

## METHODS AND RESOURCES TO INCREASE STUDENT INTEREST IN GOVERNMENTAL ACCOUNTING

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**ABSTRACT.** Coverage of governmental accounting is typically light within both accounting and public administration programs, and instructors generally do not have access to the same number of resources that they may find for courses which have been ingrained in their curricula for decades. Hence, it can be difficult for instructors to create or maintain student interest in governmental accounting without such resources. The purpose of this paper is to examine how instructors can emphasize relevance to increase the interest level of students in governmental accounting and to discuss how current resources and various pedagogical tools may be used as facilitators.

### INTRODUCTION

Governmental accounting is undoubtedly the “ugly stepsister” within the family of accounting and public administration topics. Coverage of governmental accounting varies more than any other accounting-related topic within the accounting curriculum of business schools. Typically linked with not-for-profit accounting, governmental accounting is rarely required within an undergraduate accounting program, while a joint governmental/not-for-profit (GNP) course may be offered as an elective or, at best, a requirement for a graduate degree only. A number of colleges and universities include GNP accounting as a module within an intermediate accounting course or offer an abbreviated one-credit course (Dittenhofer & Sennetti, 1994).

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Governmental accounting coverage within public administration programs appears to mirror the trend noted in accounting programs. While some public administration degree programs require a fund or governmental accounting course as part of the core curriculum, many include brief coverage of these topics in courses related to public sector finance or financial management. These finance courses typically focus on budgeting and financing methods used by government, as well as the costing of government services and asset management.

In addition to weak curriculum coverage, students have shown little interest in governmental accounting. Their lack of enthusiasm for the area relates to the fact that students do not see the course as relevant, and they do not understand the concept of governmental accounting, which differs in a number of ways from traditional commercial accounting.

The fact that governmental accounting receives weak curriculum coverage and is of little interest to students is contrary to the importance ascribed to governmental accounting and accountability by the public. Since 1980, federal aid to state and local governments has increased from less than \$100 billion to upwards of \$280 billion annually (U.S. Census, 2001). Such proliferation of federal assistance linked with the financial failures of major metropolitan areas (i.e., New York City, Chicago, and Miami) contributed to a public perception that government is wasteful and inefficient and resulted in increased demands for accountability. The "accountability movement" was first demonstrated by the "decade of auditing," whereby, national attention was placed on the detection and reduction of waste, fraud, and abuse (Brown & Burnaby, 1988). The Clinton administration's attempt to "reinvent government" sparked by popular literature, such as *Reinventing Government* (Osborne & Gaebler, 1992) and *Bureaucracy* (Wilson, 1989), added to the call for increased government accountability. State and local governments also responded to public demands by increasing their emphasis on accountability (Van Daniker, 1994).

A strong component of government accountability is accounting, which captures the information necessary for federal funds reporting, budget preparation and calculation of efficiency measures. Since the formation of the Governmental Accounting Standards Board in 1984, accounting and financial reporting requirements of governmental units have become more complex, requiring increased knowledge and proficiency on the part of government administrators and accountants.

Hence, governmental accounting is relevant to both public administration and accounting students.

