

R E S P O N S I B I L I T I E S & L E A D E R S H I P
education



The VITA Program: A Catalyst for Improving Accounting Education

By Robert Clovey and Olajide Oladipo

There is a growing consensus among accounting professionals that recent accounting graduates do not adequately meet the high standards set by potential employers. In 2000, the Accounting Education Change Commission (AECC) argued that accounting education must change to survive the future. According to the report: "The one message that came across loud and clear in our research, and of which we became convinced, is that most of the educational models we use are 'broken' or in desperate need of repair. In many ways, it is not what

we have done that has resulted in our current situation as much as it is what we have not done."

As articulated in the report, the problems that had bedeviled accounting education are as follows:

Course content and curricula. Accounting curricula are too narrow and often outdated or irrelevant. They are driven by the interests of faculty and not by the demands of the market. Students are not sufficiently exposed to relevant concepts such as globalization, technology, and ethics.

Pedagogy. The current education model is rules-based, relies on memorization, tests for content, and teaches to certifying exams. It is inefficient and, more importantly, does not prepare students for the ambiguous business world they will encounter upon graduation. The pedagogy often lacks creativity, depends too much on lectures and textbooks, and does not develop students' ability to learn skills. Professors are too bound by class time and do not require enough student contact with business.

Skill development. There is too much focus on content at the expense of skill development—skills students need in order to be successful professionals.

Technology. Accounting is taught as if information were still costly. Focusing on information gathering and recording is now a waste of time. Information processing, a historically important part of the accounting educational model, can now be managed quickly by anyone using the right computer software. Students are not sufficiently exposed to the impact of technology on business and ways in which technology can be leveraged to make business decisions.

Faculty development and reward systems. Accounting faculty are often isolated from business school peers and business professionals. As a result, they are becoming increasingly out of touch with market and competitive expectations.

The Skills Gap

The gap between the skills set and technical knowledge that college accounting graduates entering the workforce possess versus what employers think is adequate for an entry-level associate continues to widen. This sentiment is succinctly echoed in "Meeting of the Minds: Preparing Future Accounting Professionals" (*The CPA Journal*, March, April 2008), which detailed a forum on the topic.

At the forum, George I. Victor, a partner at Holtz Rubenstein Reminick LLP, discussed the issue of the expectation gap in accounting professionals. He argued that the deficiencies entry-level accounting professionals generally possess are not in the technical areas of accounting, but instead are in "soft" skills. He opined that novice professionals need to learn to dress professionally, manage time efficiently, meet deadlines, communicate effectively, plan

and organize their work, resolve problems, and think critically. Victor articulated that internship programs provide an excellent opportunity to gain experience while learning these necessary skills. All other things being equal, internships may also address the accounting experience requirement for most entry-level positions.

The Volunteer Income Tax Assistance (VITA) program provides another vehicle through which essential skills can be acquired by college students. It is an IRS-sponsored program that was established almost 40 years ago. Its initial objective was to provide underserved communities and low-to-moderate-income individuals with free tax filing assistance. Presently, there are more than 40,000 volunteers assisting in the VITA tax preparation program. In 2008, volunteers filed more than

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2.8 million tax returns at nearly 7,000 VITA sites nationwide.

Over the years, in an effort to increase the program's coverage, the IRS has looked for strategic partnerships. One key niche identified by the IRS was universities and colleges. A number of colleges throughout the country embraced the VITA program as an opportunity to provide hands-on tax experience for their accounting students and encourage community service and volunteerism. A cursory observation might lead one to assume that the strategic partnership between the IRS and universities is mainly aimed at wider coverage for the

VITA program, while any accrued benefits to the accounting students are regarded as incidental.

If properly designed and implemented in universities, VITA could serve as a catalyst for improving accounting education, while also bridging the identified knowledge gaps or deficiencies noted above. Due to its flexible nature, VITA can also solve a wide range of problems—far beyond those originally intended by the IRS and universities—with tailored aims and objectives.

Background

The authors' survey of the existing research on VITA programs found that most of the benefits accrued to the communities served; benefits received by students are regarded as "coincidental." (See the *Sidebar* for a summary of research on VITA programs.) Currently, many colleges have embraced the VITA program as a result of these incidental benefits accrued to other institutions, but without a clearly defined structure and clear-cut aims and objectives for each stage of VITA program implementation. The authors believe that, if properly structured and defined, the VITA program can be used to improve accounting education, remedy students' accounting skills deficiencies, and close knowledge gaps.

