., municipal golf courses), public organizations ignore the concept of depreciation. Unless the public organization wants to—the public organization should or may, but is not required to depreciate. Instead of the cost of an asset being spread over its period of benefit to the public, the cost of the asset is reflected as a one-time expense. This rule (or lack of a rule) benefits politicians looking towards re-election and not wanting to include expenses (depreciation) into the cost factor of the services they vote to provide.

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47A generic classification used by the GASB to refer to all funds other than proprietary and fiduciary funds" (Hay 1989, 729).

48An enterprise fund is "... established to finance and account for the acquisition, operation, and maintenance of governmental facilities and services that are entirely or predominantly self-supporting by user charges ..." (Hay 1989, 726).
The AICPA designated the GASB as the authoritative body in the establishment and interpretation of public organization accounting principles. Twelve principles of public organization accounting principles are promulgated in the GASB's *Codification of Governmental Accounting and Financial Reporting Standards*. They include:

A governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the financial position and results of financial operations of the funds and account groups of the governmental unit in conformity with generally accepted accounting principles; and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions. (emphasis added) (Hay 1989, 12)

In his textbook, Hay states:

Adherence to generally accepted accounting principles (GAAP) is essential to ensuring a reasonable degree of comparability among the general purpose financial reports of [public organizations]. (emphasis added) (Hay 1989, 12)

Depreciation accounting, as defined in Accounting Research Bulletin (ARB) 43, is a statement of GAAP; GAAP requires an organization to account for long-lived assets using depreciation accounting; but public organizations (except enterprise funds and those funds that follow the should and the mays in the Code relating to depreciation) do not account for depreciation.
The modernist notion of rationality is invoked in the definition of depreciation quoted at the beginning of this section (depreciation "... aims to distribute the cost... in a systematic and rational manner") (emphasis added) (FASB 1986a, 32). If the depreciation accounting of private organizations is rational (the recording of depreciation in a rational manner makes the recording of depreciation rational), then the act of not recording depreciation for public organizations is not rational.

What does recording depreciation for private organizations accomplish that not recording depreciation for public organizations not accomplish? In private organizations, the recording of depreciation increases the cost of the goods or services sold by the organization. Depreciation is a cost of doing business—it is a component of the total cost of the organization's output. Taxpayers provide the assets for public organization use.49

These assets are then put to specific use by the recipient public organizations, enabling the organization to provide whatever public good or service they provide. The cost of any productive facility employed in

49The taxpayers are both principal and interest payers of bonds used to finance the construction of fixed assets for public organizations. If bonds are not used for the financing of the fixed assets, then the taxpayers pay directly for the assets through taxes or user fees (e.g., highway tolls).
providing the public good or service would seem to be a component of the cost of that public good or service. Under current accounting practices, however, the cost of the public goods and services provided by public organizations appears incomplete (it does not include the cost of the fixed assets used to produce it), inconsistent with GAAP accounting practices for private organizations.

The state legislators are the final determiners of GAAP. But the legislators and their programs are what can be evaluated with the information in the financial statement. Since the state legislators are the arbiters of GAAP, they determine the rules by which they are evaluated.

There is a contradiction between the text (GAAP and the GASB Codification) and what the authors (of the GASB Codification and Hay in his textbook) say they are saying (the gap between what is said and what is meant). There is a contradiction between what is stated as GAAP (that organizations will use depreciation accounting for long-lived assets), what is promulgated by the GASB (that public organizations will use GAAP when accounting for operations), and what is done in practice (only enterprise and enterprise-type funds use depreciation accounting, though governmental funds should use depreciation accounting).
To further clarify the rules for accounting for long-lived assets by public organizations, the method of financing (which fund financed the asset’s acquisition) determines which fund accounts for the asset. Figure 1, reprinted from Hay, summarizes the fund treatment—the accounting treatment of the asset is determined by which fund the asset is classified (accounted) under.

**Figure 1. — Fund Treatment**

ILLUSTRATION 5-1 Interrelationships among Governmental Fund Types and Account Groups—Fixed Asset Acquisition

<table>
<thead>
<tr>
<th>General Fund and/or Special Revenue Funds</th>
<th>Capital Projects Funds</th>
<th>Debt Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account for acquisition of general fixed assets from expenditures of annual appropriations. Cost of assets acquired is recorded in the [General Fixed Assets Account Group] GFAAG.</td>
<td>Account for acquisition of general fixed assets from expenditures of debt proceeds, capital grants, and other sources restricted for fixed asset acquisition. Cost of assets acquired is recorded in the GFAAG. Long-term debt to be serviced from tax revenues, or from special assessments, is recorded in the [General Long-Term Debt Account Group] GLTDA.</td>
<td>Account for accu-mulation of resources for, and the payment of, matured debt principal and interest, except that being repaid from revenues of Enterprise Funds. Resources generally include accrued interest and premium on tax-supported long-term debt issued, and accrued interest and premium on special assessment long-term debt issued.</td>
</tr>
</tbody>
</table>
Figure 1.—Continued

<table>
<thead>
<tr>
<th>General Fixed Assets Account Group</th>
<th>General Long-Term Debt Account Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts for cost of General Fixed Assets [GFA] acquired by expenditures of the General Fund, Special Revenue Funds, and Capital Projects Funds. Also accounts for GFA acquired under capital leases and for GFA acquired by gift.</td>
<td>Accounts for all unmatured long-term debt except debt being repaid from revenues of Enterprise Funds. Long-term debt includes present value of rentals under capital leases.</td>
</tr>
</tbody>
</table>


The fund under which the asset is classified is determined by how the asset was financed—how it was acquired. The method of financing determines what assets get “assigned” to which funds, which determines the asset’s accounting treatment. The fund which benefits from the use of the asset does not account for the asset, instead the asset is accounted for by either a “catch-all” asset fund (GFAAG) or it is accounted for by the fund that financed its acquisition (Capital Projects Fund).

The professional organization that represents practicing accountants (AICPA) established the authoritative body for promulgating GAAP (the FASB). The FASB helped create and officially sanctioned the GASB to establish accounting principles for public organizations. The FASB
requires that depreciation accounting be adopted by an organization to comply with GAAP. Public organization financial operations and results are to be reported and prepared using GAAP. However, depreciation accounting is only suggested by the GASB (which requires the use of GAAP, which requires depreciation accounting).

Fund Accounting

Fund accounting is the generic term applied to accounting for governmental and not-for-profit organizations. Fund accounting denotes that there is a "fund" of money to be accounted for, which can be misleading. Not all public organizations account for the same funds. One would think, however, that all public organizations account for items in the same or like manner. This is far from the reality of the matter.

Private organizations follow GAAP to account for their financial position and operations. While for public organizations, as stated previously:

A governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the financial position

\footnote{A fund is a "... fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with related liabilities, and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations" (Hay 1989, 728).}
and results of financial operations of the funds and account
groups of the governmental unit in conformity with generally
accepted accounting principles; and (b) to determine and
demonstrate compliance with finance-related legal and contractual
provisions. (emphasis added) (Hay 1989, 12)

As mentioned earlier in this chapter, Hay states in his textbook that:

Adherence to generally accepted accounting principles
(GAAP) is essential to ensuring a reasonable degree of comparability among the general purpose financial reports of [public organizations]. (emphasis added) (Hay 1989, 12)

But the chairman of the Task Force on Governmental Accounting
Standards of the National Conference of State Legislatures stated that:

Under state constitution and law, state-elected officials have
primary jurisdiction over generally accepted accounting principles
for their states. Further, within each state's legal arrangement
with local government is the basic authority to establish generally
accepted accounting principles for government. (Antonio 1985,
36)

In some states, however, laws require the state governments
and the local governments within the state to follow practices
(such as cash basis accounting) not consistent with GAAP. (Hay
1989, 12)

The issue of the cash basis of accounting is addressed in a subse-
quent section of this chapter but the important point is that the state
legislators are the final arbiters of GAAP. However, by state constitu-
tion or law, states can choose to follow GAAP rather than being required
to follow GAAP. This is the same as having private organization CEO's
decide what is GAAP and then letting them choose whether or not they should follow GAAP.

How much faith would/could an investor in a private organization put into the integrity of the financial reports generated by that type of system in the private sector? The temptation to the management of a private organization to adopt inappropriate accounting procedures just to make it appear more profitable or worth more at a point in time were chronicled by Briloff in a previous chapter. However, in the case of private organizations, the FASB, the AICPA, the SEC, and Professor Briloff all contribute to the effort to preclude private organizations from adopting questionable accounting practices.

The accounting practices of public organizations are determined by the GASB, which determines GAAP for public organizations. But, public organizations must follow the financial reporting practices prescribed by their respective state legislatures. Even then the state legislature is the final arbiter of GAAP, which the state can choose to follow or not to follow.

The first state to adopt generally accepted accounting principles (GAAP) for external reporting purposes was Colorado in 1975. Since then, more than thirty states have adopted GAAP for external reporting or are in the process of converting their
accounting system to generate the financial information required by GAAP. (Carpenter and Feroz 1990, 67)[51]

Obviously, following GAAP is not important to 40 percent of the states (if only 60 percent of the states are following GAAP). Professor Briloff's exceptions notwithstanding, private organizations follow GAAP (which is promulgated by parties outside the actual reporting entity—the FASB promulgates GAAP, not the private organization issuing the annual report, i.e., General Motors). Included in the auditor's report in a private organization's annual report is the statement that:

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of XYZ Company as of December 31, 19--., and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles. (emphasis added) (Meigs and Meigs 1990, 504)

One of the reasons private organizations follow GAAP is to make the financial statements comparable to those of other private organizations. Comparability is one of the objectives of financial reporting mentioned in Accounting Principles Board (APB) Statement Number Four

[51]Carpenter and Feroz (1990) explored the decision of Kentucky to replace their circa 1938 accounting system and adopt GAAP. The authors "... focus on the executive-legislative relationship to highlight the role of accounting in maintaining a delicate balance between the two branches of government" (Carpenter and Feroz 1990, 68).
and addressed by Briloff in his writings; it is also mentioned by Hay and stated previously in this chapter.

Adherence to generally accepted accounting principles (GAAP) is essential to ensuring a reasonable degree of comparability among the general purpose financial reports of state and local governmental units. (Hay 1989, 12)

By following a common set of rules, financial statement readers who know those rules can understand the financial reports of organizations. If organizations follow different rules, then financial statement readers must be versed in the rules for each different organization. If every baseball game was played according to different rules, it would make the sport difficult to watch and understand. It would be even more difficult to determine which was the better team, since results from each game would be incomparable.

Financial statements of many public organizations are incomparable. For many states, the issuance of bonds has necessitated the adoption of GAAP (Carpenter and Feroz 1990, 67). Participants in bond markets want to evaluate a public organization’s bond offerings after analyzing its financial reports. A common set of accounting rules facilitates this endeavor.
The issue of a public organization's use of different rules than other public organizations was a key issue in California in 1988. At issue was whether or not the state had a surplus or a deficit for fiscal year 1987-88. The Republican governor was accused (by the Democratically controlled legislature) of "... hiding a deficit by resorting to accounting gimmicks" (Larson and Miller 1993, 5).

The issue for Kentucky's adoption of GAAP arose when the Director of the Office of Policy and Management, the office "responsible for financial management of the Capital Construction Fund" (Carpenter and Feroz 1990, 70), testified before the legislature to not having read the state's financial report and

... even if I had read it, I don't know that I would know how [the balance of the Capital Construction Fund] is generated to be put in the financial record. (Carpenter and Feroz 1990, 70)

The adoption of GAAP, however, should not be viewed as adopting a common set of accounting rules. The state legislature can mandate deviations from GAAP and still enable the public organization to effectively follow GAAP since the state legislature is the determiner of GAAP. This confusing tangle of mystifying rules is a disruption in the application and definition in GAAP.
The Importance of Cash

Cash is a concept that most people understand—not in the economist's sense, but in the layperson's sense. In accounting, there is the asset cash as well as the cash basis of accounting. There are two bases of accounting, and this distinction is another binary opposition appearing in accounting.

Accrual Basis. The basis of accounting under which revenues are recorded when earned and expenditures (or expenses) are recorded as soon as they result in liabilities for benefits received, notwithstanding that the receipt of cash or the payment of cash may take place, in whole or in part, in another accounting period. (Hay 1989, 719-20)

Cash Basis. The basis of accounting under which revenues are recorded when received in cash and expenditures (or expenses) are recorded when cash is disbursed. (Hay 1989, 723)

The accrual basis is the dominant system for private organization accounting. The cash basis is used by small businesses (sole proprietorship, professional service organizations) and small organizations of a club or hobby variety. The two systems are juxtaposed as: accrual v. cash basis of accounting. The accrual basis is the dominant system and is therefore presented and spoken of first. The accounting taught to college accounting students and which serves as the basis of the Uniform Certified Public Accounting Examination is the accrual basis.
In this section I deconstruct the requirement of GAAP to use the accrual basis and the impact this rule-bound system has on public organization accounting.

Items that qualify under the definition of elements of financial statements and that meet the criteria for recognition and measurement...are accounted for and included in financial statements by the use of accrual accounting procedures. (emphasis added) (FASB 1986b, 134)

Accrual accounting attempts to record the financial effects on an entity of transactions and other events and circumstances that have cash consequences for the entity in the periods in which those transactions, events, and circumstances occur rather than only in the periods in which cash is received or paid by the entity. Accrual accounting is concerned with an entity's acquiring of goods and services and using them to produce and distribute other goods or services. It is concerned with the process by which cash expended on resources and activities is returned as more (or perhaps less) cash to the entity, not just with the beginning and end of that process. It recognizes that the buying, producing, selling, distributing, and other operations of an entity during a period, as well as other events that affect entity performance, often do not coincide with the cash receipts and payments of the period... Accrual accounting attempts to recognize non-cash events and circumstances as they occur and involves not only accruals but also deferrals, including allocations and amortizations. (FASB 1986b, 4185)

These two statements by the FASB (the promulgators of GAAP) unequivocally state that organizations need to use the accrual basis of
accounting to comply with GAAP. The GASB has directed that governmental units must comply with GAAP. As previously stated:

A governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the financial position and results of financial operations of the funds and account groups of the governmental unit in conformity with generally accepted accounting principles; and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions. (emphasis added) (Codification in Hay 1989, 12)

Therefore, one would expect that public organizations would use the accrual basis of accounting since, as mentioned before:

Adherence to generally accepted accounting principles (GAAP) is essential to ensuring a reasonable degree of comparability among the general purpose financial reports of state and local governmental units. (Hay 1989, 12)

But according to the principle set forth by the GASB and issued as part of the same pronouncement as the principle requiring the public organization to follow GAAP, the GASB states that:

The modified accrual or accrual basis of accounting, as appropriate should be utilized in measuring financial position and operating results. (emphasis added) (Codification in Hay 1989, 15)

52* Under the modified accrual basis of accounting . . . revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority” (Hay 1989, 731).
The professional organization that represents practicing accountants (AICPA) established the authoritative body for promulgating GAAP (the FASB). The FASB helped create and officially sanctioned the GASB to establish accounting principles for public organizations. The FASB requires that the accrual basis of accounting be adopted by an organization to comply with GAAP. Public organization financial operations and results are to be prepared and reported using GAAP.

However, the method recommended (listed first in the principles) is not recognized as GAAP. This disruption and contradiction in the text reflects the author’s (the GASB) saying one thing (follow GAAP) except when it suits us to do something different, then we will make up our own rules. Since the GASB is the recognized authority for establishing accounting procedures for public organizations, anything the GASB permits retroactively becomes GAAP.

The concept of accrual based accounting and depreciation resurface in another interesting manner. We have seen, as mentioned before that:

The modified accrual or accrual basis of accounting, as appropriate, should be utilized in measuring financial position and operating results. *(Codification in Hay 1989, 15)*
Depreciation accounting is an integral part of accrual based accounting (here referred to as amortization) as previously stated:

Accrual accounting attempts to recognize non-cash events and circumstances as they occur and involves not only accruals but also deferrals, including allocations and amortizations. (FASB 1986b, 4185)

The cash basis of accounting does not recognize depreciation as an expense because depreciation is a non-cash expense. It does not represent an outflow of cash—no one writes a check payable to depreciation or in payment of depreciation. Thus, depreciation does not enter into the accounts under the cash basis. The GASB recommends the modified accrual basis of accounting for public organizations. This method recognizes expenditures when a liability is incurred. That means that only expenses which are liabilities are recognized. In accounting for private organizations, revenues and expenses appear on the income statement only (which measures how much the organization made during a period of time) and assets, liabilities, and capital appear only on the balance sheet (which measures financial position—what an organization is worth at a point in time).
Expenses for a private organization can affect assets and liabilities. Expenses under the modified accrual basis affect only liabilities.

Expenses are:

Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges presumed to benefit the current fiscal period. (emphasis added) (Hay 1989, 727)

Outflows or the using up of assets as a result of the major or central operations of the business; also liabilities may be incurred as an alternative to outflows of assets. (Larson and Miller 1993, 48)

Liabilities are:

Probable future sacrifices of economic benefits arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events. (Hay 1989, 731; Larson and Miller 1993, 49)

Debts or obligations of a business. The claims of creditors against the assets of a business. (Meigs and Meigs 1990, 28)

Here we have a disruption in the accounting for public organizations vis-à-vis the accounting for private organizations. The definition of an expense for a private organization is different from the definition of an expense for a public organization.
Accounting/Not Accounting

What we account for is just as important as what we do not account for. The economic events we account for would seem to be those that we find important. If we account for what we find important (what we value), is what we do not account for that which we find unimportant (without value)? Or is it that we account for that which we can measure whether it is important or not and we do not account for that which we cannot measure?