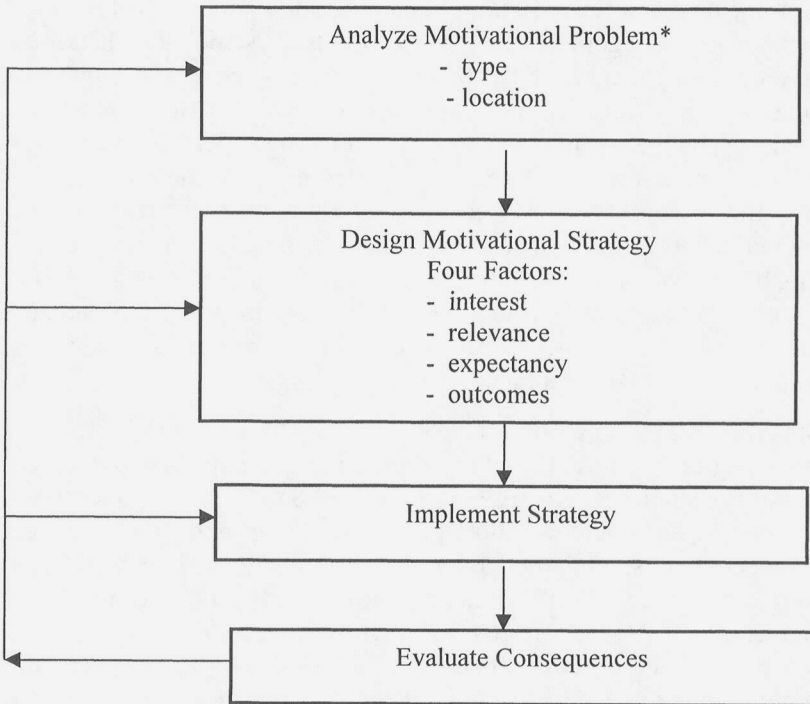
In an attempt to increase student interest in governmental accounting, this paper applies a systematic approach to designing motivating instruction as outlined in Keller (1979). The first component of Keller's model (see Figure 1) requires analysis of the motivational problem, which in this paper is low student interest in governmental accounting (a location problem). Having identified relevance as an appropriate motivational strategy for overcoming low student interest, the paper provides a variety of pedagogical tools to help implement the motivational strategy. While many of the tools presented have been used in a course on governmental accounting, much of what is presented could also be adapted for use in governmental accounting modules taught in public administration courses or accounting courses.

### **INCREASING THE RELEVANCE OF GOVERNMENTAL ACCOUNTING**

Teachers from elementary school through college struggle with the issues of student interest and motivation. Weaver and Cottrell (1988) indicate that, for students, an interesting course is one where (1) there is instructor enthusiasm, (2) content is relevant, (3) there is teacher-student interaction, (4) exciting and varied teaching approaches are used, and (5) teachers have a sense of humor (which does not mean that teachers have to be humorous). If instructors are successful in implementing one or more of the factors which increase student interest in a course, research (Christophel, 1990; Frymier, 1994; Frymier & Shulman, 1995; Weaver & Cottrell, 1988) indicates student motivation can be enhanced. Since enthusiasm and humor are personal instructor attributes, this paper focuses primarily on the relevance of governmental accounting and also suggests pedagogical tools which may complement or enhance various teaching approaches and increase the degree of teacher-student interaction.

Relevance is defined as a student's perception of whether the course is satisfying personal needs, personal goals, and/or career goals (Keller, 1983). By relating course content to a student's personal and career goals, values and behaviors, it is possible to increase relevance (Weaver & Cottrell, 1988). Thus, we consider methods to relate governmental accounting to student careers and personal experiences.

**FIGURE 1**  
**Elements in a Systematic Approach to Designing Motivating Instruction**



Note: \* This model assumes that an instructional problem has been identified as motivational rather than one of skill or ability. The model is from Keller (1983).

### Relating Governmental Accounting to Careers

Governmental accounting is relevant to careers and opportunities in both public administration and accounting. In fact, a recent report (*Chicago Tribune*, 2002) indicated that while some job sectors anticipated no growth in the 2003 year, government and not-for-profit sectors expected a 20.5 percent increase in jobs.

Due to the increased demand for public sector accountability, engendered in part by federal legislation (i.e., the Single Audit Act of

1984, 1990 Chief Financial Officers Act) and performance accountability requirements being imposed at the state and local levels, responsible public administrators need to develop an understanding of governmental accounting. Accounting information is often critical to obtaining or maintaining state and federal grants. A strong administrator will not only understand the budget process, but will understand the historical information being captured by the accounting system and how that information can benefit the administrator in making decisions, completing budget/grant requests, evaluating performance and controlling operations.<sup>1</sup> Also, as accounting information systems become more sophisticated, those administrators with the greatest understanding of accounting will be in the best positions to fully utilize the capabilities of accounting information systems. Students entering public administration will be involved with accounting and accountants in some capacity; thus, they will benefit from a meaningful understanding of governmental accounting topics.

