



Growing Tax Experiential Learning Opportunities for Students

Connecting Accounting Practice, Academia, and the Community

By Jenice Prather-Kinsey, Jim Byrd, and Judy Allen

Three consistent themes emerge from the AICPA's *2015 Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits*. First, the gap between the supply of and demand for master's in taxation graduates is widening, and this gap is likely to continue to expand. Second, the demand for diverse individuals within the profession continues to exceed the supply; the AICPA found that the supply of diverse accounting graduates at the bachelor's and master's level is on a downward trend, while accounting firms continue to strongly recruit diverse graduates, especially from business programs accredited by the Association to Advance Collegiate

Schools of Business and the Accreditation Council for Business Schools and Programs. Third, firms are optimistic that their need to hire experienced recruits will continue to increase, because firms expect to need to hire experienced professionals in the future.

The University of Alabama at Birmingham (UAB) has developed a program to address these issues. UAB developed a relationship with its National Association of Black Accountants (NABA) student chapter, accounting firms, a local bank, and other businesses in the community to build a diverse set of graduates who are oriented toward community service and experienced in tax practice from serving in the United

Way's Voluntary Income Tax Assistance (VITA) program. The authors' experiences with this program, as detailed below, provide evidence that NABA student chapter activities have been effective in increasing the diversity of individuals in the profession, enhancing students' professional development, and providing experiential learning in tax accounting.

The Process—Building Relationships

In 2015, UAB's Collat School of Business added work experience as a graduation requirement for all of its students. The UAB NABA student chapter had already been doing community service with the United Way, preparing tax returns every spring as participants in VITA. This program provides tax return assistance to low-income families without charge; by participating, students gained tax training and experience working with clients face-to-face. Perhaps more important, the students were exposed to less fortunate members of the Birmingham community, gaining an appreciation for the challenges faced by the working poor. Volunteers also received IRS-certified tax instruction and testing from November through December, plus training and experience in preparing returns while working with experienced tax professionals during tax season.

During 2010–2011, the partnership was between NABA, United Way, and UAB only. Funding was almost nonexistent, United Way staff was limited, and internship course credit for students volunteering was not available. Training and test taking occurred annually in the fall; from January through April, students voluntarily prepared tax returns for low-income clients as defined by VITA. Student volunteers developed their interpersonal skills by greeting clients and asking questions while completing tax returns. Students also gained experience in the kind of tax work that accounting firms require of their staff.

In 2013, the NABA faculty advisor applied for funding from a local bank that recruited accounting students at UAB. The funding was to be used to cover printing and supply costs, provide refreshments to volunteers during the fall and spring semesters, and provide scholarships to those students who worked the most volunteer hours and attended at least 50% of the NABA meetings. UAB agreed to provide three hours of internship credit to those students who met UAB's requirement of

student chapter can be found at http://www.nabainc.org/student_chapters.

The Impact

This partnership between UAB, NABA, and the United Way offered multiple benefits. First and foremost, it increased the number of new tax accountants entering the profession. While still in school, students were recruited into tax accounting, giving them an opportunity to work in the field with very low risk to both the students and potential

Exhibit
Descriptive Statistics, 2010–2015

Description	Prior to Sponsorship (2010–2011)	After Sponsorship (2014–2015)	Increase
Total students training	40	91	127%
Total student training hours	240	762	218%
NABA students training	6	21	250%
Total NABA student training hours	48	158	229%
Total United Way tax returns filed	1,638	3,482	113%
Total NABA tax returns filed	100	338	238%

150 hours of work over 10 to 12 weeks. Once the bank provided funding to NABA and UAB granted internship credit, the number of NABA students participating in VITA increased significantly.

Practitioners across the United States may want to collaborate with NABA student chapters in mentoring a diverse set of students and in increasing and sustaining students' interest in tax, especially those chapters that have partnered with VITA. The number of tax recruits may increase when funding is made available to sustain VITA activities and award scholarships to those students volunteering the greatest number of VITA hours. The locations of more than 150 campuses across the United States with a NABA

employers. Second, partnering with the NABA student chapter targeted a diverse group of students who were trained and prepared for an accounting career. Increasing the diversity in students engaged in experiential tax accounting narrowed the gap between the supply and demand of diversity in students pursuing careers in tax. Finally, the addition of financial support from a local bank resulted in more students becoming interested in tax, with more students receiving training and gaining experience in the field (*Exhibit*).

During the 2014 and 2015 tax seasons, the NABA student chapter trained 21 students who prepared 338 tax returns, more than three times the amount from before the bank joined the partnership

with financial support. The rate of increase in returns prepared by the NABA chapter doubled the rate of increase in returns prepared by the local United Way office. The United Way estimated tax preparation cost savings from NABA to the Birmingham community was approximately \$67,600 from completing 338 returns; in addition, most of these returns provided refunds from refundable tax credits (e.g., earned income credit, child tax credit) and amending prior year returns. Benefits to low-income members of the community were enhanced substantially by this partnership.

As to the benefits to the profession, the number of students given tax training and the number of students participating in the tax return preparation experience more than tripled when the bank joined the effort. While the NABA student chapter and United Way had been committed to the effort in prior years, the new funding no doubt increased the effectiveness of attracting and training new tax accountants. More students were exposed to potential future employers, and future employers were provided a larger pool of new, tax-experienced young employees.

Students participating in the VITA program gained experience in and appreciation for working with low-income clients and serving the community. Comments from participants provided insight into the benefits students received. One student did not fully visualize how adjustments, deductions, and credits each affected the return differently until having the opportunity to prepare a wide range of returns. Other graduates said that their VITA experience made them much more prepared for the tax portion of the CPA exam because they could think of specific examples they had seen to help them remember key points of tax law. One NABA VITA student said the following:

As a volunteer in VITA I have fostered a deeper understanding of tax law and taxation of the working class. I was able to see firsthand the types of income and deductions that affect this demographic. This foundational insight led me to want to pursue a career in public accounting. The ability to think critically, ask tough questions, and connect with those served by VITA will directly aid me in thinking critically, asking tough questions, and con-

Students participating in the VITA program gained experience in and appreciation for working with low-income clients and serving the community.

necting with audit clients. Because of developing these skills, I was able to gain an audit internship. I am truly grateful for the opportunities and skills that I have gained through the VITA program.

This program also opened doors for nontraditional student opportunities that may not have been available to them otherwise. One such student, a postbaccalaureate student with an undergraduate degree in English who decided to change her career direction to pursue accounting, used the experience as a stepping stone to secure an internship with a Big Four firm, where she now has a permanent position.

One goal of the UAB business school is to place 100% of its accounting graduates in jobs at the conclusion of their

academic career. Students who were IRS-certified and had tax preparation experience when they graduated were recruited more aggressively than students who only earned a degree.

Some of the benefits to practitioners from the partnerships were as follows:

- Practitioners built relationships with students that helped identify and attract the most talented students.
- More NABA students graduated with accounting work experience as a result of voluntarily completing tax returns.
- Experiential learning resulted in firms needing less training for new tax hires.
- The diversity of individuals within the profession grew.
- Practitioners' involvement with students in business schools supported firms' recruitment efforts.
- The sponsoring bank received publicity and increased visibility in the community.

Looking Forward

Universities work tirelessly to understand the academic and professional development skills required of their graduates. The AICPA speaks of the widening gap between the supply and demand of tax graduates, diverse individuals in the profession, and experienced recruits. This case study demonstrates that a partnership between a university and the local business community increased the diversity of individuals entering the profession while providing those same individuals with the practical experience to help them succeed. □

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