In the next chapter I look at some of the specific accounting practices of NVCC. What is specifically accounted for by NVCC excludes or marginalizes that which NVCC does not account for. If we look out our house's front window, we are ignoring (marginalizing) that which is outside our back window. As in the case of the devices analyzed in this chapter, by using the cash basis of accounting (looking out the front window), public organizations ignore/marginalize accounts receivables, accounts payable, (what it outside the back window, the back yard), long-lived assets, accrued revenues, and accrued expenses.

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53 In an article referred to previously, one of the Derridean themes that is explored later in this dissertation is "... the marginalization and exclusion of what is not present, the accounting and the not accounting" (Arrington and Jere 1989, 24).
CHAPTER 5

ANALYSIS II

Introduction

In this second analysis chapter, I analyze the specific accounting practices and methods used by one public organization, NVCC. NVCC is a part, a subset, of the VCCS. In analyzing the accounting practices and methods of NVCC, I in a sense am also analyzing the accounting practices and methods of the VCCS, SCHEV, the Commonwealth of Virginia, and all public organizations, since NVCC is a microcosm of these public organizations.

For the purpose of setting a background, I use a brief history of NVCC re-printed from its Fact Book, with more detail provided in an appendix. Much of the text I deconstruct in this chapter is re-printed in the various appendices, including pertinent excerpts of the Code of Virginia and the House Joint Resolution that delineated the structure for the VCCS and the community colleges under its jurisdiction.
In this chapter I deconstruct the accounting practices and policies relating to:

- The Commonwealth Accounting and Reporting System (CARS)
- The definition of students
- The definition of success
- The definition of the bottom-line for a community college
- The definition of physical space
- The concept of time
- The definition of employees

A Brief History of NVCC

NORTHERN VIRGINIA COMMUNITY COLLEGE

GENERAL INFORMATION

I. History and Organization

A. College History

- 1964 - Northern Virginia Technical College was established.
- 1965 - First classes were opened with 761 students and 46 faculty and staff.
- 1966 - The College was renamed Northern Virginia Community College (NVCC).
- 1968 - Dr. Richard J. Ernst became the College’s second president.
- 1969 - The original plan of establishing one central campus and four satellite centers was
changed to a concept of five campuses supported by a central administration.

- 1988 - Semester system began at NVCC.

B. **Population Served** - Virginia Planning District Eight (P.D.8)

- Counties: Arlington, Fairfax, Loudoun, and Prince William

- Cities: Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park

C. **Organization**

- **State Council of Higher Education for Virginia (SCHEV)**
  Certain activities of the College come under the supervision of SCHEV, a body which plays a prominent role in planning for higher education in the Commonwealth.

- **Virginia Community College System (VCCS)**
  NVCC is one of 23 colleges within VCCS which is governed by the State Board for Community Colleges.

- **College Board**
  NVCC has a local advisory board of 11 members.

- **College Administration**
  The President chairs and is assisted by two advisory bodies: the Administrative Council and the College Forum. The Administrative Council is composed of the Provosts from the five campuses, the Dean of Academic and Student Services, the Dean of Financial and Administrative Services, and the Director of College Relations and Development. Representatives of the teaching faculty,
administrative faculty, classified staff, and students are elected and appointed to the College Forum.

D. The Campuses and the Extended Learning Institute

- **Alexandria Campus**
  The Alexandria Campus is located in Alexandria and primarily serves the residents of the City, Arlington County, Falls Church and eastern Fairfax County. The Campus grew from one building constructed on a 22.5 acre site in 1969 to three buildings on 51.4 acres in 1980. An addition to the original building, as well as the Engineering/Automotive Technology Building, was opened in 1980. In 1980, the John Tyler School was purchased from the City of Alexandria and incorporated as part of the campus. The Alexandria Campus also maintains classrooms in leased temporary facilities at off-campus locations.

- **Annandale Campus**
  The Annandale Campus is located in central Fairfax County and primarily serves the residents of the County. This campus began as one building constructed in 1967 on a 78 acre site. In 1969, three buildings were erected and the TV/Technical Building followed in 1970. The Nursing Building was completed in 1972. The Braut Building, which houses College Staff, was completed in 1984. The latest construction, the Community Cultural Center which serves the College and the community, was completed in 1990. The Annandale Campus also provides off-campus instruction at various locations.

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• **Loudoun Campus**
The Loudoun Campus is located in Sterling and primarily serves the residents of northern Fairfax County and Loudoun County. Construction was begun on a 91.4 acre site in 1972 and completed in 1974 with four permanent buildings and the temporary Interior Design Building and greenhouse/laboratories. The Loudoun Campus also maintains classrooms in leased temporary off-campus facilities.

• **Manassas Campus**
The Manassas Campus is located in western Prince William County and primarily serves the residents of the County and western Fairfax County. During 1972, classes were offered in temporary facilities as construction began on the 100.4 acre site. Additions have been made through 1980. The first construction phase consisted of two buildings. The Art Studio Building was added in 1974 and the Paint Spray Building was completed in 1980. Off-campus instruction is offered at several locations including a local high school.

• **Woodbridge Campus**
The Woodbridge Campus is located in eastern Prince William County and primarily serves the residents of the County. Classes were offered in temporary, community facilities from 1972 through 1975. Campus construction began in 1974 on a 109 acre site. A four-story building was completed by 1975; Phase II of this building was completed in 1990. The campus has also added the Heating, Ventilation and Air Conditioning buildings, and several temporary facilities. The Woodbridge Campus provides off-campus instruction at several locations including area high
schools and the Quantico and Fort Belvoir military bases.

- **Extended Learning Institute**  
The Extended Learning Institute (ELI) offered its first courses in January 1975. ELI offers study opportunities that are time and space flexible. Thus the course offerings are designed to provide learning opportunities to those who may not be able to take advantage of the more traditional classroom-based courses. Students enrolled in ELI use television, radio, printed materials and other programs that are chiefly self-instructional. Each ELI enrollment is assigned to one of the five campuses.

II. **Accreditation, Degrees, Certificates and Curricula Offered**

A. **Accreditation**

NVCC is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award the Associate in Applied Arts, Associate in Applied Science, Associate in Arts, Associate in Science, and certificates in selected occupational areas.

Curricula of the College are approved by the NVCC Board and by the State Board. The two-year, associate degree programs are also approved by the State Council of Higher Education for Virginia.

Health technologies programs are accredited by the American Medical Association, the American Dental Association, the National League for Nursing, or the American Physical Therapy Association. See the individual program descriptions for additional details.
B. **Degrees and Certificates:**
- Associate in Applied Arts (A.A.A.), Associate in Applied Sciences (A.A.S.), Associate in Arts (A.A.), Associate in Science (A.S.), Certificates.
- **Curricula:**
  From the 37 curricula offered in 1968, the College now offers more than 82 majors and 132 different curricula. (NVCC 1993, 1-3)

**Analysis**

The Commonwealth Accounting and Reporting System

In the previous chapter I analyzed the general rules for accounting for public organizations—GAAP as promulgated by the GASB. I addressed the fact that public organizations can follow GAAP or what is defined as GAAP as modified by their respective state legislatures. I also mentioned the different bases of accounting that could be used by a public organization and still be in compliance with GAAP (since whatever method their state legislature mandated would be considered GAAP).

NVCC, VCCS, SCHEV, and those other components of the Commonwealth that use CARS record transactions on the **cash basis of accounting.** The Commonwealth of Virginia maintains accounting records in accordance with the principles of fund accounting. The State's accounting records are subdivided into funds. A fund is an independent fiscal and accounting entity with a self-balancing set
of accounts recording assets, liabilities, fund balance, and operating accounts. The Commonwealth of Virginia classifies funds according to Generally Accepted Accounting Principles (GAAP) as defined by the Governmental Accounting Standards Board (GASB) Statement 1. (emphasis added) (Commonwealth Accounting Policies and Procedures 1993, 2) See Appendix A

After reading this statement, can it be said, unequivocally, that Virginia follows GAAP? This statement implies that, unless contrary to state law, Virginia follows GAAP. The official statement, however, is equivocal enough to make one wonder why the issuing authority\(^5\) just does not come right out and state whether or not Virginia follows GAAP. Instead, why does the manual state that Virginia “classifies funds according to GAAP”? Is this the same thing as “Virginia follows GAAP?”

This disruption in the text is confusing and obfuscates whether Virginia actually complies with GAAP. It could be read to mean that Virginia wants you to believe it follows GAAP when in fact it does not, or it could mean that Virginia does not follow GAAP but classifies its accounts as if it followed GAAP, or the classification of funds follows GAAP, which means that the accounting system follows GAAP, or the

\(^5\)In accordance with Section 2.1-196.1 of the Code of Virginia, the Department of Accounts (DOA) is responsible for financial data classification and coding structures for agencies” (Commonwealth Accounting Policies and Procedures 1993, 2).
important component of GAAP is the classification of funds and Virginia follows GAAP in this important activity.

SCHEV Guidelines

SCHEV was created by the Virginia state legislature in the mid-1950s to oversee higher education in the commonwealth. SCHEV is the administrative body charged with planning and implementing policy for state funded institutions of higher education.

Originally, SCHEV had the responsibility of supervising traditional four-year colleges and universities. Various institutions in the commonwealth had satellite campuses that eventually became full-fledged colleges and universities (e.g., George Mason University was the northern Virginia campus of the University of Virginia, and Christopher Newport College was the urban campus of the College of William and Mary). Other institutions had their satellite campuses ceded to the newly created community college system in 1966.55

55Eastern Shore Branch of the School of General Studies of the University of Virginia, Lynchburg Branch of the School of General Studies of the University of Virginia, Patrick Henry College of the University of Virginia, Clifton Forge-Covington Branch of the Virginia Polytechnic Institute, Roanoke Technical Institute of the Virginia Polytechnic Institute, Roanoke Center of the School of General Studies of the University of Virginia, and Wytheville Branch of the Virginia Polytechnic Institute all became campuses and or separate community colleges in the VCCS.
This first decade of SCHEV’s administration of four-year colleges and universities and the manner in which some community colleges were created from satellite campuses of four-year colleges and universities had a significant impact on the way SCHEV viewed community colleges. Since SCHEV was created to supervise four-year colleges and universities, the state legislature and SCHEV developed guidelines and standards (one best ways) to appropriate money to four-year colleges and universities. These standards were used to allocate resources amongst all the state funded institutions of higher learning in the commonwealth (including two-year colleges when they came under SCHEV’s purview).

During the early years of SCHEV’s supervision of institutions of higher education, the commonwealth practiced a “separate but equal” form of allocating resources to the commonwealth’s parallel system of black institutions of higher education. However, the separate but equal system of allocation was more a principle than statutorily enforced reality. The discrepancy in funding it allowed clearly marginalized a significant segment of Virginia society. SCHEV still regarded all institutions of higher education as being “traditional”—serving mostly resident, eighteen to twenty-two-year-old students. However, non-traditional students were served by the same institutions, though at the
satellite campuses or urban centers. Thus, all institutions were seen as similar, serving similar students, with similar needs (basic education rather than job re-training). To SCHEV, if it looked like a student, and walked like a student, then it must be a student. However, the student that SCHEV thought it was serving for its first decade was not the same student that SCHEV inherited as the student of the community colleges.

Community college students are marginalized by SCHEV's not recognizing them as different—as a distinct group, with different needs. Not all community college students seek degrees. Some just want to learn specific skills for job qualifications or skill upgrades and do not finish the courses they start—they stop attending once the desired skill has been mastered. Some community college students are in transfer programs and hope to transfer to "traditional" institutions of higher education. Some are taking prerequisites for entry into a masters degree program. Some are "trying to find themselves" and attempt it at community colleges where the cost a of mistake is less than at a four-year institution.

SCHEV marginalizes the community college student by applying thirty-year-old guidelines and standards for the allocation of resources,
only some of which incorporate the different needs of the community college students and the institutions that serve them. Some of these standards are the text that I deconstruct in subsequent sections of this chapter.

What is a Student?

Let us take a simple transaction (the sine qua non of accounting) involving a student and the college and see how this works to define or establish a specific idea of a “student.” A “student” walks up to the registrar’s counter to matriculate. Is this individual who wishes to register a student? One of the ways of defining a “student” is found in the SCHEV guidelines.

(“Full-time equivalent” [FTE] is measured by the total credit hours recorded by an institution. One FTE student is equal to 15 hours per semester for undergraduate students and 12 hours per semester for graduate students.) (SCHEV U21 1993, 4)

If the individual registering is planning to take fewer than fifteen semester hours, instead of being a full-time equivalent student (FTES), he or she is a “headcount.” The difference is not just one of semantics; it is an issue of funding. For every FTES, the college receives $2,321 from the state to pay for that particular student’s education. The total state payment to an institution is determined by the FTES count at the
census date. However, if the student withdraws after the census date but before the last day to withdraw without grade penalty, the college still receives a stipend for the student.

This per student stipend from the state is not the only means of state support for the college. There are operating funds, capital expenditure funds, planning funds, etc. This stipend (again, dependant upon the total FTES population determined at census date), though, is a portion of the college's operating budget and is thus predicated on FTES's. The college may have a high headcount (enrollees) but until that headcount is divided by fifteen semester hours, it does not equate to the $2,321.

What does this definition of a student do to the relationship between the students and the college? Deconstruction can be used to illuminate certain categories of thought and communication that are excluded by a text, in this case the method of accounting for a student (Kilduff 1993, 15). What we are told is that a student can be both a component of headcount and/or FTES. Enrolling a headcount is not of enough consequence to merit the $2,321 stipend. The college must aggregate enough headcount to reach fifteen semester hours before it is rewarded with the stipend. Does this mean that the effort to educate a
headcount is (assuming an average undergraduate course having three semester hours) one-fifth the effort of educating an FTES? This perspective ignores the fixed cost component of operations—e.g., there are certain costs that an institution incurs whether there is one student or a thousand students. Examples of the fixed costs I would place in this category are heating costs—a building needs to be heated irrespective of the number of students enrolled, and parking lot lighting during the hours of darkness, regardless of whether classes are in session.

Assuming that the role of the community college is to serve the community at large (as mentioned in the college mission and goals—see Appendix C)—not just the degree-seeking population, does this mean the community college should account for students in the same manner that four-year institutions are accounting for their students? The legislators have provided the community colleges with the same definition of a student that four-year institutions use. In an effort to streamline their task of allocating scarce resources amongst the institutions of higher education and remove discretion as well as responsibility from the process, legislators have allowed apples and oranges to be counted as the same fruit. If it looks like a student, acts like a student, then it must be a student. And if you have only one definition of a student, then you

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account for all students the same way—to do otherwise would be to recognize a difference which could result in another definition and another accounting method.

What is ignored here, are the fundamental differences between the students one finds attending community colleges and the students attending four-year institutions. Are the legislators and education administrators guilty of looking at themselves—products of "traditional" four-year institutions and assuming that all students are what they remember themselves as being? The average age of community college students is over twenty-six; many of them work, which limits the time they can devote to carrying a "full-load" of courses (NVCC 1993, 7). Many are not seeking a degree, but are seeking job training, job retraining, or skill updating. In deconstruction, this is an example of a disruption, a place in the text (here the definition of a student vis-à-vis the mission of the community college) where a contradiction (that community college students are the same as students at four-year institutions) reveals a subtext that contradicts the text (the mission of the community college is not the same as four-year institutions). If the missions of community colleges and four-year institutions are different,
then they each would serve different constituencies (NVCC 1990, 15)—otherwise why have community colleges and four-year institutions?

Even if we ignore the issue of using the same definition of a student regardless of what type of institution they attend, there is still the issue of the stipend paid the school for FTES's. The student is no longer someone to teach how to think. By definition, we remove them from an academic framework and view them as piecework in a production process, numbers in a ledger, or notches in a belt. The act of allocating $2,321 to a college for an FTES at census date places a dollar value on students. Is this what the state feels a student is worth or what it is willing to pay for the higher education effort necessary to educate the student from one level to another educational level?

Another disruption or contradiction in the text occurs when one compares the definitions of a full-time student according to SCHEV (fifteen semester hours) to the definition of a full-time student in the NVCC *Catalog*:

You are considered a full-time student if you have enrolled in 12 or more credits of course work as of the last day to add/drop for regular semester sixteen (16) week classes. (NVCC 1990, 19)

In terms of full-time students (students carrying 12 or more credits per semester). . . . (NVCC 1991a, 8)
This definition of a full-time student is different from the definition used by SCHEV. The definition used by SCHEV for full-time community college students is the same definition that SCHEV applies to students at comprehensive colleges, liberal arts colleges, and specialized institutions on their undergraduate level. SCHEV ignores the fact that with an average age of twenty-six, community college students probably work to support themselves and their studies.

How Does NVCC Measure Success?