Governmental accounting is also relevant to students entering careers in accounting or auditing. In addition to numerous federal departments, bureaus and agencies, there are approximately 85,000 local government units (Freeman & Shoulders, 2000, p. 22). Many of these units hire one or more accountants, and most governmental units require annual audits. The Single Audit Act of 1984 (amended in 1996 and 2003) has increased the frequency and size of government audits conducted by public accountants and state audit offices. In addition, *any* entity receiving federal funds may be subject to federal compliance standards, which are typically addressed in a governmental accounting course. As a result of the increased emphasis on audits, students entering the accounting profession have a high probability of becoming involved in governmental accounting or a government audit at some point in their career.

### **Relating Governmental Accounting to the Familiar**

Keller (1987) suggests that instructors make course content familiar to students by linking the content to familiar experiences or ideas. The increase in familiarity should then increase the perception of relevance. One method of increasing familiarity of governmental accounting for students is to relate it to the private sector. When accounting students enter a governmental accounting course they have already had numerous courses in business and private sector accounting. Due to increased

media coverage of stock markets and business activity, even non-accounting students have a better understanding of how the private sector operates relative to governments. Some of the numerous comparisons which can be made between government and the private sector are provided in the following paragraphs.

An important difference between government and commercial enterprises is the environment in which they operate. The legal constraints of government impact government operations. For example, unlike private sector organizations, governments cannot just “dump” or spin-off under-performing or unprofitable segments or departments. Most governmental activities are controlled by the budget, which is a legal and restrictive document, rather than just a strong management tool. Governments cannot freely raise capital through debt and equity offerings. In fact, the equity section of a government’s balance sheet has no equivalent to a commercial enterprise’s stock accounts since it will include only fund balance, reserves or net asset categories.

Students need to understand that governments’ revenue providers are not necessarily the same as the users of government services. In private sector accounting, revenue is obtained (realized) when the company provides either a good or service to the consumer. If the consumer is unhappy with the goods or services being provided by the company, the consumer simply ceases to conduct business with the company. Should enough consumers become unhappy with the company, the company will experience a decline in revenue (sales), and will need to make adjustments or suffer the wrath of its investors and creditors. This direct relationship does not always exist in government. In fact, taxpayers do not generally receive benefits in proportion to their tax payments; higher-paying taxpayers generally receive relatively fewer services than individuals paying minimal or no taxes.<sup>2</sup>

Based upon the dominance of nonexchange transactions in government operations, even the concept of net income can be different from private sector accounting. Net income or earnings is an extremely important concept in the private sector that significantly influences the market value of the company. As a result, private sector management carefully reports (or manages) earnings each reporting period. Generally, the stock market is interested in sustained earnings growth. In government this concept simply does not apply! In the General Fund of governments, the concept most closely related to earnings is fund

balance, which represents appropriable resources. While users are interested in a healthy fund balance, taxpayers would not applaud a local government that had unchecked fund balance growth. For example, increases in fund balance may indicate that approved or budgeted expenditures did not occur (roads in snow country were not plowed; roads with potholes were not repaired), or that excess revenues are being collected. The idea is not to have government make money, but to collect only those funds (through user charges, taxes and fees) that are necessary for the efficient and effective operation of government. For accounting this means transactions are recorded so that the fund balance reflects appropriable resources. It also means that the primary private sector accounting measure, earnings, is meaningless for evaluating the performance of government. As a result, financial accounting information will be used differently in evaluating government performance.