Goals, Objectives, and Evaluation of the VITA Program

College instructors would likely agree that teaching a course with predetermined goals and learning objectives is beneficial, allowing for maximum efficiency and effectiveness. Very often, the defined goals and objectives serve as the basis for evaluating performance (i.e., if the desired outcome has been achieved). Setting predetermined goals and learning objectives for the VITA program is no exception. The goals and objectives will influence the design and the structure of the program, making their realization more likely.

Program goals. The IRS has determined that the overall goal of the VITA program is to provide underserved communities and low-to-moderate-income individuals with free tax filing assistance. What the authors propose is that, in addition to satisfying and complying with the goals established by the IRS, colleges and uni-

versities can also use the VITA program as a catalyst for improving accounting education. The AECC's report challenges accounting faculty to take an active role and to constantly seek and identify opportunities to improve accounting education

for the survival of the system. The VITA program provides an ideal opportunity to begin this process.

The way many universities implement the VITA program has not significantly changed during its nearly 40-year existence.

To use the program to its full potential and accomplish tangible objectives, however, it is crucial to constantly find areas for improvement and make the necessary changes. The extent to which the program goals would be expanded to accomplish this objective depends on a number of factors, such as the creativity of individual program coordinators and the support available at the institution. Irrespective of the likely obstacles and constraints, however, the program provides flexibility that can be utilized to accomplish the objective of improving accounting education.

One approach is to identify an area in need of improvement that can be addressed by the VITA program and find ways of crafting a lasting solution to the problem. The authors acknowledge this is an uphill task, but one that is achievable. A VITA program coordinator should focus on predetermined goals and add additional goals in subsequent years of the program.

Adequate planning is expected, because the authors are not proposing "coincidental" benefits. A program may require coordination within the accounting and finance department, the school of business, and other departments within the university. Coordination with other colleges, organizations, and individuals outside the institution may also be necessary.

The goals of a VITA program will likely vary across universities, but certain predetermined goals and objectives should be established, primarily exposure to technology and hands-on electronic tax preparation skills. Some of the goals program coordinators should include are the following:

- Teach electronic tax preparation;
- Teach leadership skills;
- Address the AICPA core competencies;
- Teach soft skills important to employers;
- Operate a schedule for the program;
- Estimate the type and quantity of returns expected to be prepared, including international students' returns;
- Target low-income individuals who qualify for the earned income credit (EIC);
- Estimate the number and training standard of volunteers needed for the season;
- Recruit volunteers and promote the program;
- Evaluate the overall quality of the program and the service provided; and

RESEARCH ON THE BENEFITS OF VITA PROGRAMS

There has been a fair amount of research on the implementation of VITA in universities and the "coincidental" benefits derived by their communities and students. This position was expressed in "VITA: A Means to Compete for the Future" (Robert J. Dunlevy and Richard Sherman, *Pennsylvania CPA Journal*, Winter 2000), "A Student Perspective on the IRS's VITA Program" (Patrick E. Doyle, Michael W. Matt, and Bradley T. Owens, *The CPA Journal*, February 2005), and "Pro-Bono Tax Services: The Role of Tax Academic and Students" (Annette Nellen, Christine C. Bauman, Nancy B. Nichols, Susan E. Anderson, and Ed Outslay, *Tax Adviser*, Vol. 36, Issue 8, 2005).

More recently, these benefits were explored in "Service Learning Through Volunteer Income Tax Assistance (VITA) Program: Students' Perception of the Value of VITA" (P. Michael McLain and Sharad Maheshwari, *Proceedings of the Academy for Economics and Economic Education*, vol. 10, no. 2, 2007) and "VITA, the MTC and the Modern Accounting Curriculum (Part II)" (Brett J. Long and Mehmet Kocakulah, *Tax Adviser*, vol. 38, no. 11, 2007). Doyle, Matt, and Owens (2005) highlighted the participation of accounting students at Saint Bonaventure University and emphasized the benefits to low-income workers.

