

Leveraging the Internship: Integrating Theory with Experience

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Abstract

Internships are a long-standing and worthwhile part of the accounting education experience, but there is an opportunity to enhance the students' understanding by encouraging the interns to relate their work to the objectives of their accounting curriculum as they are participating in the internship. By meeting regularly with interns (individually, in a group, or by means of distance learning) and asking them to provide thoughtful responses to questions, the educator can encourage the students to reflect on their experience. Students can use journals to show their understanding and create brief papers and presentations to summarize.

Designers of an accounting curriculum want graduates to have a firm grounding in accounting theory. Faculty want students to be able to explain the concepts behind entries and to know when there are issues that might make it necessary to research whether one alternative or another should be chosen. They want the future accountants to know what choices the Financial Accounting Standards Board had to make before they issued a statement and what trade-offs were made among which principles. They want students to understand the role accounting plays in business and society. Professors want alumni to be accountants who can understand the changes and the complexities of the financial world and respond to each of those challenges with wisdom and integrity.

At the same time, both faculty and students want graduates to be employable. There is an expectation that the recipient of an accounting degree should be able to

move into an accounting position and contribute to the organization quickly. Such an immediate contribution implies knowledge of the mechanics of accounting and the procedures common in the field. One of the challenges of curriculum design is this tension between the long-term value of understanding solid accounting theory and the short-term payback of mastering accounting procedures.

For programs whose graduates focus on larger CPA firms, a strong theoretical background may be all that is necessary because new graduates will be introduced to the practical aspects of accounting through an extensive training program. For schools that offer programs focusing their students on employment that does not require professional certification or responsibility for decision making, the curriculum can focus on the mechanics of accounting. The great majority of programs, however, serve diverse groups of students. There are a variety of career aspirations present in each graduating class. This diversity of goals results in a tension of balancing the need of the profession for theoretically sound accountants and the need of employers for employees who can make an immediate contribution.

The accounting internship has historically been a way of addressing that tension. Students are provided an opportunity for work experience during their academic career. They apply the theories and procedures they have been learning in class to the workplace. They bring their work experience back to the classroom and it makes the material more understandable. At least, all parties involved hope that the benefits listed above will occur.

If the faculty designs an accounting internship as a course allowing academic credit, they may be able to consciously integrate the objectives of the program into the course design. By deliberately relating students' experience to academic theory, the experience can be enhanced and theory can be supported. This paper examines an accounting internship course that specifically incorporates key curriculum objectives. (See Appendix A for an extensive list of the assumptions used in the design of the internship program. We provide it to enable readers to determine which of the assumptions might be relevant to their own decisions regarding internships.)

Focusing the Student on the Internship as a Learning Experience

While internships provide valuable practical experience, students do not necessarily make an immediate connection between their work experience and their classroom experience. Accounting faculty at the University discussed in this case were determined to tie the internship experience to the academic experience. The process they created has multiple steps: students keep a journal to record their activities on the job and to reflect on the experience; faculty interact with the interns once a week during the internship to discuss the experience itself and to introduce new areas to explore as they carry out their work responsibilities; students summarize the experience in a brief paper; and students provide a short oral presentation to a group of faculty and/or students.

It was initially quite surprising to ask students what accounting skills they were using in their internship and have them flounder for the answer. (Note that the firms hosting the internships praised the students for their accounting knowledge.) When

given time, and some helpful hints, the students remember that they were not born knowing the form and uses of a balance sheet, but learned this in intermediate accounting, and that their tax class(es) prepared them to make some of the decisions they must make to use the tax software. But they don't necessarily make these connections without prompting. They are so overwhelmed by the newness of the work experience that they don't immediately make the effort to relate it to their education. Weekly meetings provide the opportunity to guide the experience.

These weekly meetings can be in a small group setting, in a one-to-one office visit, or by phone and e-mail. The key has been the capacity of the advisor to engage in a dialogue with the student. It is possible that the dialogue could go on in a classroom setting, but that arrangement has not been tested to this date. When meeting in small groups, guidelines have to be set for the students to help them maintain appropriate confidentiality for employers and clients as they discuss their experiences.

Students are required to keep a journal that combines a record of their daily activities with their observations on the experience. They e-mail a copy of the journal to their advisor who reads it before each weekly meeting. The meetings open with a discussion of the journal. The faculty advisor uses the students' observations as a springboard for discussions of concepts.

Initially, many students make the journal a virtual time log. Some students are so detail oriented in their thought process that the journals are essentially a list of daily activities. Other students take advantage of the opportunity to reflect on the internship as a learning experience and to consider what they are learning about accounting, what they are learning about the business, and what they are learning about themselves as it relates to their work life. It is very

important that they reflect on the experiences as they occur, that they write their thoughts down regularly, and that they review them at the end of the internship to see if their perceptions have undergone any kind of change. (See Appendix B for an example of two journal entries.)

As the advisor discusses the journal with the student, a recurring question is “What do you think is the most important thing you learned this past week?” Sometimes the answers will be humorous (“Don’t wear a good shirt when you are helping move to a new location.”) and sometimes they will be very insightful (“Some of the grunt work actually allows me to see the way things work in the office.”). The question also gives the advisor insight into areas for future discussion.