Students need to be made aware of the importance of the budget, which is the traditional method of assessing governmental performance or fiscal accountability. The fact that the budget is a legal document means that the budgetary process is more complex in governments than in the private sector. However, just as in the private sector, managers have an incentive to build in budgetary slack. The incentive to build in slack relates to the fact that the budget limits resources available to management in achieving the objectives of the government. Class discussion on the budget should address the fact that there is more than one budget format. While the private sector uses a line-item (object of expenditure) format, other budget formats that capture the total cost of programs or functions, such as public safety, may be more helpful in measuring the efficiency and effectiveness of government.

The discussions on the differences between government and the private sector cause students to think about why governmental accounting is structured the way that it is, what the impact of governmental accounting methods are on evaluation and decision-making, and how governmental accounting needs affect the financial reports.

Relevance can also be increased by relating accounting to government entities with which the student is familiar. An example of a government entity with which students are intimately familiar is the university or public school. Even if students attend a private university



or K-12 school, the accounting and problems are similar enough that students are able to relate to examples using such institutions. Also, most people have familiarity with how a police department or fire department operates, although few students think about funding and administrative concerns associated with these high profile departments. However, taxes may be the most direct and relevant reference that an instructor can use to spark interest in the issues related to governmental finances and accounting. All students pay taxes to a state or local governmental unit, whether it be property taxes, income taxes, gas taxes or sales taxes. As students' level of tax expense increases, their interest in governmental accounting and finance generally increases!

To keep students focused on the unique nature of government and its impact on accounting, a variety of course materials and pedagogical tools can be used. As previously mentioned, due to the diversity and lack of emphasis on governmental accounting within the two university degree programs that are most closely linked to the topic, instructors teaching governmental accounting may not have access to, or be aware of the course-related resources available. Thus, the next section examines sample textbooks, authoritative literature, comprehensive annual financial reports (CAFRs) prepared by governmental entities, useful websites, and other forms of educational resources.

### PEDAGOGICAL RESOURCES<sup>3</sup>

#### Textbooks

Most instructors first search for a quality textbook. Five mainstream governmental accounting/not-for-profit textbooks are the most popular with accounting instructors. Two are coauthored by recent Governmental Accounting Standards Board (GASB) members (Robert Freeman and Martin Ives), while three others are coauthored by current or past Governmental Accounting Standards Advisory Council (GASAC) members (Susan Kattelus, John Engstrom, Earl Wilson and Michael Granof).

*Governmental and Nonprofit Accounting Theory and Practice* by Freeman and Shoulders (2003) is in its seventh edition. The Freeman and Shoulders text is noted as highly technical and comprehensive in scope. The fifth edition of *Introduction to Governmental and Not-For-Profit Accounting* (2004) is an updated text by the writing team of Razek and Hosch, recently joined by Martin Ives. This text is purportedly a



“flexible” book designed for use in either governmental accounting or public budgeting courses.

The title with the greatest longevity is McGraw-Hill/Irwin’s *Accounting for Governmental and Nonprofit Entities* (2004), which is in its thirteenth edition. Coauthors Wilson and Kattelus render a text with chapters organized by activities, as well as chapters detailing government audit, budgeting, nonprofit entities and the federal government. The City of Smithville computerized practice set is included in the text. Another McGraw-Hill/Irwin text, *Essentials of Accounting for Governmental and Not-For-Profit Organizations* by Engstrom and Copley (2004), is appropriate for instructors desiring thorough, yet less-detailed coverage than is available in larger texts. Finally, the youngest texts are published by Wiley. Granof’s (2005), *Government and Not-For-Profit Accounting Concepts and Practices* focuses more on concepts than applications, and provides the opportunity for critical analysis of governmental/not-for-profit accounting topics. The book, which slightly integrates nonprofit material with that of governments, includes a CD-ROM with financial statements for the City of Austin, Texas. *Core Concepts of Government and Not-For-Profit Accounting* is noted as a user-friendly book which discusses the basis for accounting requirements and highlights the appropriate use of GNP financial statements.