Authors have highlighted the potential of VITA and its application in the modern accounting curriculum and examined and compared the goals and objectives of the IRS with those of accounting faculty. For examples, see "Using VITA to Meet the AICPA Core Competencies" (Daniel J. Tschopp, *Journal of the Academy of Business Education*, vol. 6, 2005), "Campus to Client" (Annette Nellen, Brett J. Long, and Mehmet C. Kocakulah, *Tax Adviser*, vol. 38, no. 8, 2007), or Dunlevy and Sherman (2000). Specifically, Long and Kocakulah (2007) argued that the implementation of the VITA program in colleges should depend on the faculty evaluation of the costs and benefits, while Nellen, Long, and Kocakulah (2007) compared the goals and objectives of the IRS with those of accounting faculty and described the education benefits and costs associated with sponsoring a VITA site.

The authors would also recommend the following articles for readers interested in learning more about existing research into VITA, similar programs, and related issues:

- C. David Strupeck and Donna Whitten, "Accounting Service-Learning Experiences and the IRS Volunteer Income Tax Assistance Programme: A Teaching Note," *Accounting Education*, vol. 13, no. 1, 2004.
- Jeanne S. Steffes, "Creating Powerful Learning Environments Beyond the Classroom," *Change*, vol. 36, no. 3, 2004.
- Kristen Loschert, "In the Service of Learning or Just Learning to Serve?," *Community College Week*, vol. 13, no. 26, 2001.
- Sheila Foster and Cynthia Bolt-Lee, "New Competencies for Accounting Students," *The CPA Journal*, January 2002.
- W.F. Bowlin, "Experiential Learning: Benefits for Academia and the Local Community," *Management Accounting Quarterly*, Spring 2001.

■ Assess the accuracy of completed returns.

Student learning objectives. In the authors' opinion, this is one of the most important aspects of the program and one that can vary across colleges and universities. Some of the VITA program objectives may be to afford students the opportunity to gain hands-on tax preparation experience and also perform community service. A broader objective of the program, however, could be to ensure that students learn certain specific skills such as teamwork, research, communication, time management, critical thinking, problem-solving, ethics, and leadership, to name a few. After identifying the skills that should be learned, the program should be appropriately structured to ensure that the objectives are accomplished. A broad-based objective—like teaching the students such skills—would require more planning and a more elaborate structure.

Through proper structuring and adequate planning, the student learning experience could be tremendous. Some learning objectives that might be achieved through the program include the following:

- Hands-on tax experience,
- Technology exposure through the use of professional tax software,
- Ethics exposure,
- Experience with time management,
- Experience with teamwork,
- Improving soft skills,
- Improving research and writing skills,
- Improving oral and written communication skills,
- Improving problem-solving skills, and
- Improving critical-thinking skills.

These goals are a clear reflection of the dynamic nature, flexibility, and uniqueness of the VITA program.

The program evaluation. At the end of the tax season, a VITA program should be assessed to determine whether the objectives were attained. This assessment provides guidance for further improvement of the program.

Time should also be provided for reflection and evaluation of the performance of the program, with a focused effort on improving plans for future implementation. This is crucial for a program's success. The authors propose that the program's coordinators prepare and distribute to all volunteers questionnaires that focus on expect-

ed new skills and experience gained by participating in the program.

Implementation of a VITA Program at York College

VITA can be designed to solve a wide range of problems far beyond those originally intended by the IRS and participating colleges. This was the case at York College. In the first year, the program's limited goals were to establish the VITA program and ensure that student volunteers gained leadership, communication, problem-solving, and research skills. In its second year, the program's goals were expanded to include addressing specific skill deficiencies and collaborating with York College's career services department for assistance. The vision for the third year is to institutionalize the program and create an on-campus, year-round tax clinic. A proposal has been submitted to the academic affairs department to consider this venture.

Background narrative. York College is a senior college of the City University of New York (CUNY). It is an urban college located in Jamaica, Queens, at the heart of a low-income community. Within a one-mile radius of the college are a number of low-income housing projects. According to the 2000 census, Queens was reported as the 10th poorest county of the 62 that make up the state of New York. The college is very active in community events, and the college administration is very supportive of activities that involve the community.

Preplanning for the 2008 tax season. York College had not participated in the VITA program for many years because the faculty considered the program too time-consuming and was not compensated, and students did not commit to the program. In 2005, one of the authors, a new faculty member and tax professor at York, decided to reestablish the VITA program. With an awareness of these obstacles, he began the planning phase for the program. The planning focused on the active promotion of the program and its many benefits to students in the income tax courses. Most of the students were juniors and had no relevant accounting experience. None was aware of the VITA program. The main benefit highlighted was that the program presented an exceptional

opportunity to enhance their resumes. Students could acquire the skills that employers demand of entry-level professionals such as leadership, communication, problem-solving, and teamwork. They were also made aware of the importance of volunteerism. An added benefit highlighted was proficiency with professional tax software.