Introducing Ideas for Thoughtful Consideration

After the discussion of the journal, the advisor can introduce new ideas. As with any class, it is best to have a structure in mind and then be willing to adjust the structure when there are opportunities for learning that could not be anticipated. Each advisor may have a favorite sequence, but all cover the same concepts over the course of the semester. The general means of introducing the ideas is through brief explanations of ideas and then questions that encourage the student to think about the issues. (See Appendix C for an example of a series of questions used in a student meeting.)

In the case of at least one advisor, the ideas begin and end with very concrete, immediately practical considerations and incorporate the more abstract ideas in between. The meeting prior to the actual internship reviews basic interview and resume skills. Once the internship begins, the first lesson focuses on the host’s

expectations and basic office skills. Some students have a background, either personal or professional, that makes this relatively unimportant, but others are surprisingly unaware of basic expectations. This is an excellent time to remind the students of the confidentiality of the information they are handling, whether they are working in public accounting or for another kind of organization.

The last lessons of the experience combine career planning with more advanced interviewing skills. Students review the book *What Color is Your Parachute* (Bolles, 1990) and work at least two of the exercises in the book. They relate the insights they gained from the book and from the internship both to the long term direction they desire in their career and to the questions they can expect from interviewers.

Between these immediately relevant lessons, the intern addresses, at minimum, the following topics: the accounting skills the student is practicing, the value accounting adds to a business, the uses to which accounting is put by the host, the ways the intern makes money for the host and the ways the intern costs the host money, the importance of profit, how the host business competes in its field, why the organizational structure of the host is relevant to the employees, how employees (especially interns) can make their supervisor look good or look bad, means of identifying and solving problems, the importance of ethical conduct, and the reasons for and means of professional development.

The list above came from the formal objectives of our accounting program and from the learning opportunities that occurred in earlier internships. At the end of the meeting, the advisor may discover that he or she has not addressed all the questions but has had excellent discussion of areas that are

of immediate interest to the student. An example of an unscheduled lesson came in a small group meeting when two students expressed anguish at review notes. (Review notes are the notes that accountants receive from other accountants who review their work before it goes forward. Review notes are almost universally negative. They tell how the tax form or other work fails to meet standards.) Both of these were good students who had received a lot of positive feedback from their schoolwork. Their respective hosts found them to be excellent interns, but both interns anguished over the perceived criticism in the notes. This provided an opportunity to discuss professional feedback and resulted in a new question for future interns.

Process

Getting Started

Interested students apply for an internship midway through the semester before they expect to enroll in it. They must have successfully completed Intermediate Accounting as a prerequisite. Faculty then contact organizations who have stated an interest in having interns, organizations with whom they have a professional relationship, and organizations that have had a prior involvement with the program. Additionally, students can make their own contacts. This is especially important when the student anticipates an internship geographically removed from the immediate area of the university.

Students may request any member of the faculty whose primary responsibility is to teach accounting to serve as the internship advisor, and faculty have the flexibility to accept the responsibility or to refuse it. This ensures that the student has some rapport with the advisor and allows the faculty to

decide whether their time permits them to accept the responsibility of an intern.

Every effort is made to provide students with at least two interviews, but no interview is set up that does not involve a realistic opportunity for the student to acquire an internship. Further, the department asks the potential host to contact the advisor with a decision within four weeks of the initial interview. The department added this expectation because there was a situation where a student felt that the host had promised her an internship and the internship did not materialize. The host, in turn, felt that the discussions were preliminary and that the student should have understood that the internship was contingent on business conditions. To avoid misunderstandings, early and ongoing communications between host and advisor are important. The early call allows the internship advisor to establish timely contact with the host. In the case of a host who is new to the program, this first call is a very important time to establish some of the expectations of the host.

Expectations of the Host

Expectations of the host are deliberately kept to a minimum both to encourage the hosts to value the interns as employees and to allow the advisor to concentrate on the more directly academic aspects of the course. Advisors discuss the internship with the host in advance if there is any question about the extent to which the work will involve accounting. Hosts have an interaction with the internship advisor halfway through the internship to provide feedback on the overall performance of the intern. The advisor then incorporates the feedback into later meetings with the intern in a way that will be non-threatening and helpful.

At the end of the internship, the host provides an assessment of the intern's performance that the advisor considers in assigning a grade for the internship. Some hosts prefer to make this assessment on a casual basis in the final interview. Other hosts have provided detailed evaluative instruments to incorporate their views of the intern's strengths and weaknesses.

The host can contact the advisor at any time and for any reason relating to the intern. That is a privilege that has only been exercised on one occasion.

Expectations of the Student

The student is expected to work for the host for a minimum of 320 hours. (See Appendix A.) As students work, they are required to keep a daily journal that records activities, observations of items of interest to the students, and items that relate to broader objectives. Once an intern and the host discuss a topic, the intern will often include observations about that objective in the journal. The student e-mails the journal to the advisor prior to the weekly meeting, so the advisor has an opportunity to review the journal and make notes.