Textbooks devoted solely to governmental accounting are more difficult to identify; however, *Introduction to Fund Accounting* by Joan Norvelle (1997) may be used to introduce fund accounting to those with no prior accounting experience or as a general resource book. The publisher, Resource Information Associates, Inc. ([www.pontem.com](http://www.pontem.com)), indicates that the text has been adopted by 39 universities as well as governmental trade associations around the country.

One factor instructors should consider when selecting a text is the coverage given to the governmental reporting model recently adopted by GASB. The new reporting model, outlined in GASB Statement No. 34 (GASB, 1999), represents a drastic change to government financial report preparation and presentation. While some texts simply discuss the changes and provide illustrations, others demonstrate the complexities of financial statement preparation under GASB 34. All the texts described above introduce traditional fund accounting techniques, but upcoming books may focus on new accounting systems designed for GASB 34 reporting.

### Authoritative Literature

The aforementioned books describe governmental accounting in an introductory manner to facilitate instruction. Authoritative documents are also readily available to those teaching governmental accounting. While the Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA) has explicitly defined the relative authoritativeness of documents related to governmental accounting and auditing (AICPA, 2000), the primary source for authoritative documents related to governmental accounting is the GASB. The GASB publishes statements, concepts statements, interpretations, technical bulletins, exposure drafts, discussion memorandums, invitations to comment, preliminary views, implementation guides, a codification of pronouncements, and research reports.<sup>4</sup> While these publications are generally technical in nature, the exposure drafts, discussion memorandums, invitations to comment, and preliminary views are useful for student appreciation or participation in the standard-setting process. GASB also issues a "What You Need to Know..." series that is written to help non-accountants understand authoritative guidance.

Other authoritative governmental accounting and auditing guidance is provided by the AICPA in its industry audit guide for state and local governmental units (AICPA, 2002), and the U.S. Government Accountability Office (formerly General Accounting Office) (U.S. GAO, 2003) in its guide to generally accepted government auditing standards (referred to as GAGAS or the "Yellow Book").<sup>5</sup> An especially popular guide and reference book is the Government Finance Officers Association's *Government Accounting, Auditing and Financial Reporting* (the "Blue Book" or the GAAFR) (Gauthier, 2005). The GAAFR includes discussions devoted to each of the governmental accounting fund types and illustrative journal entries, trial balances, and conversion worksheets that lead up to a sample governmental entity comprehensive annual financial report. The "Blue Book," updated to incorporate GASB Statement No. 34 changes, assists government administrators in complying with government accounting standards.

### Newspapers

The media is an excellent source for course material. Using local radio/television and print media helps ensure that course topics are familiar to a large portion of the students. Editorial articles can be particularly useful since the writer takes a position, which can result in a

lively discussion if the students disagree with points raised by the writer. Should students be inclined to agree with the editorial it is easy for the instructor to take a devil's advocate position. Articles on education issues can be particularly relevant to students, due to their familiarity with the topic. An excellent example of using an editorial relates to a column (Ruth, 1999) on the grading of schools in the State of Florida. In the State of Florida schools earn letter grades; and school performance, as determined by the letter grade, is financially rewarded. Using the editorial allowed for an in-depth discussion on whether performance in government should be rewarded in the same way as it is in the private sector. In the private sector, meeting or exceeding a set goal (often an objective financial accounting goal) results in bonuses (or performance rewards). Points raised during discussions have included the subjective nature of some government evaluation, the difficulty in establishing appropriate performance criteria, the need to include environmental uncertainty in the performance assessment, and the fact that holding a program accountable is not the same as holding an individual accountable. In addition to increasing student interest in the course, an added benefit from editorial discussions is the critical thinking skills that develop as students are forced to defend their positions for or against the columnist. Similar to editorials, letters to the editor can be used effectively. Additionally, the budget summaries of local communities, which appear in local newspapers, are of interest to students since the students are familiar with the communities.