The objective was to encourage students to buy into the program. They were encouraged to establish and operate the program and were told that faculty would provide the necessary guidance. Active promoting and recruiting took place for six semesters before the program was established. Interested students from the different tax courses were brought together in the summer of 2007 to brainstorm the establishment of an effective VITA program at York College.

More than 25 students showed up for this first meeting. Many others who were not present expressed an interest in participating in the program once established; however, they were not willing to be involved

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on a management level. In this first meeting, students were made aware of the demands of the program and the commitment necessary. They were asked to give serious thought to the decision, review their class schedules and other responsibilities, and decide whether they would be willing and able to make the necessary sacrifice. Most of them were excited and wanted to move

forward. The participating faculty members suggested that they select a management team from the group and assign duties. The faculty also identified a number of potential obstacles to an efficient program and suggested possible solutions.

Program design and structure. The goal in the first year was limited to establishing an efficient VITA program operated and managed by accounting students under faculty supervision.

For the first year of the program, the following were the major student learning objectives:

- Exposure to hands-on tax preparation and e-filing.
- Exposure to technology through the use of professional tax software.
- Development of leadership skills.
- Acclimation to teamwork.
- Improved time-management skills, and
- Improved oral and written communication skills.

Secondary learning objectives included the following:

- Ethics exposure.
- Improved research skills.
- Improved problem-solving skills, and
- Improved critical thinking skills.

To initiate the program, a management team of eight upper-level accounting majors was selected from the student body. They were made aware of the expected skills to be acquired through the program and scheduled a number of planning meetings that summer. This management team was fully responsible for establishing the site and the day-to-day running of the program under faculty supervision.

Their responsibilities included, but were not limited to, the following:

- Establishing committees as needed;
- Assigning responsibilities to committees;
- Contacting the IRS and requesting the necessary information;
- Establishing a timeline;
- Completing the necessary paperwork;
- Promoting the program on campus through posters, banners, and flyers;

- Recruiting volunteers from prior tax courses;
- Identifying a space for the program and acquiring supplies and equipment;
- Creating a simple procedures manual;
- Creating a document management and filing system;
- Reporting to faculty on the progress of each phase of the process;
- Establishing a structure for the continuity of the program; and
- Establishing a structure that could be expanded and replicated.

As an incentive, each member of the management team was offered three independent study credits.

The pool of potential volunteers for the first tax season (spring 2008) were all upper-level accounting majors who were either currently registered in or had previously completed the individual income tax course. All potential volunteers were familiar with the TaxWise software because it is used in York's tax courses. TaxWise is the official software prescribed by the IRS for use in the

EXHIBIT					
VITA Program Summary: York College 2008 Filing Season					
Federal Tax Return Summary					
Transmitted	Accepted	First Trans. Date	Last Trans. Date	ESP Count	Split Refund
556	533	1/28/2008	6/12/2008	8	0
Returns by Filing Status and Tax Credits					
Single	Married Filing Joint	Married Filing Separate	Head of Household	Qualifying Widower	
421	32	18	62	0	
Earned Income Tax Credit Returns		Elderly Credit Returns	Child Tax Credit Returns	Education Tax Credit Returns	
118		3	43	88	
Total EIC Amount		Total Elderly Credit	Total Child Tax Credit	Total Education Credit	
\$100,012.00		\$650.00	\$49,603.00	\$48,832.00	
Federal and State Refund Information (Including Balance Due Data)					
Federal Total Returns	Average Federal Returns	Total N.Y. State Returns	Total Refund N.Y. State Tax Returns	N.Y. State Refund Amount	
\$466,961.00	\$1,555	540	464	\$201,211	
Total Requesting Direct Deposit (Federal)		Average AGI (Federal)	Total Balance Due Returns	Balance Due Amount	
228		\$16,995.54	76	\$14,679	
<i>Source: Obtained from the IRS</i>					

VITA program. These students were also familiar with the IRS certification because the certification exams are all assigned as take-home exams—again, part of York’s individual tax courses. Targeting these students as volunteers minimized the program’s training requirements.