Accounting systems are used to measure things. These things can be either objects (assets and liabilities) or results (operations—e.g., profit). As previously stated:

How do business executives know whether a company is earning profits or incurring losses? How do they know whether the company is solvent or insolvent, and whether it will probably be solvent, say, a month from today? The answer to both these questions in one word is accounting. Accounting is the process by which the profitability and solvency of a company can be measured. Accounting also provides information needed as a basis for making business decisions that will enable management to guide the company on a profitable and solvent course. (author’s emphasis) (Meigs and Meigs 1990, 13)

Private organizations account for, and measure, success. This can be defined as profitability and solvency. Success is not always an
either/or proposition that can be accounted for or measured in degrees or by dollars. What does a public organization account for and measure? Each public organization has a different mission. Private organizations may value what they account for differently but they still account for profitability and solvency. What though, can public organizations account for and measure? In general, one can say public organizations try to account for and measure success. Although each public organization has a different mission, the assumption can be made that the public organization tries to measure results (with success of course being defined as a positive result).

An organization's results are its bottom line. The enabling legislation of a public organization may include methods for monitoring the organization's operations (activities); this is not the same as measuring the organization's results. To be measurable, the results must be observable, recognizable, and quantifiable.

Each public organization must account for its results in order to legitimate (rationalize) its existence and ensure its continued funding. Public organizations have both a stewardship and a fiduciary

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56The Mars Company values their return on total assets (ROTA) more than most private organizations but they still account for and measure profitability and solvency.
responsibility to show what public resources (funds) were allocated to it and what it did with those resources. What a public organization chooses (or has chosen for it) to regard as its success/results then becomes its raison d'être. Legislative appropriation and oversight committees use these results as a basis for the legislature's continued support. Results are not the only elements measured in public organizations, especially if the organization's mission does not lend itself to measurement. Therefore, many public organizations measure the component activities of their mission, activities deemed important to the organization's mission and goals.  

NVCC measures many activities and results. One of the measures of success of the college that NVCC uses is calculated in relation to its students' academic performance as evidenced by the grades earned by the students in their courses (the students' success is the same as the institution's success). Success is measured in a course by:

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57 Let us assume that one of the missions of the Virginia Department of Education is to provide a high school education to all Virginia residents. A measurable result is the number of Virginia residents who have earned high school diplomas (or equivalents). Yet the Virginia Department of Education measures and reports, by county, the average dollars per student spent to educate students in each of Virginia's counties. The dollar figure spent is not a result (an end), it is a means to accomplish the end. The spending of the money to educate the student is the means to the end of educating the student. The dollar figure spent to educate each student is both easy for the state to calculate/measure and for the citizens to understand.
\[ \text{SUCCESS} = A + B + C + P + X / \text{Total number of students} \]

\[ \text{ATTRITION} = W + F + U \]

(Where \( A \) = a grade of \( A \), \( B \) = a grade of \( B \), \( C \) = a grade of \( C \), and \( P \) is a pass for a developmental course, \( X \) is the grade assigned to a student who is auditing the course, \( W \) is a withdrawal from the course without academic penalty, and \( U \) is unsatisfactory in a developmental course.)

(See Appendix H for a Success Rate Report.)

These two formulas provide the basis for evaluating success. These are not the only results that NVCC measures and reports but they are the measures of success that the college most closely relates to its mission

to respond to the educational needs of a changing community and its institutions, ensuring that all individuals in the Northern Virginia area have an opportunity to enhance their values, skills, and knowledge. (NVCC 1991a, 3)

The two formulas above (they are actually equations) are methods used for measuring the degree to which NVCC has accomplished its mission. The formula measuring \( \text{SUCCESS} \) equates success with the student earning either an \( A \), \( B \), \( C \), \( P \), or an \( X \). That means that a student must attain a quantifiable level of proficiency in a course to be considered a successful result by NVCC. Is NVCC saying that a student is not
a success if she or he does not earn an A, B, C, P, or X? Or is NVCC saying that it has failed its mission by not educating the student sufficiently if that student fails to earn an A, B, C, P, or X? A student in an accounting class may earn an F. This student has not demonstrated a certain level of proficiency in accounting to earn a D or a SUCCESS grade. But that student may have learned among other things:

- some accounting such that she or he knows more accounting now then when she or he began the course—may be as much as they wanted to know,
- that accounting was not what she or he wanted to learn (perhaps bookkeeping would have suited the student’s needs better),
- that she or he would have been better served taking a non-college credit course,
- that college is not where his or her interests lie,
- that she or he must study if she or he wishes to pass, and
- that coping with failure can improve character.

The student has learned “something” and this something is not calculated into the SUCCESS formula. The student gaining such knowledge has had their values, skills, and knowledge enhanced but the knowledge they gained is marginalized by the accounting and measurement methods employed for SUCCESS.
The formula measuring success is labeled SUCCESS; the other formula is labeled ATTRITION. The two formulas identify and account for the experience of some, but not all of the students in a course. The two formulas do not account for all the learning provided by a course. Does that mean that the students earning the grade not included in either formula are the unsuccessful results of the NVCC educational experience because the second formula measures ATTRITION. If the first formula measures SUCCESS, then either the students earning D's or the students measured by the ATTRITION formula are the unsuccesses. If the students earning D's are neither successes nor unsuccesses, what are they considered? If one formula measures SUCCESS, the other one must measure unsuccess. But this, then, makes ATTRITION an odd choice as the name of the answer for the second formula.

Thus, there is a contradiction, or at least confusion, over what the formulas measure. If one formula measures success then the other measures not ATTRITION but UNSUCCESS. And where do the students
earning D's fit into the either/or (binary opposition) of the definition of success/unsuccess?

As mentioned previously, NVCC measures other results, some of which are considered successful but are not labeled as such. One example is the number of graduates produced (note the manufacturing metaphor) each year. However, in reviewing the college mission and goals (Appendix C), it should be noted that graduating students is not the mission or goal of the college—therefore, graduation is a result that is measured and reported but not labeled SUCCESS.

A review of the college mission and goals will also reveal that students earning an A, B, C, P, or X is not the mission or a specified goal of the college. However, the formulas appear to contradict this fact.

The Measurement of Space

The calculation of necessary or needed space for a community college is an interesting calculus. Appendix D contains several pertinent documents related to how space (administrative and general office space, general use space, laboratory space, library stack, library reader, and library service space, etc.) is allocated to various educational institutions.
The formulas and rules applied for space allocation were developed by both the state legislature and SCHEV.

General use space is that space which is not assigned to any specific discipline or administrative entity and is considered a common area to be shared and utilized by all. This common area is allocated to all institutions (comprehensive colleges, liberal arts colleges, specialized institutions, two-year colleges, and doctoral granting institutions) based on five assignable square feet (ASF) per FTE day student (see Appendix D). This formula assumes that:

- the common area needs (ASF per student) of residence-college students are the same as for the older (average age twenty-six years old) commuter students at community colleges and

- evening students have the same ASF requirements of day students.

However, two-year colleges have 40 percent of their headcount in the evening, and, 50 percent of their daytime students also take evening classes. In residential colleges and universities, dormitories and other areas (e.g., student union buildings, etc.) serve as common space where students can gather. This is not the case at NVCC which has no dormitory space for its students to utilize. Yet for purposes of common
area space allocation, all Virginia higher education students are treated as if they and their needs are homogenous.

Administrative and general office space is allocated differently for doctoral granting institutions than for the other institutions (see Appendix D). Non-doctoral granting institutions are allocated 2,000 fewer square feet for the first 2,000 FTE students than a doctoral granting institution. A descending, sliding scale per FTE is applied to enrollment increments above the initial 2,000 FTES.

Administrative and general office space does not include faculty office space. Why are non-doctoral granting institutions allocated less space for such activities as admissions, registration, etc? One also has to consider that the FTES calculation, by counting twelve graduate hours as full-time but fifteen undergraduate hours as full-time, would privilege those institutions with more full-time graduate students and marginalize institutions with more part-time graduate students and undergraduates.

Individual study laboratory space is used by students seeking help in a particular discipline. A student goes to this type of laboratory to receive extra help in a supervised situation. This space is allocated to all institutions at the rate of 1.84 ASF per FTE day enrollment. The 40
percent of NVCC's headcount who are evening students are ignored in this formula.

Physical education space is allocated to two-year colleges at the rate of eight ASF per FTE day enrollment while at all other institutions the rate is ten ASF per FTE day enrollment. Physical education has changed considerably in the past thirty years. Our concepts of wellness, body fat, diet, and modes of exercise and the equipment used in these new modes of exercise have changed. Wellness was a concept that was unheard of thirty years ago; methods of measuring body fat have been introduced and are now integrated into our definitions of wellness and the evaluation of diets. Once, free weights were the only equipment used for weight training; now, Nautilus, Solarflex, Nordic Track, and stair machines are considered alternatives and an improvement over free weights. To use thirty-year-old standards, and standards that ignore the use of the facilities by 40 percent of the students (the evening students) for the allocation of physical education space marginalizes these changes and the evening students.

Library space is allocated at 6.25 ASF per FTE day undergraduate and 8.75 ASF per FTE graduate student and faculty. Apparently, two-year and undergraduate college faculty use the same amount of library
space as graduate students—they are the silence in this standard. Reader space is calculated by multiplying the ASF for undergraduate students by undergraduate FTE day enrollment and adding that to the FTE graduate students and faculty multiplied by the ASF per graduate student and faculty.

The reader space formula assumes that reading is still the only endeavor students and faculty pursue in the library. New technologies are marginalized—such as laser-disk textbooks utilizing hypertext.\(^{58}\) Also marginalized is the two-year college evening student—40 percent of NVCC's students, who are ignored by the formula's use of FTE day enrollment.

Stack space is the term applied to the amount of space allocated to library materials. This space is allocated at the rate of .0833 ASF per volume. The number of volumes in a library are multiplied by .0833 square feet to determine the amount of stack space. This formula ignores the tremendous changes in technology found in the college library and impacting the quality of the work conducted in libraries. Thirty years

\(^{58}\)Hypertext is a technology in which a student uses a computerized version of the text which can diagnose the student's weaknesses on material tested and on a split screen shows the student what learning objectives are involved and which sections of the text need to be reviewed.
ago, and apparently in some circles today, the term volume was a privileged term when referring to libraries. Institutions of higher learning still publish (brag about) the number of volumes in their libraries. However, what is found in libraries can no longer be termed volumes; what has been marginalized, ignored, is the non-volume. Libraries now stock audio tapes of lectures, video tapes used for lecture enhancement, and the equipment necessary to play and view these instructional aids.

Two-year college faculty are not expected to conduct research or publish scholarly articles. The courses taught at two-year colleges are more introductory in nature (first and second-year level courses) than would be found at the other institutions of higher education under SCHEV's authority. Also, many students at two-year colleges are seeking skills to apply, not the theory often found in the higher level courses. Therefore, two-year faculty need to keep current with the changes in the skills and competencies of those practicing their discipline rather than the research being conducted in their disciplines that does not impact directly on those practicing their disciplines. It is more important for the two-year college accounting faculty to be familiar with accounting practices and methods that they need to teach their students. These
practices and methods might not make it into the introductory accounting textbooks until years after being introduced given that the newest and best current accounting practices and methods are only published and available to faculty in the practitioners' accounting journals. This means that the two-year college accounting faculty must spend more time in the library studying these journals than faculty at four-year institutions, who are more concerned with research rather than current practice. This difference in library needs is not addressed by the SCHEV standard concerning volumes. This standard marginalizes the differences in library material space needs of the two-year college faculty.

Service study is calculated as 25 percent of stack space plus reader space. This space too, has been transformed due to changes in technology. Computer terminals and printers have replaced the traditional card catalogues and many publication guides. Data-base searches have replaced or are augmenting many types of bibliographic endeavors.

Faculty office space is allocated to:

- two-year college faculty at the rate of 140 ASF per FTE,
- comprehensive colleges, liberal arts colleges and specialized institutions at 150 ASF per FTE, and to
- doctoral granting institutions at 180 ASF per FTE.
The differences between ASF allocations to the three groups show a 7 percent increase in ASF per FTE from the two-year colleges to the next group. The percent increase between the two-year college faculty office space to that of doctoral granting institutions is 28.5 percent, while the percent difference between the middle group and the doctoral granting institutions is 20 percent. Why does the standard marginalize the two-year college faculty and the students they serve by relegating them to third class status?

Much of the time of a two-year college faculty member is spent advising students. This time is spent meeting with students at times that the student is not in class, not tending to their families, or not working. These students typically have more need of faculty advising to help them determine what classes they should register for so as to minimize their time in seeking a degree and optimize their time spent in school. Also, many of these students are evening students, who require the availability of the faculty member both days and evenings.

Classroom space is allocated by multiplying the FTE by weekly student hours of 12.4 and multiplying that by .6 square feet. The contemporary classroom and the technologies available for classroom use today were not envisioned by the standard setters of 1956. Blackboards
and chalk trays are not the focal points of today's classrooms; should they be the focal points of the classrooms that are being planned for the future? Yet, where are the standards for the interactive technology that is available today (LANs—local area networks which enable all the computers in a class to be linked together), the ASF per computer terminal and the necessary power connections, and environmental considerations (keeping the computers in the lab at a stable temperature)?

Accounting for Time

SCHEV accounts for the time that classrooms are in use. This would seem simple enough—one has only to sum the number of hours that a classroom is in use (not empty of students and faculty). Surprisingly, though, SCHEV receives a report generated by the colleges that is prepared by a staff person entering the times that courses meet in classrooms into a computer. The software is written to accommodate typical class sessions (e.g., those classes that meet on Mondays, Wednesdays, and Fridays are assumed to meet for fifty minutes; classes meeting on Tuesdays and Thursdays are assumed to meet for seventy-five minutes). Unfortunately, those classes that meet just Mondays and Wednesdays for seventy-five minutes each day get counted as occupying

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the classrooms for only fifty minutes since the norm at traditional institutions is either a two-day, Tuesday/Thursday schedule or a three-day, Monday/Wednesday/Friday schedule. It seems a simple matter to modify the software to allow a proper counting (accounting) of classroom usage but SCHEV has not responded to the complaints generated by this inequity.

This procedure for calculating room usage marginalizes community colleges, since they often have to use non-traditional class meeting times (almost 50 percent of the headcount is in other than Monday through Friday daytime classes, e.g., evenings and weekends) to accommodate the non-traditional students found at community colleges. Scarce capital project resources are at risk here since this room usage calculation determines whether an institution needs more (and is allocated) classroom buildings.

Accounting for Employees

Two-year college faculty members are expected to teach five classes per semester with each class accounted for as 20 percent of the faculty member's assignment. If a department offers eighteen classes using both full-time and adjunct faculty, that department uses 3.6 FTEF.
The thirty students in a three-semester hour accounting class represent ninety semester hours of students (30 students multiplied by 3 semester hours) as well as six FTES (90 semester hour students divided by 15 semester hours for full-time status). This gives the faculty member a 30:1 productivity ratio calculated by 6 FTES divided by the class's proportion of the faculty member's assignment—e.g., $6 / .2 = 30$ (in this case, the same result can also be calculated by dividing the number of students by the number of faculty members—e.g., $30 / 1 = 30$.

Staff members (secretarial, laboratory support, etc.) are allocated to institutions by the VCCS using SCHEV guidelines. These positions are then allocated amongst the campuses by relative FTES, and amongst the departments on the campuses by FTES.

The allocation of faculty and staff based on FTES marginalizes the community college and privileges the other institutions of higher education since the process ignores the unusual hours of operation for community colleges. Almost 50 percent of the students attend evening and weekend classes. Thus, community colleges require staffing during times when other institutions of higher education are closed.
Productivity

The productivity ratio is the minimum acceptable level of student enrollment in a course to the number of faculty. This is also called the funding level. At NVCC, the accounting discipline productivity (funding) ratio is 18.4. This ratio is actually at 115 percent of the state set level; NVCC must meet 115 percent of enrollment guidelines “to pay for the same class at a less efficient institution”—one that cannot enroll enough students to meet the state guidelines. An institution at 80 percent of the funding formula would need a productivity ratio of only 12.8. Thus, NVCC must carry other two-year college programs and classes that cannot and do not meet the productivity levels. This trade-off is totally arbitrary. Its seeming reasonableness hides the fact that other methods of subsidizing the smaller institutions could be developed, e.g., a special sales tax in those jurisdictions that are served by the institution. As it is, the dialogue of educational policy is unable to consider such alternatives because they are obscured by the facade of rationality of the accounting practices being employed.

This method of measuring productivity penalizes those institutions in areas where the population can support an institution of higher education. It rewards those institutions in areas that cannot support an
institution of higher education. These latter institutions are subsidized by the former institutions. Thus, the students at the latter institutions (those attending the institutions unable to meet the state productivity ratios) are marginalized by the SCHEV standards applied to the institutions they attend. These students are penalized by having larger classes, “sharing” their faculty with more students and thus not getting one of the benefits of community college courses—more contact with the faculty member. Since many of these students are more at risk (sometimes even being referred to as marginal students) than those found at traditional institutions of higher learning, this benefit of a community college course is marginalized by the standards imposed on the larger community colleges.

**Conclusion**

In chapter four I deconstructed some **general** accounting methods and practices for public organizations and in chapter five I deconstructed some **specific** accounting methods and practices of NVCC. Chapter six contains my analysis of the policy implications that these accounting practices and methods support and reveals distortions created by these general and specific accounting practices and methods in the dialogue.
about educational policy—specifically the part played by community colleges in it—in Virginia.
CHAPTER 6

SUMMARY AND CONCLUSIONS

Introduction

In chapters four and five I deconstructed some general public organization accounting practices and methods and some specific to NVCC. In this last chapter I address the values these practices and methods support and the policies they advance. As we have seen, accounting is not the reasoned application of objective, rational measurement devices that one might imagine. What we account for excludes and marginalizes that which we do not account for; what we account for defines what we do not account for. Hence, the importance of what we do account for is generated at the expense of that which we do not account for.