A topic frequently covered by the media is the local audit. The results of local audits or problems with auditors are good topics for discussion since they generally raise questions about the local government's accounting and internal control systems and the diligence of the auditor. Problem audits, due to non-compliance or poor internal controls, can have a significant impact on public administrators' reputations and careers. Articles on local audits increase students' knowledge of the government audit process and the political implications of government audits. Generally, audit is one area that needs a great deal of emphasis in both public administration and accounting. Public administration students need to better understand the audit process so they are better able to successfully meet the requirements of the audit, and accounting students need to better understand the audit process so they can produce a higher quality product.

## Journal Articles

Professional journal articles are an excellent way to introduce students to reliable sources of current information and practical, “real-life” applications that they will use in their careers. The quarterly publication, *Public Budgeting and Finance*; the *Journal of Public Budgeting, Accounting and Financial Management*, a quarterly publication sponsored by the College of Urban and Public Affairs at Florida Atlantic University; *The Journal of Government Financial Management*, a quarterly publication of the Association of Government Accountants; the GFOA’s twice-monthly *Newsletter* or *Government Finance Review* (published every other month); and the GASB’s monthly *Action Report* are all appropriate for governmental accounting. Requiring students to read and critique a journal article makes them aware of the current issues in governmental accounting. Additionally, preparing a critique elevates the level of learning from simple knowledge to the complex level of evaluation (Bloom, 1956), allowing the instructor to determine whether the student has been able to effectively relate course content to the article being critiqued.

In addition to current event readings, journal articles can be used effectively to stimulate discussion on topics being covered in class. Frequently, textbooks cover topics, which are quite complicated or controversial, in a superficial manner without providing opinions or discussions regarding the merits of the controversy. Introducing a journal article related to such topics allows students to recognize that issues are not as black and white as may be presented by the text, and again a good discussion can generally be elicited. Two examples used by one of the authors relate to audit and performance measurement. A concern of the Government Accountability Office (GAO) has been the quality of government audits. At least two research articles have been published that indicate that when a government auditor performs the audit, it is of higher quality than when a public accountant performs the audit. By bringing in the latest of these research articles (Brown & Raghunandan, 1995) discussion can be generated on topics such as auditor ethics, the uniqueness of government audit standards, the content of audits, and solutions to the audit quality problem. A counterpoint to the Brown and Raghunandan article is provided by Elder (1997).

The second example relates to performance measurement. By using a research article (Perry, Hosch & Ives, 1994) that looks at performance

measurement for fire departments, discussion can be generated on the differences between input, output, efficiency, economy and effectiveness measures. Additionally, the students can discuss how difficult it is to agree on how to measure performance, what types of performance measures may be most beneficial and to whom, how to benchmark performance, in what areas of government may performance be more difficult to measure, and what is the auditor/accountant's and administrator's role in performance measurement.

### **Open Discussions**

Perhaps one of the most important tools used in a governmental accounting classroom is an open discussion policy. Having an open discussion policy allows students to relate their experiences and/or ideas concerning government and governmental accounting. If a student hears or sees anything related to government he/she should be encouraged to bring the item before the class for discussion. Since the media seldom presents stories in the order of the course syllabus, students should not be limited to raising issues that are related to the topic currently under discussion. Students can also be encouraged to share their personal experiences and perspectives concerning government – as a taxpayer or government employee. For example, a government employee may have insight into how the government for which they work is dealing with performance measurement, or capital asset valuation issues.<sup>6</sup> Being encouraged to raise and discuss issues makes the course more interesting, since it addresses at least two points raised by Weaver and Cottrell (1988) – teacher-student interaction is increased and relevance is increased, since the discussion is focused on the student's point of view.

### **Comprehensive Annual Financial Reports (CAFRs)**

A comprehensive annual financial report (CAFR) represents the "official annual financial report"<sup>7</sup> of a governmental entity (GASB, 1991). When CAFRs are used as a classroom tool the instructor can demonstrate the applicability of governmental accounting topics to particular governmental entities or illustrate the interrelationships among statements within the report. Students can appreciate the function of a special revenue fund, for example, if they note examples of actual special revenue funds within a CAFR, rather than simply relying on textbook examples. The use of CAFRs also allows for increased student-teacher

interaction and adds to course relevance by showing students the practical application of the material they have been learning.