Although volunteers were exposed to the major aspects of the VITA program (the software and certification process) through their individual income tax course, they were not familiar with the e-filing process and the different forms used. To overcome this obstacle, participants requested and received training from their IRS SPEC (stakeholder partnerships, education, and communication) partners. They provided the necessary training to the management team, who, in turn, trained the other volunteers. The IRS SPEC division also provided the site with two tax consultants who were present for the first two weeks of the program to ensure a smooth start. Those consultants continued to be available thereafter, and the first year’s success of York College’s program can be credited to their exceptional support.

Training focused on familiarizing volunteers with the quality review process, the e-filing process, and the appropriate forms and documents that would be used in the program. For example, the IRS’s “interview and intake sheet” was used to gather taxpayer information, and the “quality review sheet” was used for reviewing completed returns. Volunteers were made aware of the purpose and importance of each of these documents and procedures.

Space, equipment, and supplies were secured, and software was installed and configured. Overcoming these obstacles was crucial to the smooth running of the program. A document management and filing system was established in advance. By the start of tax season, procedures were in place to ensure that the following conditions were met:

- There was a client screening and intake process in place;
- All client information was secured;
- Volunteers would only prepare returns that they were certified to prepare;
- All completed returns were quality-reviewed and transmitted in a timely manner;
- All transmitted returns were received by the IRS and the state;

■ All rejected returns were identified, corrected, and resubmitted; and

■ Reports were prepared in a timely manner and submitted to interested parties.

These procedures were accomplished by using appropriate forms and checklists and by establishing end-of-day, end-of-week, and end-of-month deadlines. When tax season began, volunteers interviewed taxpayers, documented their information, and prepared tax returns. These returns were all reviewed for accuracy before being transmitted to the IRS. Confirmation reports were generated and reviewed daily. Any errors were immediately corrected and returns retransmitted to the IRS. In addition, there was a system in place to resolve problems: First, the more experienced volunteers were consulted. If the problem was not resolved, they contacted the program’s IRS SPEC partners for assistance. Finally, volunteers had contact information for the state taxation department for state tax-related problems, as well as for “Taxwise University” technical support for software-related problems.

During York College’s first season (i.e., the 2008 tax season), the faculty adopted a cautious approach to familiarize themselves with the e-filing process, new developments, and other challenges. The program’s organizers also aimed at developing a quality program that could be expanded. Because the first year was experimental, the program’s promotion was limited to flyers and posters on campus. A number of residents in the community heard of the program through word-of-mouth. With limited promotion, participants were able to electronically prepare and file a total of 556 federal tax returns and over 525 state tax returns, with a success rate of 96%, as is summarized in the *Exhibit*.

It was evident to the authors that, both before the start of the tax season and throughout, students were learning essential skills, some of which were identified as deficiencies in accounting education by the AECC. They communicated with the IRS, potential volunteers, faculty, facilities management, and peers. They improved their time management skills by observing the IRS timelines for submitting applications and other documentation. They planned and coordinated the overall running of the program. As volunteers were recruited, information was collected regard-

ing the number of days and times each was available to volunteer. This information was used for scheduling purposes to determine when the site would be open. Clearly, the implementation of the VITA program provided experiential learning.

The program provided faculty the rare opportunity to observe their students’ work ethic, people skills, sense of responsibility, and commitment. These are qualities that are not easily observed in the traditional classroom environment. In addition, some students who did not perform well in the traditional classroom setting were more efficient and resourceful in the program setting than those students who did perform well in the classroom. This observation may serve as a more appropriate basis for writing student recommendations than classroom experience alone. To further observe students and improve the overall quality of the program, faculty performed unannounced compliance audits.

Updating and Expanding the VITA Program

The VITA program provides students with the opportunity to develop skills that prepare them for the future. If a VITA program is restructured with clear-cut aims and objectives, it can play a more important role in the professional preparation of future qualified accountants than it traditionally has. Many colleges do not currently participate in the VITA program, but the authors hope that more educators will embrace it and use it to its full potential. The authors used the findings of the AECC and others as the basis for designing the objective of the VITA program, but other bases could have been used to further illustrate the program’s uniqueness and flexibility. Ideally, more colleges and universities with business programs will be motivated to participate in the VITA program, due to its numerous merits. □

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