One of the most obvious characteristics of the conceptual structure of accounting is that it is predicated on binary oppositions both concretely (debits/credits, increase/decrease, etc.) and definitionally (revenues/expenses, profit/loss, etc.). Deconstruction is a
methodological strategy that lends itself well to the analysis of binary oppositions and is thus a good methodological strategy for analyzing accounting. As noted earlier, in a binary opposition, one term is privileged over the other term and one term is always subordinated, subjugated by that which is privileged. Accounting's system of binary oppositions constructs a system of stark contrasts with no nuances or subtleties. It is a world of either/or, on/off—absolutes. This absolutism has its advantages—there is no equivocation, no "grey area"—either it is a debit or it is a credit, either it is an increase or it is a decrease. Deconstruction strips bare the conceptual overlay of accounting to reveal what is inherent in its practices and methods and what is obscured and obsfuscated by its presentation of itself as a neutral purveyor of financial facts. Although these binary oppositions have been reversed, accounting is still predicated upon the use of these oppositions to mechanically account and define what is accounted for. For example, it would be difficult to discuss gender without using the terms, female/male, however their use does not need to promote a hierarchy amongst the terms.

Deconstruction, like many relatively new approaches, has been viewed suspiciously by some and feared and denounced by others.
However, those who are familiar with it see deconstruction is a subtle form of analysis, not the tool of the wild-eyed lunatic on the fringe of both social norms and scholarship. There has been little use of deconstruction in accounting and none applied to accounting for public organizations. Its use enhances the more traditional methodological strategies found in accounting research. Each strategy, like a lens, has its strengths and weaknesses; the weaknesses cause blind spots, distortions, misperceptions, and mis-re-presentations. The “one best way” does not apply to methodological strategies. Methodological strategies can complement one another. The telescope is a useful lens and complements stargazing. However, depending on the circumstances, a magnifying glass is a more appropriate lens (e.g., for locating a splinter in one’s finger). At still other times (e.g., viewing cell structure), a microscope is the more appropriate lens. A magnifying glass could be used for viewing microscopic particles but the microscope is of more value. A telescope could be used but would be of little or no value. However, for observing the moon from earth, the magnifying glass could be used but the telescope is more useful. The microscope could be used but would be of little value. Deconstruction is a lens for viewing social
phenomena taken as texts; it is not a replacement for any or all the other methods of scholarly enquiry—it is a supplement and is a legitimate methodological strategy for scholarly endeavors.

The result of my analysis was not the discovery of a smoking gun—and this was not my intention. Deconstruction is often a subtle form of enquiry and my analysis was of this variety. Like a furniture refinisher, I attempted to rub away the varnish of rationality and value neutrality from the accounting practices and methods of NVCC in particular and, by implication, public organizations in general. I wanted to expose what was underneath the old finish; I wanted to see the furniture's wood.

The accounting methods and practices employed by SCHEV echo the accounting profession's hallmark phrase—reasonable, rational, and applied in a consistent manner. But is that just the minimum requirement for accounting methods and standards? These standards are thirty years old. They are used to design and plan educational space the way it was, not the way it will be used with new technologies. SCHEV was created to administer four-year institutions of higher education and it applied many of the values associated with the four-year colleges to two-year
colleges. SCHEV seemed to create the standards for community colleges by simply dividing the standards for four-year colleges by two. A mindset is created and supported by this disruption in the text (the text here being SCHEV policy). The disruption being re-enforced here is the idea that, “since two-year colleges are half of a four-year college and accomplish just one-half of what a traditional four-year institution accomplishes, let us allocate to them one-half of what we allocate to a four-year institution.”

The standards also privilege the old technologies over new technologies and marginalize those students, faculty and staff who would benefit from the implementation of the new technologies at two-year colleges. The standards are based on thirty-year-old technologies, instructional methods, and course delivery methodologies. Their use results in obsolete laboratories, classrooms, learning resource centers (libraries), and physical education facilities. The policy decisions based on these standards are obsolete before they are made since they are based on the way things were thirty years ago, not on the way things will be in the future. Technology changes rapidly. The standards based on the old technologies are not applicable to the technologies available today and
they are certainly not appropriate for the technologies of tomorrow—the standards are not future oriented.

The accounting practices and methods used and the standards are inextricably linked. The accounting practices and methods collect the data required by the SCHEV standards. After these data have been collected, they are then used to monitor, evaluate, and enforce the standards, thus reifying the standards by virtue of the fact that the data lend them a degree of palpability.

The Implications Inherent in Privileging Private Organization Accounting

The privileging of private organization accounting was documented in chapter four but bears mention again here. Public organization accounting is taught as a three-semester hour course (out of a total twenty-seven to thirty hours of accounting courses for an accounting major) or part of another course (advanced accounting).

Students in public organization accounting courses need private organization accounting as a prerequisite, rather than vice versa. Local, state, federal, and not-for-profit organization accounting are covered in the same course. Public organization accounting is usually taught in the
business/commerce school by a business school faculty member rather than in the public administration school by one of its faculty.

The effect of this privileging of private organization accounting is to minimize the importance of accounting in conducting the Public Administration. One of the most widely-used first-year accounting textbooks is *Accounting: The Basis for Business Decisions* by Meigs and Meigs (1990) now in its ninth edition. It is noteworthy that this textbook does not qualify the type of accounting it contains, just that it is accounting. No qualification is necessary since, “accounting” is assumed to mean commercial accounting unless qualified by the adjective “governmental.”

Meigs and Meigs (1990) tell us that accounting is the basis of business decisions. What is the basis of decisions in the Public Administration? Not all issues of governance lend themselves to quantitative analysis, but oftentimes decisions between alternatives can be complemented by accounting data.

Accounting for private organizations is privileged over accounting for public organizations. As noted in chapter two, the ancient Greeks publicly displayed the accounts of government officials (VACPA 1991,
4). The Incas employed governmental accountants called quipucamayocs, (Yeakel 1983, 39) In chapter two I mentioned that the importance of accounting and financial reporting for national governments was reported in an eight-hundred-year-old textbook, which predates the first commercial accounting textbook by three hundred years. 59

The GASB believes that accounting and financial reporting for public organizations plays a major role in fulfilling government's duty to be publicly accountable in a democratic society. Public accountability is based on the belief that the taxpayer has a "right to know," a right to receive openly declared facts that may lead to public debate by the citizens and their elected representatives. Use of financial reporting by citizens and legislative and oversight officials is pervasive. (GASB 1987, ii)

In a conceptual statement on the issue of federal government accounting, the FASAB states that:

Financial reporting by the federal government provides information for formulating policy, planning actions, evaluating performance, and other purposes. In addition, the processes of preparing and auditing financial reports can enhance the government's overall accountability structure by providing greater assurance that transactions are recorded and reported accurately, that consistent definitions are used to describe the

59 This suggests that private organization accounting was not always privileged over public organization accounting. This change in privilege appears to have occurred during the industrial revolution and the growth in importance of corporations; this also coincides with the inception of the professional accounting movement which, in turn, was fueled by the industrial revolution.
transactions, etc. Thus, federal financial reporting helps to fulfill the government's duty to manage programs economically, efficiently, and effectively to be publicly accountable. Financial reporting is supported and made possible by accounting and accounting systems. "Financial reporting" may be defined as the process of recording, reporting, and interpreting in terms of money, an entity's financial transactions and events with economic consequences for the entity. (GASB 1993, 8)

The ramifications of the privileging of private organization accounting over public organization accounting begin with the perception that accounting for private organizations is a more important endeavor than accounting for public organizations (why else would there be a ten-to-one ratio of courses in private organization accounting to public organization accounting courses taught at institutions of higher education?). However, as previously stated, from the eight-hundred-year-old textbook we learned that,

Those whose duty is to guard . . . (the wealth of the state) . . . have no excuse for slackness, but must give anxious care to its collection, preservation and distribution, as they must give account of the state of the realm, the security of which depends upon its wealth (Johnson 1983, p.p. 1-2). (Chan and Jones 1988, 3)

But the result is still that accounting is used more as a management tool in private administration than in public administration. The language of accounting is spoken by more business administrators than public administrators.
If accounting is the language of business (Meigs and Meigs 1990, 3; Belkaoui 1978, 97-104), as stated earlier, then what language do those conducting the business of governance speak? Even within public organizations, budgeting, a dialect rooted in accounting, is privileged over accounting. The efforts of operation and the results of operations gleaned from the accounting system are ignored in favor of the allocation and appropriation processes “spoken” in budgeting.

Policy Implications of Using Certain Accounting Methods

The accounting practices and methods employed⁶⁰ by an organization dictate what that organization will account for, what it values. In deciding what the organization accounts for, the organization is also deciding what it will not account for. This is the silence—that which is not valued by the organization—that which is ignored by the organization. That which we account for is privileged; that which we do not account for is marginalized.

⁶⁰It is interesting to note that we use the same term (employed) to indicate that someone works for an organization as we do when we describe the organization’s use of particular accounting practices and methods. It is as if the accounting practices and methods are tools of the organization just as employees are tools of the organization and are to be used by the organization as it sees fit.
The accounting practices and methods employed by NVCC determine what the organization records in its accounting system. The policies and decisions based on the information gathered by the accounting system have been filtered by accounting practices and methods. Since accounting practices and methods account for what has been chosen to account for, these same practices and methods ignore that which has not been chosen to be accounted for (the silence). The accounting practices and methods also report the data in a prescribed manner (a manner already written, already determined).\(^6\)

Accounting systems are just that—systems. When you enter identical inputs into identical systems, the result is identical outputs. The inputs are the transactions that are entered into an accounting system—what the system accounts for. As would be expected, identical transactions are handled identically (as in consistently, i.e., all receipts of cash in payment of a customer's charge account purchase are debited to the cash account and credited to accounts receivable).

\(^6\)Most private organization accounting systems use accounting practices and methods that depreciate long-lived assets. Assets owned by private organizations will be depreciated and presented at cost, less accumulated depreciation, on the organization's balance sheet under a heading such as fixed assets or property, plant, and equipment. If a private organization owns a depreciable asset there is little doubt, then, that the organization will depreciate it and present it on the balance sheet at cost less accumulated depreciation. We know this because the accounting treatment of fixed assets by private organizations is prescribed.
This consistency in handling transactions is a hallmark of accounting and is referred to as the consistency principle. Accounting practices and methods are supposed to be applied in a consistent manner and consistently over a period of time. Thus, if one is familiar with an accounting system and its accounting practices and methods, one can anticipate the output from that system from a given input.

Values Inherent in the Cash Basis of Accounting

Using the cash basis of accounting for public organizations is a policy decision that determines the way information is processed but more importantly what information is processed (and thus, valued). The difference between cash basis and accrual basis accounting is that the cash basis method creates a vastly greater silence then does the accrual method.

The accrual basis of accounting is what is used by private organizations and hence it is the privileged basis of accounting. I am not saying that one basis of accounting should be privileged over another,

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62 The consistency principle was mentioned in chapter two in a review of Professor Briloff’s writings.

63 In the 1081 pages of Meigs’ and Meigs’ Accounting: The Basis for Business Decisions (1990, eighth edition), there are only five pages listed in the index under the heading for cash basis accounting.

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just that by legislators' choosing another method of accounting than private organizations use, they place public organizations in a secondary position to private ones. The cash basis of accounting is not even considered as accounting proper; hence, public organizations are using accounting methods that private organizations are not allowed to use because they are so unsophisticated.

The cash basis of accounting recognizes cash as revenue when it is received. Accrual basis accounting recognizes revenue when the act resulting in revenue has been consummated. Under the accrual basis of accounting, revenue is recognized at, for example, the point of sale, regardless of whether cash was used by the customer or a credit card was used to pay for the purchase. The expenses incurred to generate that revenue, whether paid in cash or credit/debt was incurred, and regardless of when the expense was incurred, would be "matched" against the revenue on the income statement for the period in which the revenue was recognized. The cash basis recognizes revenue when the cash is received and expenses when the cash is expended. Thus, cash is valued more (privileged) in the cash basis than it is in the accrual basis, which recognizes revenue in both cash and credit forms.
Expenses under the cash basis are not incurred until paid. However, this practice does not agree with the accounting practices of many of the vendors doing business with public organizations. To accommodate public organizations purchasing goods and services on credit but still maintaining the "purchase not being an expense until paid" definition of a cash basis expenditure, the cash earmarked for the purchase is "encumbered" so that it cannot be spent twice.\footnote{Encumbrances . . . ensure that the money needed for an expenditure is formally set aside by the accounting system and subtracted from the allocation in the budget reports" (Garner 1991, 128-29). "An account used to record the estimated amount of purchase orders, contracts, or salary commitments chargeable to an appropriation. The account is credited when goods or services are received and the actual expenditure of the appropriation is known" (Hay 1989, 726).} It is a concession of the cash basis to the accrual basis—a concession that public organizations need to recognize credit transactions and not just transactions where cash changes hands. In a word, the practice of encumbrance is an admission that accrual basis of accounting is as appropriate to and indeed required in public organizations as it is in private ones.

The cash basis of accounting is easier to understand than the accrual basis of accounting. Perhaps that is why it appeals to legislators. Not all legislators are skilled in accounting or its use as a management tool. Melvin Laird once remarked about public administrators that not one of them had ever had to meet a payroll. This odd remark is
construed to mean that public administrators lack the business skills that would help them perform their jobs better and understand their constituents. Perhaps as a congressman, and then Secretary of Defense, Laird was echoing the idea that government was to be administered like a business. Perhaps he understood that certain management processes, like accounting, can be used effectively in the Public Administration.

The Issues Inherent in Accounting for Long-lived Assets

The issue of public organizations accounting for long-lived assets is a confusing labyrinth of accounting double-talk. Using deconstruction enables one to see the distortions and contradictions in their text (i.e., GASB’s promulgated text of the accounting practices and methods). These disruptions and distortions are also found in GAO reports concerning accounting for public organizations.

Depreciation has been a long accepted part of accounting in business organizations. . . . State governments neither budget for depreciation nor charge their operating budgets with depreciation. They often use separate capital and operating budgets because they are legally required to balance their operating budgets. Most charge the operating budget with debt service—principal and interest—when bonds are sold to finance the capital. (GAO 1993c, 11)
The GAO appears to be confusing depreciation—which is found on the income statement of a private organization during the period in which the depreciation occurred—with items on the budget, which is:

A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single year. (Hay 1989, 722)

Since the budget is a plan "of proposed expenditures" and depreciation is a non-cash expense, thus involving no expenditure, why would a public organization even consider recording depreciation in a budget? One would expect depreciation to be recorded in a statement of operations or a statement of results.

This confusion and disruption in the text of the GAO report is even more curious when later in the report, the GAO admits that:

Depreciation is also not currently used in the federal budget, but some capital budget advocates argue for its use. Appropriations and outlays are normally recorded on a cash basis in the budget; thus the costs of programs intended to produce future benefits are recorded up front. (emphasis added) (GAO 1993c, 11)

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65Depreciation requires no outlay of funds—you do not write a check made out to depreciation or payable to someone for depreciation, nor do you issue petty cash to pay for depreciation. It is an expense that requires no payment.
The GAO concedes that it does not use depreciation in the budget, but not because budgets are plans for future expenditures and depreciation is not an expenditure, or the budget (in this case the federal budget) records appropriations and outlays on the cash basis and this precludes the use of depreciation, since depreciation is a device of the **accrual** basis accounting method, or that depreciation is not an appropriation or an outlay so it would not appear on a document reflecting appropriations and outlays. Instead, the GAO is telling us that depreciation is not used because the appropriations and outlays in the budget are recorded on the cash basis. What is also curious is the GAO's choice of terms. Depreciation is usually said to be **recorded**, not **used**, e.g., "Depreciation of the general fixed assets should not be recorded. . . ." (*Codification* in Hay 1989, 153). In the GAO report, "Depreciation is also not currently **used** in the federal budget" (emphasis added) (GAO 1993c, 11).

The recording of depreciation for private organizations allocates a portion of the cost of the asset to each of the periods which benefit from the use of that asset. In public organizations, the cost of an asset is "buried" in debt service costs if the acquisition cost needed financing, or "hidden" in a general fixed asset fund with all other assets, related or
unrelated in purpose or organization to which they are assigned, or treated separately and distinctly from the purpose for which the asset is being acquired by recording it in a capital projects fund.

Too often the legislature separates the asset acquisition (a capital outlay) from its use as an object that provides some governmental good or service. Hence, the legislators escape accountability for the true costs of operating governmental programs. Separating the cost of asset acquisition from the cost of operating those assets and the amortization of their cost over the period of benefit accomplishes this. We are led to believe that a new community college classroom building costs $50 million in the same way that expenditures are made for office supplies. The building is built during the same fiscal year that the funds are appropriated and expended by the legislature. It is treated as a lump-sum, one-time payment, as if the building were only an immediately expendable “thing.” However, this asset will provide space for thousands of students to take classes over a period of twenty to thirty years.\textsuperscript{66} In effect then it is more a “service” than it is a thing but is accounted for as if it were a thing rather than an aspect of service.