The CAFRs can be used to enhance class discussion, for homework assignments, or for a class project. For example, the general and special revenue fund budgetary comparison statements found in governmental financial statements prepared under GASB Statement No. 34 are especially useful for class discussion, since they include the original budget along with the final appropriated budget and actual figures. In the classroom, an instructor can guide students through statements and highlight the manner in which transactions might affect disclosures.

Several textbooks offer problems related to CAFR study. For example, the Freeman and Shoulders (2003) book has problems labeled as “research” or “research and analysis,” the Wilson and Kattelus (2004) book devotes the first exercise of each chapter to CAFR review, and the Granof (2005) book contains a “continuing problem” that focuses on CAFRs. Another option is to assign a project requiring a thorough analysis of a CAFR. Such projects are typically successful in familiarizing students with a CAFR as well as governmental accounting topics.

Each student can be provided with an identical CAFR or an instructor may wish to require each student to obtain a CAFR from a different governmental entity. Governmental accounting textbooks generally include a sample CAFR or examples of the various pieces of a CAFR. In fact, the Granof text comes with the complete CAFR for the City of Austin on CD-ROM. Students can also request hard copies of CAFRs from the finance office of any governmental entity or select a report from the Internet. The GASB Web-site ([www.gasb.org](http://www.gasb.org)) offers a listing of CAFRs and audited financial statements on the Internet under “related links.”<sup>8</sup>

### Case Studies

As with all courses, cases are valuable in governmental accounting. Many of the cases in governmental accounting relate to budget questions, audit, and performance measurement. The structure of most cases used is similar to Harvard Business Cases. Budget cases often focus on the incompleteness of budgets in providing information necessary for informed allocation decisions. Audit cases frequently relate to the type of audit that needs to be conducted, the manner in which the audit will be

different from private sector audits, and the pitfalls present when conducting government audits. Performance cases are interesting since they frequently allow students a great deal of creative latitude in how to measure performance and how to incorporate accounting into the measures of performance.<sup>9</sup>

Financial accounting cases would have great value for public administration and accounting students since the cases would show the dynamic nature of governmental accounting. The variety of accounting choices available means that administrators and accountants have the ability to influence how information is captured and reported; therefore, cases which demonstrate how transactions are recorded and how changes in the methods of recording would impact the financial reports would be useful in the classroom. Also, the effect of different reporting methods would allow for interesting case work. For example, what would be the effect of combining different funds, changing the definition of component units, and so forth. Unfortunately, there are few public sector financial accounting cases available.

### **The Federal Audit**

Perhaps one of the more interesting pedagogical tools is the federal audit. Following Congressional passage of the 1990 Chief Financial Officers (CFO) Act and the 1994 Government Management Reform Act, most federal agencies must issue audited financial statements. Examination of these financial reports and the federal audit tend to leave a large impression on students and practitioners alike. The overwhelming size of the federal government combined with the relatively simple financial reports strike many readers as unbelievable, as does the fact that none have received "clean" audit opinions. The financial statements can also help instructors explain terms, such as surplus, deficit, and national debt. Additionally, because the federal reporting and audit process is relatively new there are many reporting and audit problems that lend to considerable discussion. Presentations on the federal audit ([www.gao.gov](http://www.gao.gov)) always engender lively and interesting discussions on accounting and the incompleteness of accounting disclosure.



## Web-sites

Due to the rapid rate of change in the governmental accounting and auditing arena, the Internet has become a useful resource as a supplement to textbook material. Most textbooks offer a text Web page, which includes updates, chapter outlines and solutions. In addition to the actual CAFRs noted above, students can also access a plethora of useful information regarding governmental organizations and associations. There is an excellent site at <http://www.taxsites.com/governmental.html>. Another useful site, sponsored by the Bureau of Governmental Research at <http://www.bgr.org/Links.htm>, links to numerous sites through pull-down menus.