\textsuperscript{66}It would be interesting to deconstruct the language of education, e.g. students take classes; institutions offer classes.
Since the acquisition costs of the asset are treated separately from the operations (sometimes referred to as capital outlays versus "M and O"—maintenance and operations) the connection between the asset's acquisition and its use in providing an organization with a stream of benefits is severed.

Separating M&O budgets and capital outlay budgets allows legislators to "have their cake and eat it too." Items such as depreciation are not included in operating results, and thus, not included as a cost of delivering the goods and services provided by public organizations. Buildings, roads, etc. are included in separate capital outlay funds. Compare this to a private organization. It would be difficult to justify the separation of a private organization's capital outlays and the use of long-lived assets from the results of operations in assessing the financial position of a private organization.

By omitting the cost of a long-lived asset from operating results of public organizations, legislators have what amounts to "two sets of books"—one set for capital projects (long-lived assets) and one for operating results. This can explain why state-low-bid buildings (such as those found on the campuses of two-year colleges) have flat roofs. They are cheaper to build and enable the legislators to approve more buildings,
enabling the legislators to appear as though they are providing for the masses. However, more of the next year’s budget will be consumed with the higher maintenance costs of all those flat roofs but that money will come out of the M&O budget, not the capital project fund. Also, since depreciation is not recorded, the M&O budget is not further burdened by spreading the cost of a long-lived asset over the periods (fiscal years) which benefit from its use.

Another policy implication of these accounting methods can be seen in the area of road building. The initial cost of roads is a capital outlay, but their maintenance is an M&O item. In Europe, the average road costs 25 percent more per mile, but it lasts on average, 50 percent longer. However, spending more at the outset would mean an increase in the capital outlay funds of 25 percent. The accounting rules used favor the lower initial outlay, the burying of the higher maintenance costs in the M&O budget, and then the growth of M&O is attributed to the deterioration of the infrastructure.

Policy Implications Inherent in SCHEV Standards

The standards used by SCHEV to plan the classrooms, laboratories, general use space, faculty office space, and physical education space
have a direct effect on the policies and decisions made that use them as a basis for decisions. These standards are not so much disruptions, distortions, or contradictions of the text but they represent the marginalization of the two-year colleges and the privileging of the four-year and doctoral granting institutions.

SCHEV was created to administer and supervise the traditional institutions of higher education (liberal arts, four-year, and doctoral granting institutions). Many of the members of the state legislature and SCHEV employees are alumni of the traditional institutions under SCHEV's auspices and their alma maters benefit from that relationship. These alumni of the traditional institutions are more aware of (have first-hand experience of) traditional institutions of higher education than of two-year colleges. The "college experience" of these legislators and SCHEV employees is that experienced at a traditional institution of higher education, regardless of whether they graduated from a Virginia school. This bias in experience makes the problems of traditional institutions seem to be the only problems that exist as opposed to the problems of two-year colleges. Also, these decision-makers, having only

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67 Ten percent of the members of the Virginia General Assembly are alumni of Virginia Tech (Virginia Polytechnic Institute and State University 1994, 16).
second-hand knowledge of two-year colleges, oversee a structural device or mechanism governing two-year colleges that was designed to govern traditional four-year institutions.

The standards used by SCHEV are reasonable, rational, and applied consistently—but they represent a "one best way" or "rule of thumb" mentality applied to a non-manufacturing situation (which is the only appropriate situation for the application of the one best way). The result of using these standards is that a "cookie cutter" approach was used in building all two-year colleges. They look alike because they were planned and built using the same standards.\footnote{A similar phenomena involving low-income housing was described by Gareth Morgan. He noticed that all low-income housing in England looked alike and discovered that the standards and accounting methods used affected the appearance of the finished units—units in different regions of the country looked like units in the other regions.} Accountability is not enhanced by blind application of standards—just the opposite, it is rendered ineffectual, or worse, non-existent. Discretion is replaced with a formula. Decision-makers hide behind accounting numbers—if the numerical analysis falls within certain parameters, then by mechanical calculations the decision is made. If the decision proves disastrous, the decision-maker can hide behind the numbers, since "the numbers cannot be wrong."
Of course, it is not the numbers that are wrong. Incorrect numbers are not the problem. Also, it is not the analysis that is wrong. What is wrong is the reasoning behind the numbers, behind the formulas, behind the accounting system. These factors and the systems that collect and generate the results are all predicated on biased assumptions. Though they appear not to be, these assumptions are inherently value based. Accounting systems are like computer programs. They do what they are programmed to do. Computers and accounting systems do not make mistakes. The people creating the accounting systems and the standards create the mistakes through the blind spots they build into the system.

SCHEV developed its standards with the help of the state legislature. These standards reflect the values, biases, prejudices, and mind-set of their creators. They reflect the values of people educated at traditional institutions of higher education. The standards are stacked in favor of traditional students and privilege them and the institutions that cater to the traditional student over those at two-year colleges.
What is Inherent in the Definition of a Student

Two-year college students in Virginia have been treated by the state as "partial" traditional students of higher education—they are not traditional students, they are not high school students, they are somewhere in between. This unique status has worked to disadvantage the two-year college student. Since many of these students work, two-year colleges recognize a full-time student as one taking twelve, not fifteen credit hours. By funding and defining an FTES as fifteen credit hours, the state is privileging the traditional student over the two-year college student and privileging the efforts of the traditional institution over those of the two-year colleges. The two-year college must attract higher headcounts to attain the same level of funding that a traditional institution attracts with a lower headcount. Thus, with the headcounts higher per FTES at two-year colleges, more students (headcount) are served per FTES than at four-year institutions. More headcount means more bodies, which put a strain on student services (e.g., more students see counselors which are allocated by FTES but those FTES are represented by more individual students—headcount—at two-year colleges). More students also places a strain on the physical space and those charged with its
upkeep (e.g., more students—headcount—at two-year colleges use the facilities per FTES).

**Conclusions**

The accounting systems utilized in public education organizations in Virginia reflect the values, biases, prejudices, and mind-set of the people that developed the accounting system. The accounting practices and methods privilege legislators by allowing them to modify the GAAP and marginalize the public administrator, who needs the financial information for day-to-day decision-making purposes. Perhaps this is a situation of the tail wagging the dog—instead of the street-level bureaucrat (who could use the information to make decisions) developing the system, it is those who must rationalize their actions to the voters on election day who do the developing.

Accounting is the neglected management tool of Public Administration. The industrial revolution brought with it the proliferation of the corporate form of business organization. This shift in importance from the sole proprietorship, partnership, and family-run business to the corporation also catapulted the private organization accountant to prominence. The change in the accountant's focus, from public
organizations to private organizations, caused a concomitant change in the public's perception of the accounting profession. The bailiwick of the accountant had moved from the exchequer to Wall Street and with it the accountant's perceived utility to the Public Administration. Accounting as a tool, as a management process, became the tool of the executive suite rather than a tool of the government, a tool of business administration rather than of the Public Administration.

The private sector has captured accounting and used it for both its fiduciary responsibilities and, as documented by Professor Briloff, to pursue its baser instincts. Accounting is a tool that can be used to obsfuscate or inform, to serve or be used, to manipulate or manage. Accounting is the Rodney Dangerfield of public organization management processes—in accounting for public organizations, administrators get none of the respect that private organization managers receive in accounting for private organizations.

In a preface to an article in Accounting and Accountability in Public Administration edited by Richard E. Brown and published by the American Society for Public Administration, Brown cites an article by Gloria Grizzle as saying
that many public administrators are ill equipped to use accounting data. She indicates that surveys of practitioners have indicated that between two-thirds and three-quarters of the respondents, depending on the survey, have pointed to governmental accounting and reporting as an essential skill. However, when a review was made of the program coverage of 63 Master of Public Administration (MPA) programs in the United States, accounting did not fare well. Close to 90 percent of the programs either spend only about a week on governmental accounting or do not even mention accounting in the course syllabi. All this would seem to suggest that public administration educators have a lot of work ahead of them, if they are to fill this considerable educational void. (emphasis added) (Brown 1988, 81) (See Appendix I)

No study is necessary to document the great extent to which private organization controllers use management accounting techniques. In the public sector, however, studies have concluded that public administrators ignore (do not know how to use) accounting information. Giacomino (1980, 34) found the “use of management accounting techniques in university controllership appears limited.” (See Appendix K) Botner surveyed budget officers in all fifty states to determine the extent of use and perceived effectiveness of several sophisticated budgeting/management tools by state government. (Botner 1985, 616) (See Appendix J)

Of the nine tools identified, only one could be construed as accounting oriented. Ansari and Euske reported on a
longitudinal field study of information use in a public sector organization. [They] focused on the extent to which the use of cost accounting data by military repair facilities in the U.S. [over a twenty-two year period] fits one of three conceptual models of information use. (549) . . . the history, design, implementation and subsequent use of the cost accounting system failed to identify a specific decision problem or a user for the system. (561) (Ansari and Euske 1987)

The disruptions, distortions, and contradictions in the texts, the binary oppositions reversed, and marginalizations uncovered have provided another way of looking at accounting for public organizations, especially NVCC. This perspective provides us a starting point for a dialogue concerning accounting for public organizations. A dialogue involving who or what is privileged or marginalized by whichever accounting method is chosen.

What such studies tell us is that politicians have appropriated accounting for their use. They have optimized obfuscation that accounting can be used to create. This study reveals that what must be done is to give accounting to public administrators and let them apply it for real management purposes. Accounting is a useful part of the dialogue of everyday administration and management, the dialogue they mount for seeking the public interest. What this study hopes is that by showing how accounting has been used or can be used by the political actors in
government to obfuscate and avoid responsibility and lend a false air of objective rationality to their actions, public administrators can see how they could take accounting and use it effectively as a management tool. This means that they must approach accounting not as a device of objective rationality, but as a set of techniques that help realize an underlying line of reasoning that the accounting system necessarily reflects. The hope of this study is to focus the attention of public administrators on how they can reason together and thus enable them to use accounting techniques to implement their choices. Accounting techniques are blind, they do not know the way to the public interest. Only human administrators can see this path. Accounting can simply help them negotiate their way along it. This is the proper role of accounting, as a traveler's aid, not as a guide to whom we defer to lead the way.
APPENDIX A
100 Overview

101 Basis of Accounting

   The Commonwealth Accounting and Reporting System (CARS) records transactions on the cash basis of accounting.

102 Fund Accounting

   The Commonwealth of Virginia maintains accounting records in accordance with the principles of fund accounting. The State's accounting records are subdivided into funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts recording assets, liabilities, fund balance, and operating accounts. The Commonwealth of Virginia classifies funds according to Generally Accepted Accounting Principles (GAAP) as defined by the Governmental Accounting Standards Board (GASB). Statement 1. Each of these funds is independent of the others. The various agencies and programs of the Commonwealth are supported by these funds. While funds are independent of each other, transactions may occur between funds.

103 Policy

   In accordance with Section 2.1-196 of the Code of Virginia, the Department of Accounts (DOA) is responsible for financial data classification and coding structures for agencies. Changes to any established financial-related code or set of codes for such agencies must be approved and issued by DOA. (Note: The Department of Planning and Budget is responsible for establishing Program codes and Object codes.)

   Agencies with on-line data processing capabilities may have the delegated authority to update selected data classification and coding structures for their agency. This delegated authority is entirely at the discretion of the Department of Accounts and is controlled by the CARS security table.

   State agencies must provide the specified minimum coding (see CAPP Topic No. 56103, "Transaction Codes," for each financial transaction input to CARS. This requirement also applies to those agencies operating internal financial information systems to accommodate unique accounting needs. Regardless of internal agency systems, the total coding structure provided by CARS is available for use by all agencies.

[255]
APPENDIX B
B. Planning Factors

1. Population Trends and Directions

The factors that will affect NVCC enrollment in the immediate future are:

a. Population increase in the NVCC service area

The following table depicts the present population and projections for the service area of NVCC. This projects a yearly average increase of 15,580 individuals per year. 4

### PLANNING DISTRICT EIGHT POPULATION

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ALEXANDRIA</td>
<td>111,183</td>
<td>122,000</td>
<td>817</td>
</tr>
<tr>
<td>ARLINGTON</td>
<td>172,936</td>
<td>171,000</td>
<td>64</td>
</tr>
<tr>
<td>FAIRFAX CITY</td>
<td>19,622</td>
<td>20,300</td>
<td>678</td>
</tr>
<tr>
<td>FAIRFAX COUNTY</td>
<td>818,584</td>
<td>971,250</td>
<td>92,666</td>
</tr>
<tr>
<td>FALLS CHURCE</td>
<td>9,478</td>
<td>10,800</td>
<td>1,322</td>
</tr>
<tr>
<td>LOUDOUN COUNTY</td>
<td>86,129</td>
<td>118,000</td>
<td>31,871</td>
</tr>
<tr>
<td>MANASSAS CITY</td>
<td>27,957</td>
<td>34,900</td>
<td>6,943</td>
</tr>
<tr>
<td>MANASSAS PARK</td>
<td>6,734</td>
<td>8,900</td>
<td>2,166</td>
</tr>
<tr>
<td>PRINCE WILLIAM COUNTY</td>
<td>215,686</td>
<td>298,000</td>
<td>82,314</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1,466,409</td>
<td>1,690,700</td>
<td>224,291</td>
</tr>
</tbody>
</table>


From this, it is clear the NVCC can expect to serve an increased population. Even though the percentage rate of increase is greatest in the Manassas Park and the Prince William and Loudoun County areas, the actual increase in numbers will be greatest in Fairfax County.

As recently as July 1990, the Metropolitan Washington Council of Governments summarized their population trends to include these pertinent statements:

- The region has seen rapid economic growth in the 1980s, but is now entering a period of slower yet stronger growth.
- Suburban areas are growing most rapidly.
- Areas beyond the Beltway are experiencing most of the commercial construction activity; this activity is entering a slower period as vacancy rates rise and banks are faced with stricter lending requirements.

---

4 Virginia Population Projections 2000, Department of Planning and Budget, Richmond Va., 1989
NVCC STUDENT ENROLLMENT
Fall 1984-Fall 1990

<table>
<thead>
<tr>
<th>FALL</th>
<th>HEADCOUNT</th>
<th>FTES</th>
<th>RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>35,833</td>
<td>17,649</td>
<td>2.0</td>
</tr>
<tr>
<td>1989</td>
<td>35,644</td>
<td>17,360</td>
<td>2.0</td>
</tr>
<tr>
<td>1988</td>
<td>35,466</td>
<td>16,017</td>
<td>2.2</td>
</tr>
<tr>
<td>1987</td>
<td>35,482</td>
<td>16,783</td>
<td>2.1</td>
</tr>
<tr>
<td>1986</td>
<td>34,312</td>
<td>15,868</td>
<td>2.2</td>
</tr>
<tr>
<td>1985</td>
<td>33,132</td>
<td>15,285</td>
<td>2.2</td>
</tr>
<tr>
<td>1984</td>
<td>32,546</td>
<td>15,261</td>
<td>2.1</td>
</tr>
</tbody>
</table>

Quarter system through fall 1987; semester system thereafter.

In terms of full-time students (students carrying 12 or more credits per semester), 26% of the NVCC fall 1990 enrollment was full-time, compared with 21% in fall 1985.

c. Age shift

Over the years the median age has dropped. This is reflective of the national trend for more students to spend the first two years in a community college, and then transfer to complete their bachelor’s degree. The change in median age tends to follow the direction of population increase in the community. In other words, the population moving to the outer suburbs is the younger element, leaving a sharper median age difference between the inner campuses and the three campuses serving the suburban areas well outside the beltway.

NVCC STUDENT MEDIAN AGE

<table>
<thead>
<tr>
<th>CAMPUS</th>
<th>1985</th>
<th>1990</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALEXANDRIA</td>
<td>27.8</td>
<td>27.3</td>
</tr>
<tr>
<td>ANNANDALE</td>
<td>24.9</td>
<td>23.8</td>
</tr>
<tr>
<td>LOUDOUN</td>
<td>29.0</td>
<td>25.9</td>
</tr>
<tr>
<td>MANASSAS</td>
<td>25.8</td>
<td>24.5</td>
</tr>
<tr>
<td>WOODBRIDGE</td>
<td>26.3</td>
<td>24.4</td>
</tr>
<tr>
<td>NVCC TOTAL</td>
<td>26.5</td>
<td>25.5</td>
</tr>
</tbody>
</table>

Quarter system through fall 1987; semester system thereafter.
APPENDIX C
MISSION AND GOALS

Northern Virginia Community College Believes that
Education is the Cornerstone of a Free Society

In keeping with the mission of the Virginia Community College System, the mission of NVCC is to respond to the educational needs of a changing community and its institutions, ensuring that all individuals in the Northern Virginia area have an opportunity to develop and enhance their values, skills and knowledge. To achieve this mission, the following goals are established:

1. To provide programs and courses of instruction, up to the associate degree level, encompassing occupational-technical education, college transfer education, general education, developmental education, training for business and government, continuing education and community services, and experience in the work environment.

2. To provide a comprehensive program of student development services.

3. To provide a broad range of instructional methods, materials, facilities, and instructional support services that accommodate students of varied backgrounds, interests and abilities.

4. To create an educational environment that encourages and supports the highest level of performance.

5. To enhance economic, cultural and educational partnerships between the College and the community.

The current policies of the College assure that the mission and goals statement will be reviewed every other year by the Master Planning Committee. When the Committee determines the need for a more thorough review, it sets up a review schedule. This schedule will involve the College Forum structure as a means of obtaining feedback to the Master Planning Committee from all College constituencies. Any revisions will be approved by the College Senate, the Administrative Council, and the NVCC Board.