The Internet is also useful for instructors in preparing for a governmental accounting course. The American Accounting Association sponsors an accounting coursepage exchange within its Web-site at <http://aaahq.org/facdev/teach.cfm>. Here instructors can link to syllabi and course Web-sites related to undergraduate and graduate governmental accounting courses. A general Web search is also advised, as a few individual instructor Web pages are noteworthy. In addition to offering syllabi and links to governmental agencies and groups, some include a sample CAFR, governmental accounting multiple choice questions, and governmental accounting Internet assignments. (For example, see "Government and Nonprofit Resources" at [http://www.online.emich.edu/~acc\\_kattelus](http://www.online.emich.edu/~acc_kattelus)).

## Other Resources

In addition to textbooks, authoritative organizations, CAFRs, and Internet sites, governmental accounting instructors may find guest speakers, professional publications, professional organizations, and the American Accounting Association's (AAA) Government and Nonprofit (GNP) Section to be helpful course resources. Within the context of governmental accounting, it is appropriate and interesting to invite a finance director, elected official, public sector accountant or auditor to class. Local chapters of professional accounting and public administration organizations welcome student participation and often waive or discount membership fees. Finally the AAA's GNP section, which is a group primarily consisting of accounting academicians, will offer ideas for teaching innovation through its Web-site (under construction at <http://aaahq.org/GNP/information/teaching/teaching.htm>)

and annual education workshop, held in conjunction with the AAA annual meeting each August.

### SUMMARY

Governmental accounting receives limited attention in both accounting and public administration degree programs. The limited attention contributes to low student interest and makes the resources for teaching governmental accounting more difficult to obtain than those available for other subjects. However, instructors can increase student interest in governmental accounting by demonstrating that subject content is relevant, adopting flexible or active learning approaches in the classroom (i.e., open discussion, CAFR projects, case studies, etc.), and promoting teacher-student interaction. This article offers a variety of pedagogical resources and tools that are available to enhance governmental accounting instruction and encourage student interest in governmental accounting.

### NOTES

1. The issuance of Governmental Accounting Standards Board Statement No. 34 (GASB 34) (GASB, 1999) provides an excellent example of how accounting can affect a budget. The statement institutes sweeping changes to governmental financial reporting, and it is expected that initial compliance with GASB 34 may prove quite costly to governmental entities. A public administrator with a solid understanding of the importance of accounting and financial reporting will be better able to justify budget requests necessary to implement new authoritative standards.
2. This is an example of a non-exchange transaction. In a non-exchange transaction, the government entity either receives a value (e.g., tax dollars) without giving equal value in exchange, or gives a value (e.g., services) without receiving an equal value in exchange.
3. The resources presented here are those that have been used or reviewed by the authors. The list is presented to provide a starting point for educators, rather than an all-inclusive guide, of the materials and tools available for stimulating interest in governmental accounting.

4. Each of these publications is defined at <http://www.gasb.org/pub/pubpg.html>.
5. The GAO generally accepted auditing standards and revisions can be found at [www.gao.gov/govaud](http://www.gao.gov/govaud).
6. We are indebted to our reviewer for this suggestion.
7. While CAFRs are official reports, they are not required and, as a result, some cities (especially smaller cities) may only issue audited basic financial statements, which don't include the introductory section or statistical sections. Additionally, some small governments may not be required to prepare or issue financial statements each year.
8. The GASB site lists early adopters of GASB Statement No. 34.
9. One readily-available example is the 1999 AICPA Professor/Practitioner case entitled, "Revenue Enhancement in the Louisiana Health Care Department." It can be found in PDF format at <http://www.aicpa.org/members/div/career/edu/caselist.htm#00>.

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