The ways in which the College fulfills its mission are through:

- Quality programs and services
- Comprehensive offerings
- Open access to all who seek college education
- A nurturing, learning environment
- Dedication to lifelong learning

3

[260]
C. Goals and Objectives in the Instructional Program

The formal program evaluation system of the College assures that there is a thorough review and assessment of every educational program in the College approximately every five years. Within that context, the goals and objectives of programs are reviewed in light of the current mission and goals statement of the College. Additionally, review of program, discipline, and course goals and objectives has been an ongoing project within the Student Outcomes Assessment program of the College since 1988, and is a formal exercise of the instructional clusters annually during in-service days.
APPENDIX D
FACULTY OFFICE SPACE

Institution: NVCC, Annandale
Prepared By: Daniel R. Wells
Form SA-3 (supplement)
DATE: Oct 13, 1992

<table>
<thead>
<tr>
<th>(1) Planning Period</th>
<th>(2) Instructional Faculty</th>
<th>(3) Space Planning Guide</th>
<th>(4) Total ASF Office Space Needs (2x3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>fall 92</td>
<td>95.59</td>
<td>140</td>
<td>13,383</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000-01</td>
<td>113.48</td>
<td>140</td>
<td>15,887</td>
</tr>
</tbody>
</table>

Assignable Square Feet (ASF) Per FTE

<table>
<thead>
<tr>
<th>Type of Institution</th>
<th>Instructional Faculty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two-Year Colleges</td>
<td>140 ASF</td>
</tr>
<tr>
<td>Comprehensive Colleges, Liberal Arts Colleges and Specialized Institutions</td>
<td>150 ASF</td>
</tr>
<tr>
<td>Doctoral Granting Institutions</td>
<td>180 ASF</td>
</tr>
</tbody>
</table>

[263]
# Library Stack, Reader, and Service Space

**Institution:** NVCC, Woodbridge  
**Prepared By:** Daniel R. Wells  
**Volumes as of Fall Semester 1992:** 36321

<table>
<thead>
<tr>
<th>Planning Period</th>
<th>Estimated Number of Volumes</th>
<th>ASF Per Volume</th>
<th>Total Stack Space (2X3)</th>
<th>Undergraduate FTE Day Enrollment Reg. Session</th>
<th>ASF Per Student (5X6)</th>
<th>Undergraduate Reader Space</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992-93</td>
<td>36,321</td>
<td>0.0833</td>
<td>3,026</td>
<td>1,457.00</td>
<td>6.25</td>
<td>9.106</td>
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<td>2000-01</td>
<td>42,096</td>
<td>0.0822</td>
<td>3,507</td>
<td>1,769.00</td>
<td>5.75</td>
<td>11.058</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FTE Graduate Students and Faculty</th>
<th>ASF Per Graduate Faculty Reader Space (4X9)</th>
<th>Graduate and Faculty Stack Space (2 - 7 - 10)</th>
<th>Total Reader Stack Space (11 X 12)</th>
<th>Service Space %</th>
<th>Total Service Space (11 - 12)</th>
<th>Total Library Space Needs ASF</th>
</tr>
</thead>
<tbody>
<tr>
<td>85.59</td>
<td>6.75</td>
<td>576.4</td>
<td>12,988</td>
<td>0.25</td>
<td>3.242</td>
<td>16.210</td>
</tr>
<tr>
<td>113.48</td>
<td>6.75</td>
<td>993.0</td>
<td>15,625</td>
<td>0.25</td>
<td>3.829</td>
<td>19.445</td>
</tr>
</tbody>
</table>

The Guides:

- Stack Space = 0.0831 ASF Per Volume
- Stack Guide Space = A. 6.25 Assignable Square Feet Per FTE Day Undergraduate Student Regular Session  
  B. 6.75 Assignable Square Feet Per FTE Graduate Student and Faculty
- Service Study = 25 Percent of Stack plus Reader

[264]
### PHYSICAL EDUCATION SPACE

**Institution:** NVCC, Woodbridge  
**Prepared By:** Daniel R. Wells  
**Date:** 1/18/93

<table>
<thead>
<tr>
<th>Planning Period</th>
<th>(2) FTE Day Enrollment Regular Session</th>
<th>(3) Space Planning Guide</th>
<th>(4) Total Physical Education Space (2x3)</th>
</tr>
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<tbody>
<tr>
<td>Fall 92</td>
<td>1,457</td>
<td>8</td>
<td>11,656</td>
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<tr>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>2000–01</td>
<td>1,769</td>
<td>8</td>
<td>14,152</td>
</tr>
</tbody>
</table>

**Assignable Square Feet (ASF) Per FTE Day Student**

- **Type of Institution:**
  - **Regular Session**
    - Two-year Colleges: 8 ASF
    - Comprehensive Colleges, Liberal Arts Colleges, and Specialized Institutions: 10 ASF
    - Doctoral Granting Institutions: 10 ASF

[265]
### SPECIAL CLASS LAB SPACE

**Institution:** NVCC, Woodbridge  
**Prepared By:** Daniel R. Wells  
**Date:** 1/18/93  
**Form:** SA-6

<table>
<thead>
<tr>
<th></th>
<th>(2) FTE Day Enrollment</th>
<th>(3) Space Planning Guide</th>
<th>(4) Total Space In Special Class/Individual Labs (2X3)</th>
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<tbody>
<tr>
<td>Planning Period</td>
<td>1,457</td>
<td>1.84</td>
<td>2,681</td>
</tr>
<tr>
<td></td>
<td>fall 92</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2000-01</td>
<td>1,769</td>
<td>1.84</td>
</tr>
</tbody>
</table>

All Institutions = 1.84 ASF per FTE Day Student (Regular Session)
### CLASS LABORATORY SPACE
### EXTENDED DAY CALCULATION

**Institution:** NVCC, Woodbridge  
**Prepared By:** Daniel R. Wells  
**Date:** 1/18/93

<table>
<thead>
<tr>
<th>(1) Planning Period</th>
<th>(2) FTE Enrolment</th>
<th>(3) Weekly Student Hours Per Session</th>
<th>(4) Total WS/HR by Type Lab (x3)</th>
<th>(5) Space Planning Guide (Space Factor)</th>
<th>(6) ASF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total 2000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Two-Year Colleges</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Heavy Labs</td>
<td>156.0</td>
<td>6.80</td>
<td>1.061</td>
<td>4.31</td>
<td>4.572</td>
</tr>
<tr>
<td>B. Other Labs</td>
<td>2,864.0</td>
<td>3.50</td>
<td>10.127</td>
<td>1.84</td>
<td>19.629</td>
</tr>
<tr>
<td>Total</td>
<td>2,872.0</td>
<td></td>
<td></td>
<td></td>
<td>24.211</td>
</tr>
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</table>

2. Comprehensive Colleges, Liberal Arts Colleges and Specialized Institutions

<table>
<thead>
<tr>
<th>(1) Planning Period</th>
<th>(2) FTE Enrolment</th>
<th>(3) Weekly Student Hours Per Session</th>
<th>(4) Total WS/HR by Type Lab (x3)</th>
<th>(5) Space Planning Guide (Space Factor)</th>
<th>(6) ASF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Heavy Labs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Other Labs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. Doctoral Institutions

<table>
<thead>
<tr>
<th>(1) Planning Period</th>
<th>(2) FTE Enrolment</th>
<th>(3) Weekly Student Hours Per Session</th>
<th>(4) Total WS/HR by Type Lab (x3)</th>
<th>(5) Space Planning Guide (Space Factor)</th>
<th>(6) ASF</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Heavy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Other Labs</td>
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<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[267]
### Classroom Space

**Extended Day Calculation**

**Institution:** NVCC, Woodbridge  
**Prepared By:** Daniel R. Wells  
**Date:** 1/18/93

<table>
<thead>
<tr>
<th>(1) Planning Period</th>
<th>(2) FTE Enrollment Regular Session</th>
<th>(3) Weekly Student Hours Per FTE</th>
<th>(4) Total WSH For Institution (x3)</th>
<th>(5) Space Planning ASF</th>
<th>(6) Total Space Needs (4x5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992-93</td>
<td>2,359</td>
<td>12.4</td>
<td>29,624</td>
<td>0.6</td>
<td>17,774</td>
</tr>
<tr>
<td>2000-01</td>
<td>2,313</td>
<td>12.4</td>
<td>34,989</td>
<td>0.66</td>
<td>15,432</td>
</tr>
</tbody>
</table>

### Day Calculation

**Prepared By:**

<table>
<thead>
<tr>
<th>(1) Planning Period</th>
<th>(2) FTE Enrollment Regular Session</th>
<th>(3) Weekly Student Hours Per FTE</th>
<th>(4) Total WSH For Institution (x3)</th>
<th>(5) Space Planning ASF</th>
<th>(6) Total Space Needs (4x5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-91</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000-01</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[268]
### GENERAL USE SPACE

**Institution:** NVCC, Woodbridge  
**Prepared By:** Daniel R. Wells  
**Date:** 1/18/93

<table>
<thead>
<tr>
<th>(1) Planning Period</th>
<th>(2) FTE Day Enrollment - Regular Session</th>
<th>(3) Space Planning Guide</th>
<th>(4) Total General Use Space Needs (2X3) ASF</th>
</tr>
</thead>
<tbody>
<tr>
<td>92-93</td>
<td>1457</td>
<td>5</td>
<td>7,285</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000-01</td>
<td>1769</td>
<td>5</td>
<td>8,845</td>
</tr>
</tbody>
</table>

**All Institutions = 5 ASF per FTE Day Student (Regular Session)**

[269]
### Administrative and General Office Space

**Institution:** NVCC, Woodbridge  
**Prepared By:** Daniel R. Wells  
**Form:** SA-11  
**Date:** 1/18/93

<table>
<thead>
<tr>
<th>(1) Planning Period</th>
<th>(2) First 2000 FTE Students (Regular Session)</th>
<th>(3) ASF Per 6 - Doc.</th>
<th>(4) Total 6 - Doc. (2X3) (Reg. Sess)</th>
<th>(5) Next 2000 FTE Students</th>
<th>(6) ASF Per 4 - Doc.</th>
<th>(7) Total 4 - Doc. (5X6) (Reg. Sess)</th>
<th>(8) Next 5000 FTE Students</th>
<th>(9) ASF Per 3 - Doc.</th>
<th>(10) Total 3 - Doc. (2.5X3) (Reg. Sess)</th>
<th>(11) 2.5 - Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992-93</td>
<td>2,000</td>
<td>5</td>
<td>10,000</td>
<td>3</td>
<td>1,147</td>
<td>0</td>
<td>2.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002-01</td>
<td>2,000</td>
<td>5</td>
<td>10,000</td>
<td>3</td>
<td>2450</td>
<td>0</td>
<td>2.5</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Administrative and General Office Space

<table>
<thead>
<tr>
<th>(10)</th>
<th>(11)</th>
<th>(12)</th>
<th>(13)</th>
<th>(14)</th>
<th>(15)</th>
<th>(16)</th>
<th>(17)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>ASF</td>
<td>FTE Student</td>
<td>Total</td>
<td>15,000</td>
<td>FTE Student</td>
<td>Total</td>
<td>ASF</td>
</tr>
<tr>
<td>(Exp)</td>
<td>(Reg. Sess)</td>
<td>(2 - Other</td>
<td>(1X12)</td>
<td>(Reg. Sess)</td>
<td>(1 - Other</td>
<td>(14+15)</td>
<td>(12+7+10+15+16)</td>
</tr>
<tr>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11,157</td>
</tr>
</tbody>
</table>

### See Form L-1 for Student Enrollments

**Assignable Square Feet (ASF) Per FTE Student**

**Regular Session**

<table>
<thead>
<tr>
<th>Enrollments increments</th>
<th>Doctoral Institutions</th>
<th>Comprehensive Colleges, Liberal Arts Colleges, Specialized Institutions</th>
<th>Two-year Colleges</th>
</tr>
</thead>
<tbody>
<tr>
<td>First 2000</td>
<td>6.0 ASF</td>
<td>5.0 ASF</td>
<td></td>
</tr>
<tr>
<td>Next 2000</td>
<td>4.0 ASF</td>
<td>3.0 ASF</td>
<td></td>
</tr>
<tr>
<td>Next 5000</td>
<td>3.0 ASF</td>
<td>2.5 ASF</td>
<td></td>
</tr>
<tr>
<td>Ext. 5000</td>
<td>2.5 ASF</td>
<td>2.0 ASF</td>
<td></td>
</tr>
<tr>
<td>Ext. 5000</td>
<td>2.0 ASF</td>
<td>1.5 ASF</td>
<td></td>
</tr>
</tbody>
</table>

[270]
GUIDE 12: PHYSICAL PLANT OPERATIONS AND MAINTENANCE SPACE

Institution: NVCC, Woodbridge

<table>
<thead>
<tr>
<th>Planning Period</th>
<th>(2) Educational and General (Less Physical Plant Space)</th>
<th>(3) Auxiliary Enterprise</th>
<th>(4) Non-Institutional Agencies</th>
<th>(5) Other Inside Space</th>
<th>(6) Total Inside Space (2 + 3 + 4 + 5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>130,000</td>
<td>5,019</td>
<td>0</td>
<td>41,151</td>
<td>195,019</td>
</tr>
</tbody>
</table>

|                  | 133,767.00                                           |                          |                               | 60,000                | 195,019                             |

THE GUIDE: Physical Plant Operations and Maintenance space whether proposed as a single facility or included in the proposed mix space in a new building or the renovation of an existing facility must be justified on a project by project basis regardless of any procedures used to estimate long range projections. National norms for physical plant space range from 2 to 4 percent of the assignable square feet of inside space to be maintained.
<table>
<thead>
<tr>
<th>Type of Space(s) and Grade or Category Number</th>
<th>Projected Needs</th>
<th>Space in Building</th>
<th>School Year</th>
<th>1996-97</th>
<th>Total Space</th>
<th>Space Available</th>
<th>Net Space</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1 Classroom</td>
<td>17,774</td>
<td>24,210</td>
<td>24,210</td>
<td>5,031</td>
<td>22,177</td>
<td>(1,350)</td>
<td>0</td>
</tr>
<tr>
<td>#2 Class Laboratories</td>
<td>24,018</td>
<td>26,051</td>
<td>26,051</td>
<td>4,020</td>
<td>24,031</td>
<td>(1,351)</td>
<td>0</td>
</tr>
<tr>
<td>#4 Instructional Facility Offices</td>
<td>13,262</td>
<td>14,911</td>
<td>14,841</td>
<td>218</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#6 Library (Stack, Reader, Process)</td>
<td>16,010</td>
<td>14,911</td>
<td>14,041</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#7 Physical Education</td>
<td>21,855</td>
<td>23,353</td>
<td>22,353</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#8 Special Class/Individual</td>
<td>2,644</td>
<td>3,164</td>
<td>3,046</td>
<td>118</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Study Lab</td>
<td>7,205</td>
<td>1,007</td>
<td>1,007</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#12 Research Faculty Office</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#13 Non-Class Labs (Other Research)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#15 Extension &amp; PublicSer. Office</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#16 Administrative &amp; General Office</td>
<td>5,121</td>
<td>4,800</td>
<td>4,800</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#17 Physical Plant Operations &amp; Main</td>
<td>3,054</td>
<td>4,445</td>
<td>4,445</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#18 Organized Activities</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#19 Non-Office Ext. &amp; Public Ser.</td>
<td>503</td>
<td>503</td>
<td>503</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#20 Non-Office Admin &amp; General</td>
<td>243</td>
<td>243</td>
<td>243</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>10,421</td>
<td>97,000</td>
<td>97,002</td>
<td>8,484</td>
<td>92,518</td>
<td>21,882</td>
<td>0</td>
</tr>
</tbody>
</table>

(a) Includes related service space
(b) Assignable square feet (ASF)
(c) This is the Net Assignable Square Feet (NFS) figure as summarized from each of 1451 Forms submitted by each institution.
(1) In addition to the campus and general space reported, there are 17,014 sq ft more of admin and general space in the college headquarters building which is located on the Annandale Campus, but which supports all five campuses.
### SPACE ANALYSIS SUMMARY FORM
#### EDUCATION AND GENERAL SPACE NEEDS
##### BY PLANNING YEAR

<table>
<thead>
<tr>
<th>Type of Space(s) and Guide or Category Number</th>
<th>Projected Needs (b)</th>
<th>Space IN (a)</th>
<th>Space Being Funded or Under Construction (4)</th>
<th>Inventory of Existing Space (5)</th>
<th>Space to Be Lost Through Demolition (6)</th>
<th>Total Space Lost Through Demolition (7)</th>
<th>Additional Space Needed as of Year (2-8)</th>
<th>Net Space Requested (2001-04)</th>
<th>Net Space (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1 Classroom</td>
<td>10,232</td>
<td>26,210</td>
<td>29,210</td>
<td>5,633</td>
<td>0</td>
<td>22,277</td>
<td>(5,045)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#2 Class Laboratories</td>
<td>24,211</td>
<td>26,051</td>
<td>26,054</td>
<td>1,525</td>
<td>0</td>
<td>25,429</td>
<td>(1,213)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#3 Instructional Faculty Offices</td>
<td>15,887</td>
<td>9,514</td>
<td>9,514</td>
<td>218</td>
<td>0</td>
<td>9,298</td>
<td>6,591</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#4 Library (Stack, Reader, Process)</td>
<td>10,445</td>
<td>14,944</td>
<td>14,944</td>
<td>0</td>
<td>0</td>
<td>14,944</td>
<td>4,501</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#5 Physical Education</td>
<td>14,112</td>
<td>2,333</td>
<td>2,333</td>
<td>0</td>
<td>0</td>
<td>2,333</td>
<td>11,700</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#6 Special Class/Individual Study Lab</td>
<td>3,255</td>
<td>3,845</td>
<td>3,845</td>
<td>642</td>
<td>0</td>
<td>3,203</td>
<td>624</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#7 General Use (Other Instruction)</td>
<td>8,849</td>
<td>1,081</td>
<td>1,081</td>
<td>0</td>
<td>0</td>
<td>1,081</td>
<td>7,984</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#8 Research Faculty Office</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#9 Non-Class Labs (Other Research)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#10 Ext'n. &amp; Public Ser, Office</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#11 Administrative &amp; General Office</td>
<td>12,400</td>
<td>4,804</td>
<td>4,804</td>
<td>0</td>
<td>0</td>
<td>4,804</td>
<td>7,596</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>#12 Physical Plant Operations &amp; Maint.</td>
<td>7,881</td>
<td>4,445</td>
<td>4,445</td>
<td>0</td>
<td>0</td>
<td>4,445</td>
<td>3,358</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Category</td>
<td>126,124</td>
<td>97,002</td>
<td>97,002</td>
<td>8,844</td>
<td>0</td>
<td>95,158</td>
<td>31,966</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

(a) Includes Related Service Space
(b) Assignable Square Feet (ASF)
(c) This is the Net Assignable Square Feet (NASF) Figure as summarized from Form of AS CO-1 Forms Submitted by an Institution.

(1) In addition to the campus admin and general space reported here are 17,043 sq ft more of admin and general space in the college headquarters building which is located on the Amherst Campus, but which supports all five campuses.
APPENDIX E
SECTION 1

Code of Virginia
CHAPTER 16
STATE BOARD FOR COMMUNITY COLLEGES AND
COMMUNITY COLLEGE SYSTEM

§ 23-214. DEFINITIONS.—As used in this chapter:
(a) "Comprehensive community college" means an institution of higher education which offers instruction in one or more of the following fields:
(1) Freshman and sophomore courses in arts and sciences acceptable for transfer in baccalaureate degree programs,
(2) Diversified technical curricula including programs leading to the associate degree,
(3) Vocational and technical education leading directly to employment,
(4) Courses in general and continuing education for adults in the above fields.
(b) "State Board" or "Board" means the State Board for Community Colleges.
(c) "Local community college board" means the board established to act in an advisory capacity to the State Board and to perform such duties with respect to the operation of a single comprehensive community college as may be delegated to it by the State Board.
(d) "Vocational and technical education" means vocational or technical training, or retraining, which is given in school classes (including field or laboratory work incidental thereto), under public supervision and control, exclusive of those vocational and technical programs provided and administered by, or through, the public school system and is conducted as part of a program designed to fit individuals for gainful employment as semiskilled or skilled workers or technicians in recognized occupations.
(e) "Area vocational and technical school" means a vocational or technical school used exclusively, or principally, for providing vocational and technical education to persons who have completed, or left, high school, or are recommended for transfer by the school last attended, and who are available for full-time study in preparation for entering the labor market, or for part-time study after entering the labor market.
(f) "System" means the Virginia Community College System. (1966, c. 579; 1977, c. 423.)

§ 23-214.1 MEANING OF STATUTORY REFERENCES TO DEPARTMENT OF COMMUNITY COLLEGES.—Wherever the words "Department of Community Colleges" are used in any law of this State, they shall mean the State Board for Community Colleges. (1977, c. 413.)
§ 23-215. BOARD A CORPORATION; RESPONSIBILITY OF BOARD.—The State Board for Community Colleges heretofore established by law is continued. The Board shall be a corporation under the style of "the State Board for Community Colleges." The State Board shall be responsible, through the exercise of its powers and performance of the duties set forth in this chapter, for the establishment, control, and administration of the statewide system of publicly supported comprehensive community colleges which shall be known as the Virginia Community College System. (1966, c. 679; 1977, c. 411.)

§ 23-216. NUMBER, TERMS AND ELIGIBILITY OF MEMBERS OF BOARD.—(a) The State Board shall consist of fifteen members appointed by the Governor subject to confirmation by the General Assembly if in session, and if not, at its next succeeding session. The first appointments shall be for one year, four members for two years, four members for three years and three members for four years, and thereafter all such appointments shall be made for terms of four years each, except that appointments to fill vacancies shall be for the unexpired terms. No person shall be eligible to serve more than two consecutive four-year terms, except that a member may be appointed to a term of less than four years immediately prior to or between the four-year terms. No person shall be eligible for reappointment following two consecutive four-year terms for two years thereafter. Members shall continue to discharge their duties after their terms have expired until their successors have been appointed and have qualified.

(b) The State Board shall be composed of persons selected from the State at large. No officer, employee, or member of the governing board of any public institution of higher education, or of any school subject to the control of the State Board, or any member of the General Assembly, or any member of the State Board of Education, shall be eligible for appointment to the Board. All members of the Board shall be deemed members at large charged with the responsibility of serving the best interests of the whole Commonwealth. No member shall act as the representative of any particular region or of any particular institution of higher education. (1966, c. 679; 1972, c. 136; 1983, c. 148.)

§ 23-217. CHAIRMAN AND VICE-CHAIRMAN OF BOARD; COMPENSATION AND OATH OF MEMBERS; MEETINGS; QUORUM; RULES AND REGULATIONS.—(a) The Board shall select a chairman from its membership, and under rules adopted by itself may elect one of its members as vice-chairman.

(b) (Repeated)

(c) Before entering upon the discharge of his duties, each member of the Board shall take an oath that he will faithfully and honestly execute the duties of his office during his continuance therein.

(d) The Board shall meet at least four times annually, and on call of the chairman when in his opinion additional meetings are expedient or necessary.

(e) Seven members of the Board shall constitute a quorum for all purposes.

(f) The main office of the Board shall be in the city of Richmond, Virginia.

*The 1980 amendment deleted subsection (b), which provided for expenses and per diem of members of the Board. For compensation of Commissions, Boards, etc., § 2.1-20.2 through 2.1-20.4.
§ 23-118. PLAN FOR COMPREHENSIVE COMMUNITY COLLEGES; APPROPRIATIONS; TUTION FEES AND CHARGES; GRANTS OR CONTRIBUTIONS.—(a) The Board is authorized and directed to prepare and administer a plan providing standards and policies for the establishment, development and administration of comprehensive community colleges under its authority. It shall determine the need for comprehensive community colleges, develop a state-wide plan for their location and a time schedule for their establishment. In the development of such plan, a principal objective shall be to provide and maintain a system of comprehensive community colleges through which appropriate educational opportunities and programs to accomplish the purposes set forth in subsection (a) of § 23-114 shall be made available throughout the State. In providing these offerings, the Board shall recognize the need for excellence in all curricula and shall endeavor to establish and maintain standards appropriate to the various purposes the respective programs are designed to serve.

(b) The Board shall have the authority to control and expend funds appropriated by law, and to fix tuition fees and charges. The Board may exercise the powers conferred by chapter 3 (§ 23-14 et seq.) of this title as any other educational institution as defined in § 23-14.

(c) The Board shall be authorized, with the approval of the Governor, to accept from any government or governmental department or agency or any public or private body or from any other source, grants or contributions of money or property which the Board may use for or in aid of any of its purposes. (1966, c. 679.)

§ 23-119. DIPLOMAS, CERTIFICATES AND ASSOCIATE DEGREES.—The Board shall have the right to confer diplomas, certificates and associate degrees. (1966, c. 679.)

§ 23-120. LOCAL COMMUNITY COLLEGE BOARDS.—The State Board shall establish policies providing for the creation of a local community college board for each institution established under this chapter and the procedures and regulations under which such local boards shall operate. A local community college board as defined in § 23-114 shall be established for each college. These boards shall assist in ascertaining educational needs, enlisting community involvement and support, and shall perform such other duties as may be prescribed by the State Board. (1966, c. 679.)

§ 23-121. ADHERENCE TO POLICIES OF STATE COUNCIL OF HIGHER EDUCATION; EXTENSION PROGRAMS.—The State Board shall adhere to the policies of the State Council of Higher Education for the coordination of higher education as required by law.

In any area served by a comprehensive community college, no institution of higher learning which conducts extension programs shall, after July
one, nineteen hundred sixty-six, offer courses of study similar to those offered by a comprehensive community college, except as authorized by the State Council of Higher Education. Whenever practicable, the State Board shall provide facilities to such institutions of higher learning for conducting extension programs not in conflict with the provisions of this chapter. (1966, c. 679.)

§ 23-221. ADVISORY COMMITTEE ON COMMUNITY COLLEGES. (Repealed)*

§ 23-222. TRANSFER OF FACILITIES, ASSETS AND PROGRAMS.—(a) Effective July one, nineteen hundred sixty-seven, all physical facilities, assets and programs of instruction in the fields specified in § 23-214 (a) of the following institutions shall be transferred to and placed under the control and administration of the State Board for Community Colleges.
Eastern Shore Branch of the School of General Studies of the University of Virginia,
Lynchburg Branch of the School of General Studies of the University of Virginia,
Patrick Henry College of the University of Virginia,
Clifton Forge-Covington branch of the Virginia Polytechnic Institute,
Roanoke Technical Institute of the Virginia Polytechnic Institute,
Roanoke Center of the School of General Studies of the University of Virginia, and
Wytheville Branch of the Virginia Polytechnic Institute.
Provided, however, that no such transfer shall take place with respect to any individual institution specified in the next preceding paragraph until (1) the Advisory Committee on Community Colleges certifies to the State Board and the Governor that such individual institution has demonstrated the requirements necessary for accreditation by the Southern Association of Colleges and Schools and (2) the Governor signifies in writing his approval of such transfer. If such certification by the Advisory Committee is not made with respect to any individual institution prior to July one, nineteen hundred sixty-seven, then certification shall only be made between July one and August one of any succeeding year, and such transfer shall take place, if the Governor signifies in writing his approval of such transfer, on July one next following the date on which such certification is made.

The college or university of which any individual institution is a part shall cooperate in obtaining certification for such institution. As soon as practicable, the State Board shall request individual accreditation of the institutions specified in this section by the Southern Association of Colleges and Schools.

Notwithstanding any provision of this paragraph (a) or any other provision of this chapter, it is further provided that by agreement between the State Board and the governing body of the college or university of which any such individual institution is a part, and with the approval of the Governor, such transfer may take place prior to July one, nineteen hundred sixty-seven, or any date subsequent thereto.

(b) Effective July one, nineteen hundred sixty-six, the physical facilities, assets and programs of existing technical colleges and all assets of the existing State Board and Department of Technical Education shall be transferred to and placed under the control and administration of the State Board for Community Colleges.

(c) Effective July one, nineteen hundred sixty-six, all educational programs for post-high school age youth and adults in existing area vocational and technical schools under the State Board of Education shall be transferred to and placed under the control and government of the State Board for Community Colleges.

(d) All the real estate and personal property now existing and heretofore (before July one, nineteen hundred sixty-six) standing in the name of institutions or boards included in subsections (a) and (b) of this section shall, on the dates set forth in such subsections, be transferred to and taken is standing in the name of the State Board for Community Colleges.

(e) In effecting the transfers specified in this section, the State Board for Community Colleges shall respect any existing financial investment of local communities in these institutions by establishing policies which will insure an equitable method of financing future developments. (1966, c. 679; 1968, c. 108.)

§ 13-223. CHANCELLOR OF COMMUNITY COLLEGES GENERALLY.--(a) A Chancellor of Community Colleges, hereinafter sometimes called the Chancellor, shall be appointed by the State Board for Community Colleges. Any vacancy shall be filled by the Board. The Chancellor shall be the chief executive officer of the System. The Chancellor shall, without additional compensation, serve as secretary to the State Board for Community Colleges.

(b) The salary of the Chancellor shall be fixed by the Board.

(c) Before entering upon the discharge of the duties of his office, the Chancellor shall qualify by taking and subscribing the oath required of all officers of the State. (1966, c. 679; 1970, c. 728; 1977, c. 413.)

§ 13-224. DUTIES OF CHANCELLOR GENERALLY.--(a) It shall be the duty of the Chancellor of Community Colleges to formulate such rules and regulations, and provide for such assistance in his office as shall be necessary for the proper performance of the duties prescribed by the provisions of this chapter.
(b) The State Board shall prescribe the duties of the Chancellor, in addition to those duties otherwise prescribed for him by law, and, in its discretion, approve the appointment by the Chancellor of such agents and employees as may be needed by the Chancellor in the exercise of the functions, duties and powers conferred and imposed by law and in order to effect a proper organization to carry out his duties. (1966, c. 679; 1970, c. 728; 1977, c. 413.)

§ 23-225. AGENTS AND EMPLOYEES GENERALLY.—The functions, duties, powers and titles of the agents and employees provided for in § 23-224, their salaries and remunerations, not in excess provided therefor by law, shall be fixed by the Chancellor with the approval of the State Board and subject to the provisions of chapter 10 (§ 2.1-110 et seq.) of Title 2.1. (1966, c. 679; 1970, c. 728.)

§ 23-226. BONDS OF AGENTS AND SYSTEM EMPLOYEES.—Proper bonds shall be required of all agents and employees who shall handle any funds which may come into custody of the System. The premiums on the bonds shall be paid from funds appropriated by the State for the administration of the provisions of this chapter. (1966, c. 679; 1977, c. 413.)

§ 23-227. ANNUAL REPORT.—The Chancellor shall submit an annual report to the Governor and General Assembly on or before November 1 of each year. Such report shall contain, at a minimum, the annual financial statements for the year ending the preceding June 30 and the accounts and status of any ongoing capital projects. The annual report shall be distributed in accordance with the provisions of § 1.1-467. (1966, c. 679; 1970, c. 728; 1977, c. 413; 1984, c. 734; 1985, c. 148.)

§ 23-228. FORMS.—The Chancellor shall prescribe the forms of applications, reports, affidavits and such other forms as shall be required in the administration of the chapter. (1966, c. 679; 1970, c. 728.)

§ 23-229. COOPERATION WITH FEDERAL AGENCIES; FEDERAL GRANTS-IN-AID GENERALLY.—(a) Subject to the direction of the Board, the Chancellor shall cooperate with agencies of the United States in relation to matters set forth in this chapter, and in any reasonable manner that may be necessary for the State to qualify for and to receive grants or aid from such federal agencies.

(b) Nothing in this chapter shall preclude any other agency, board or officer of the State from being designated as the directing or allocating agency, board or officer for the distribution of federal grants-in-aid or the performance of other duties to the extent necessary to qualify for and to receive grants-in-aid for programs and institutions under the administration of the State Board for Community Colleges. (1966, c. 679; 1970, c. 728.)

§ 23-230. CHANCELLOR AUTHORIZED TO RECEIVE GRANTS-IN-AID AND GIFTS; PAYMENT OF FUNDS INTO STATE TREASURY.—The Chancellor is authorized to receive, for and on behalf of the State and its subdivisions, from the
United States and agencies thereof, and from any and all other sources, grants-in-aid and gifts, made for the purpose of providing, or to assist in providing, any vocational and technical, or other, education or educational programs authorized by this chapter, including expenses of administration. All such funds shall be paid into the State treasury. (1966, c. 679; 1970, c. 728.)

§ 23-231. ENFORCEMENT OF STANDARDS FOR PERSONNEL.—The Chancellor shall enforce the standards established by the Board for personnel employed in the administration of this chapter and remove or cause to be removed each employee who does not meet such standards. (1966, c. 679; 1970, c. 728.)
HOUSE JOINT RESOLUTION NO. 192
Offered January 18, 1977

Expressing the sense of the General Assembly that the role of the State Board for Community Colleges is solely that of a governing board of a Statewide institution of higher education.

PATRON-LENNON

Referred to the Committee on Education

WHEREAS, a system of publicly-supported comprehensive community colleges was created in 1966; and

WHEREAS, the State Board for Community Colleges was designated a State agency responsible for the establishment, control and administration of all such publicly-supported community colleges in the Commonwealth; and

WHEREAS, the State Board for Community Colleges has certain responsibilities that are comparable to those of the governing boards of four-year institutions of higher education in the Commonwealth and is the only governing and degree-granting board for the State's community colleges; and

WHEREAS, the operation of the State Board for Community Colleges under the dual status of both a State agency and as the governing body of an institution of higher learning has created confusion with respect to its relationship to other agencies; and

WHEREAS, The State Board for Community Colleges is subject to the policies of the State Council of Higher Education as are the other state-supported institutions of higher learning; and

WHEREAS, it is in the best interests of the Commonwealth that the status of the State Board for Community Colleges be clarified; now, therefore, be it

RESOLVED by the House of Delegates, the Senate of Virginia concurring, That it is the sense of the General Assembly that the role of the State Board for Community Colleges is that of a governing board of a Statewide institution of higher education and not as that of a board of a State agency, subject to the direction and control of the Governor, and that its functioning in the role of a governing board of an institution of higher learning is necessary for it to continue the purposes for which it and the Commonwealth's system of community colleges was created.
APPENDIX F
Alexandria Campus
Manassas Campus
CHAPTER 1: STUDENT ENROLLMENT

There are four sections in this Chapter: Headcount and Full-Time Equivalent Student (FTES) Enrollment, Student Profile, Enrollment by Program Type, and FTES Enrollment by Discipline.

I. Headcount and FTES Enrollment

In fall 1988, the College and the VCCS changed from the quarter to the semester system. Caution is therefore needed when examining and interpreting student enrollment trends involving both the quarter and the semester system.

TABLE 1.1
COLLEGE STUDENT ENROLLMENT

<table>
<thead>
<tr>
<th>Year</th>
<th>Headcount</th>
<th>FTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>39,250</td>
<td>18,917</td>
</tr>
<tr>
<td>1991</td>
<td>38,182</td>
<td>18,418</td>
</tr>
<tr>
<td>1990</td>
<td>35,831</td>
<td>17,649</td>
</tr>
<tr>
<td>1989</td>
<td>35,444</td>
<td>17,340</td>
</tr>
<tr>
<td>1988</td>
<td>33,466</td>
<td>16,017</td>
</tr>
<tr>
<td>1987</td>
<td>35,482</td>
<td>16,793</td>
</tr>
</tbody>
</table>

Source: OIR file. as of the end of the fall term. Fall 1987 - quarter system; semester system thereafter.

FIGURE 1.1

COLLEGE FTES

[Graph showing FTES enrollment from 1987 to 1992]
II. Student Profile

A. Average Credit Hour Load

Student average load has been stable, with average full-time load at approximately 14 credit hours and average part-time load at 5 credit hours.

<table>
<thead>
<tr>
<th></th>
<th>Fall 1987</th>
<th>Fall 1988</th>
<th>Fall 1989</th>
<th>Fall 1990</th>
<th>Fall 1991</th>
<th>Fall 1992</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time</td>
<td>14.4</td>
<td>14.3</td>
<td>14.2</td>
<td>14.0</td>
<td>14.0</td>
<td>13.9</td>
</tr>
<tr>
<td>Part-time</td>
<td>5.0</td>
<td>4.9</td>
<td>5.0</td>
<td>5.1</td>
<td>5.1</td>
<td>5.1</td>
</tr>
</tbody>
</table>

B. Median Age

Student median age has remained almost constant during the past four years.

<table>
<thead>
<tr>
<th></th>
<th>Fall 1987</th>
<th>Fall 1988</th>
<th>Fall 1989</th>
<th>Fall 1990</th>
<th>Fall 1991</th>
<th>Fall 1992</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>26.3</td>
<td>25.4</td>
<td>25.3</td>
<td>25.5</td>
<td>25.9</td>
<td>26.1</td>
</tr>
</tbody>
</table>

C. Sex Distribution

Females continued to be the majority of the student population at NVCC.

<table>
<thead>
<tr>
<th></th>
<th>Fall 1987</th>
<th>Fall 1988</th>
<th>Fall 1989</th>
<th>Fall 1990</th>
<th>Fall 1991</th>
<th>Fall 1992</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>15,517</td>
<td>14,663</td>
<td>15,982</td>
<td>16,433</td>
<td>17,627</td>
<td>18,327</td>
</tr>
<tr>
<td>Female</td>
<td>19,965</td>
<td>18,803</td>
<td>19,462</td>
<td>19,398</td>
<td>20,555</td>
<td>20,923</td>
</tr>
</tbody>
</table>
D. **Age Groups**

Percentage-wise, there was little change from 1990-91 to 1991-92 in the distribution of graduates by age group.

<table>
<thead>
<tr>
<th>AGE GROUPS</th>
<th>87-88</th>
<th>88-89</th>
<th>89-90</th>
<th>90-91</th>
<th>91-92</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 &amp; Under</td>
<td>145</td>
<td>167</td>
<td>179</td>
<td>182</td>
<td>214</td>
</tr>
<tr>
<td>22-24</td>
<td>433</td>
<td>366</td>
<td>433</td>
<td>517</td>
<td>594</td>
</tr>
<tr>
<td>25-29</td>
<td>479</td>
<td>399</td>
<td>458</td>
<td>489</td>
<td>524</td>
</tr>
<tr>
<td>30-44</td>
<td>770</td>
<td>629</td>
<td>705</td>
<td>646</td>
<td>782</td>
</tr>
<tr>
<td>45 &amp; Older</td>
<td>216</td>
<td>195</td>
<td>207</td>
<td>212</td>
<td>195</td>
</tr>
</tbody>
</table>

E. **Median Years to Complete Graduation Requirements**

Students' median years has remained constant for the past four years.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>87-88</th>
<th>88-89</th>
<th>89-90</th>
<th>90-91</th>
<th>91-92</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Years</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>
CHAPTER 3: FINANCES AND FACILITIES

I. Finances

Following is financial information pertaining to maintenance and operations expenditures of the College, distributed by line item and program category.

### TABLE 3.1
MAINTENANCE AND OPERATIONS EXPENDITURES
BY LINE ITEM

<table>
<thead>
<tr>
<th>ITEM</th>
<th>1991-92 EXPENDITURE</th>
<th>PERCENT OF TOTAL EXPENDITURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Faculty (12-month)</td>
<td>$6,298,643</td>
<td>9.40</td>
</tr>
<tr>
<td>Teaching Faculty (9-month)</td>
<td>17,761,978</td>
<td>26.48</td>
</tr>
<tr>
<td>Teaching Faculty (Part-time)</td>
<td>9,998,116</td>
<td>14.90</td>
</tr>
<tr>
<td>Classified Employees</td>
<td>11,445,691</td>
<td>17.06</td>
</tr>
<tr>
<td>Hourly Employees</td>
<td>907,773</td>
<td>1.35</td>
</tr>
<tr>
<td>Student Hire</td>
<td>485,784</td>
<td>0.72</td>
</tr>
<tr>
<td>Overtime</td>
<td>71,451</td>
<td>0.12</td>
</tr>
<tr>
<td>Special Payments</td>
<td>52,075</td>
<td>0.08</td>
</tr>
<tr>
<td>Supplies</td>
<td>1,002,353</td>
<td>1.49</td>
</tr>
<tr>
<td>Travel</td>
<td>75,947</td>
<td>0.11</td>
</tr>
<tr>
<td>Equipment</td>
<td>2,304,430</td>
<td>3.43</td>
</tr>
<tr>
<td>Professional Development</td>
<td>121,125</td>
<td>0.18</td>
</tr>
<tr>
<td>Contract Services</td>
<td>5,309,977</td>
<td>7.91</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>11,252,846</td>
<td>16.77</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$67,088,189</strong></td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Budget Office, NVCC

### FIGURE 3.1
MAINTENANCE & OPERATIONS EXPENDITURES
1987-88 Through 1991-92

[Graph of maintenance and operations expenditures from 1987-88 to 1991-92]

[293]
SUCCESS RATES

All ELI

```
SUCCESS RATE (percent)

F90  S91  F91  S92  F92  S93

All Students   Ignoring Non-Starts
```

[295]
### E.L.I. COURSE COMPLETION AND GRADE DISTRIBUTION REPORT

**Course:** ESL 100 Time: 200  
**Total Students in Course:** 76  
**Active Students:** 0  
**Graded Students:** 76  
**Completed:** 100%

#### ASSIGNMENTS COMPLETED:

<table>
<thead>
<tr>
<th>ASSIGNMENT</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>% of Students</th>
<th>% of Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
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<td>0</td>
<td>0</td>
<td>4</td>
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<td>10</td>
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<tr>
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<td>14</td>
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<td>0</td>
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<td>0%</td>
<td></td>
</tr>
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#### UNSATISTACIES:

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<tr>
<th>SATISTACIES</th>
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<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0%</th>
</tr>
</thead>
</table>

#### AUDIT:

<table>
<thead>
<tr>
<th>Audit</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0%</th>
</tr>
</thead>
</table>

#### NON-STARTERS:

| Non-Starters | 18 | 2 | 1 | 1 | 0 | 16 | 2 | 38 | 55%         |

#### WITHDRAW AL:

| Withdrawals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0%           |

#### SUCCESSION:

- A = Success rate for all students
- B = Success rate for students who send in at least one assignment
- C = Success rate for students who send in at least two assignments
- D = Success rate for students who send in at least three assignments
- E = Success rate for students who send in at least four assignments

#### ATTENTION:

- W = Attention rate for all students
- F = Attention rate for students who send in at least one assignment
- U = Attention rate for students who send in at least two assignments

#### NON-STARTERS:

- R = Rate of students who do not send in at least one assignment

#### STARTERS WHO GETS W'S:

- T = Rate of students who send in just one assignment
### E.L.I.I. Course Completion and Grade Distribution Report

**Course:** EAE 155  **Term:** 230  
**Total Students in Course:** 17  **Active Students:** 0  **Graded Students:** 17  **Completed:** 100%

#### Assignments Completed

<table>
<thead>
<tr>
<th>Grade</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>% of</th>
<th>% of Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>0</td>
<td>0</td>
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<td>0</td>
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</tr>
<tr>
<td>B</td>
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<td>0</td>
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<td>0%</td>
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<td>0</td>
<td>0%</td>
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<tr>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>C-</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>D-</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1%</td>
<td>6%</td>
</tr>
<tr>
<td>PASS</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
<td>0%</td>
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</tr>
<tr>
<td>UNSATISFACTORY</td>
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<td>0</td>
<td>0%</td>
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<tr>
<td>AUDIT</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<td>RE-ENROLL</td>
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<td>0</td>
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<td>0%</td>
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<tr>
<td>WITHDRAW</td>
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**Success Rate Formulas**

- **Success Rate for All Students (59%)**
- **Success Rate for Students Who Send in at Least One Assignment (71%)**
- **Success Rate for Students Who Send in at Least Two Assignments (71%)**

**Attrition Rate Formulas**

- **Attrition Rate for All Students (6%)**
- **Attrition Rate for Students Who Send in at Least One Assignment (29%)**
- **Attrition Rate for Students Who Send in at Least Two Assignments (29%)**

**Non-Starter Rate**

- **Rate of Students Who Do Not Send in at Least One Assignment (18%)**

**Starter Rate**

- **Rate of Students Who Send in Just One Assignment (16%)**

---

[298]
APPENDIX I
### TABLE 1
Core Skills in Public Financial Management that a Majority of Survey Respondents Deemed Essential

<table>
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<tr>
<th>Skill</th>
<th>Percent of Respondents Deeming Skill Essential</th>
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<td>Cost-benefit analysis</td>
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<td>Budgeting processes (political and organizational aspects)</td>
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<tr>
<td>Budget preparation (operating, capital, cash, etc.)</td>
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<tr>
<td>Budget analysis (justification, performance indicators, etc.)</td>
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<td>Budgeting approaches (PPB, ZBB)</td>
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<td>Oral communication</td>
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<tr>
<td>Taxation (administrative or managerial perspective)</td>
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<td>Governmental financial accounting and reporting</td>
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<tr>
<td>Cash management</td>
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<tr>
<td>Expenditure forecasting</td>
<td>68</td>
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<td>Revenue forecasting</td>
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<td>Capital investment analysis, budget formation</td>
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<tr>
<td>Taxation (public finance perspective)</td>
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<td>Debt management</td>
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*Indicates that the skill was not included as an item in the survey.*
Table 2
MPA Program Coverage of Financial Management Skills Compared with Skills Which Survey Respondents Deemed Essential

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<th>Skill</th>
<th>Percentage of Programs Covering</th>
<th>Respondents Deeming Skill Essential</th>
<th>Difference</th>
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<td>Significant (Col. 2)</td>
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<td>11 %</td>
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<td>67 %</td>
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<td>Number of Skills Covered</td>
<td>Number of Programs (N = 63)</td>
<td>Percentage of Programs</td>
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*Number of the 15 highest rated skills in the Bame survey to which each program allotted significant coverage in its required financial management curriculum.*
APPENDIX J
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<tr>
<th>State</th>
<th>Program Budgeting</th>
<th>Zero-Based Budgeting</th>
<th>Management By Objectives</th>
<th>Management Information System (Computerized)</th>
<th>Performance Reporting and Monitoring</th>
<th>Quality Circles</th>
<th>Program Analysis (Prior to Program Approval)</th>
<th>Program Evaluation (After Program Approval)</th>
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[305]
### TABLE 3
Percent of States Reporting Use of Tools by Region and Size of Budget

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<tr>
<th>Classification</th>
<th>Number of States Responding</th>
<th>Percent Using Program Budgeting</th>
<th>Percent Using Zero-Base Budgeting</th>
<th>Percent Using MBO</th>
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<td>63</td>
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<td>77</td>
<td>31</td>
<td>15</td>
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<td><strong>Size of Budget</strong> (in billions of dollars)</td>
<td></td>
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<td>31</td>
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<td>44</td>
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<td>47</td>
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<td>71</td>
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<td>59</td>
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### Table 1

**WHICH TECHNIQUES DO UNIVERSITY CONTROLLERS USE MOST?**

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<thead>
<tr>
<th>Technique</th>
<th>Planning</th>
<th>Control</th>
<th>Decisions</th>
<th>Overall</th>
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<tr>
<td>Responsibility accounting</td>
<td>2.78</td>
<td>3.34</td>
<td>3.23</td>
<td>3.12</td>
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<tr>
<td>Budgeting</td>
<td>2.14</td>
<td>2.79</td>
<td>2.37</td>
<td>2.43</td>
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<td>1.63</td>
<td>2.12</td>
<td>2.37</td>
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<tr>
<td>Cost behavior analysis</td>
<td>1.22</td>
<td>1.40</td>
<td>1.36</td>
<td>1.33</td>
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<td>Differential analysis</td>
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<td>1.30</td>
<td>1.45</td>
<td>1.26</td>
</tr>
<tr>
<td>Capital budgeting</td>
<td>1.04</td>
<td>1.26</td>
<td>1.41</td>
<td>1.24</td>
</tr>
<tr>
<td>Cost benefit analysis</td>
<td>.75</td>
<td>1.04</td>
<td>1.14</td>
<td>.99</td>
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<tr>
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<td>.80</td>
<td>1.04</td>
<td>.83</td>
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<tr>
<td>Overall</td>
<td>1.41</td>
<td>1.76</td>
<td>1.80</td>
<td>1.66</td>
</tr>
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</table>

All figures are the composite mean values for each purpose and overall.

*Ranked from "most frequent" to "least frequent" on the basis of the weighted average of the mean responses for "planning," "control," and "decisions."

*The figure is the weighted average of the mean values for all eight of the management accounting techniques. The figure represents the overall extent on a scale of 0 to 4 to which the controller is involved relative to the involvement of others in the institution.*

---

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<tr>
<th>Technique</th>
<th>Not used</th>
<th>bus. &amp; finance</th>
<th>planning</th>
<th>Instit. research</th>
<th>Others</th>
<th>Total</th>
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<td>9</td>
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</table>

The figures in this table show the number of controllers in the survey who rated their own involvement as either "limited" or "not involved." All the respondents in this table rated their own involvement as either "limited" or "not involved."
Table 3
OTHER INFORMATION RELATED TO CONTROLLER

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<td>%</td>
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Table 4
EFFECTS OF SELECTED VARIABLES
ON USE OF TECHNIQUES

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<th>Variable</th>
<th>Significantly affects use of (technique)</th>
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<td></td>
<td>and cost/benefit analyses</td>
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<tr>
<td>Years of accounting experience</td>
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REFERENCE LIST


Berman, Art. 1988. *From the new criticism to deconstruction: The reception of structuralism and post-structuralism*. Urbana, IL: Board of Trustees of the University of Illinois.


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Tomkins, Cyril, and Roger Groves. 1983. The everyday accountant and researching his reality. *Accounting, Organizations and Society* 8, no. 4: 361-74.


EDWARD J. BANAS, JR.
8338 DARLINGTON CT.
SPRINGFIELD, VA 22152
DOB 6/27/54

EDUCATION

Ph.D. in Public Administration and Public Affairs
Virginia Polytechnic Institute and State University, 1993

CAGS in Public Administration and Public Affairs
Virginia Polytechnic Institute and State University, 1990

Certified Public Accountant (CPA)
Commonwealth of Virginia

Masters in Business Administration (MBA)
Rutgers University, 1977

A.B. (Economics)
Rutgers College, 1976

WORK HISTORY

Professor, Northern Virginia Community College (NVCC)
September 1978 to present
Design courses for and teach traditional and distance students using a variety of technologies and techniques.

Program Head, Business (NVCC)
During Annenberg Grant period
Liaison person for the business discipline between the Extended Learning Institute (ELI—the distance learning branch of NVCC) and the five campuses of NVCC.

Legislative Aide, Virginia General Assembly
1990 and 1991 Legislative sessions
Legislative aide to Delegate Robert K. Cunningham.
PROFESSIONAL ORGANIZATIONS

Member, American Accounting Association (A.A.A.) Section memberships—Government and Non-profit; Accounting, Behavior & Organizations; Two-year Educators.

Member, Virginia Society of Certified Public Accountants (VSCPA).

Member, Northern Chapter Virginia Society of Certified Public Accountants.

Member, American Institute of Certified Public Accountants (AICPA).

Member, American Society for Public Administration (ASPA) Section memberships—Budgeting and Financial Management.