Additional evaluation comes from a short paper and an oral presentation. The paper summarizes the most important things the intern has learned during the internship in four well-written pages or less. The oral presentation relates to the same ideas, but the intern presents it to students and/or faculty. This gives the intern an opportunity to build on presentation skills covered in other courses.

Expectations of the Faculty Advisor

The faculty advisor assists the student in acquiring interviews, meets with the intern weekly, reviews the journal and discusses the entries, introduces the topics

for the meetings, asks questions, and follows up on the intern's answers. The advisor and intern discuss the intern's progress with the host once during the internship and once at the end. The advisor grades the final paper and arranges and grades the oral presentation. While incorporating the host's information, the faculty advisor is responsible for the final grade for the internship.

Value of the Internship to the Department

This kind of internship program has the benefits of more traditional internship programs and extra value beyond that. It, of course, encourages ties between the program and the community. It provides potential employment opportunities for students and keeps faculty in touch with alumni. At the same time, it gives added opportunities for instruction that are not always available in a classroom setting.

A key skill that the advisor is able to identify through this program is problem solving. As an objective, this skill is difficult to measure. In a classroom setting, it is often difficult for faculty to determine whether or not students are exercising their capacity for solving problems. In this kind of internship, advisors can ask students to identify problems they have solved and problems they have seen their hosts address. Similarly, meetings of advisors and students can be devoted to lessons on ethics in the workplace, which is quite different than discussing work ethics in the classroom.

When faculty can ask questions relating to more abstract objectives in a face-to-face setting, they have a better opportunity to evaluate whether students are making appropriate connections between theory and practice. If it becomes apparent that students cannot make the connections, there is a problem with the intern, the experience, or the program.

Interactions with hosts enable the advisor to receive feedback on the program in general, even as they receive feedback on the intern. In some cases, this had led to adjustments in the curriculum. In other cases, the changes have not been made, but there is, at minimum, an awareness of some problem. An example is the knowledge that some students do not currently have exposure to risk management techniques.

Conclusion

The specifics of this internship are aimed directly at accounting programs, but the process we went through to make the program more than we had seen in other internships can be applied to any internship program. Some years after we instituted the internship program described in this article, we saw a version of the process we used beautifully described in L. Dee. Fink's excellent book *Creating Significant Learning Experiences* (2003). He suggests the following initial steps. "Identify important situation factors." These are among the assumptions we reviewed. (See Appendix A.) "Identify important learning goals." We looked at the benefits we most wanted to acquire from the program. In order to make this step successful, all the interested parties—faculty, students, and potential hosts—were given an opportunity for input.

"Formulate appropriate feedback and assessment procedures." We made the decisions regarding the method we would use to identify success for the goals. "Select effective teaching and learning activities." The meetings and the journals seemed appropriate. "Make sure the primary components are integrated." (p. 67)

Fink goes on with seven more steps and notes that courses need to keep evolving as the circumstances change. That has certainly been the case with the internship,

but, because many of the goals have remained the same, and because we were very intentional in our approach to the course design, students, faculty and host organizations have generally been well pleased with the outcome of the early investment of time. We feel strongly that any internship would benefit from the intentional approach to design.

References

- Bolles, R. N. (1990). *What color is your parachute?* (rev. ed.). Berkeley, CA: Ten Speed Press.
- Fink, L. D. (2003). *Creating significant learning experiences*. San Francisco: Jossey-Bass.

Appendix A

Assumptions Used in the Decision-Making Process

Any accounting internship program must establish some of its assumptions prior to course design. These are assumptions that faculty agreed upon before approving the design of the course. An advantage of stating the assumptions is that all interested parties can examine them and discuss whether they are appropriate. These are the assumptions our faculty affirmed.

Assumption A

The internship would be an elective rather than a required course. This assumption was the result of both practical considerations and conviction. The university, in this case, permits only a given number of required courses in any major, and accounting requirements already push the edge of this limit. It is not realistic to ask for permission to add courses without reducing the existing requirements, and the faculty could see no area where they wanted to reduce courses. Perhaps more important, the variety of prior work experience of the student body made it appropriate for

students to self-select whether they might benefit from an internship.

Assumption B

Internships would involve pay. At the university, many internships are traditionally unpaid in order for students to be able to focus on a project. The unpaid internship does not encourage the intern to provide general assistance to the host. The accounting internship would involve general accounting duties and the peripheral duties performed as part of completing accounting tasks. Accounting interns would do accounting work and their hosts would pay them for doing that work. A related assumption was that the hosts were less likely to provide interns with challenging work if the work were a free good.

Assumption C

Ultimate responsibility for obtaining an internship would be in the hands of the student. Faculty could set up interviews with firms and businesses that had expressed interest in an intern. Students could also set up interviews for themselves. Faculty would review student resumes and provide a reference when deemed appropriate. Interviewers were under no obligation to hire the intern and the intern would be under no obligation to take an offer from a firm. The intern and the host would negotiate conditions of work such as days of the week, hourly pay, and length of employment. The advisor would be informed only when one of the parties thought it was appropriate.

Assumption D

Any full-time member of the faculty whose primary responsibility was teaching accounting could serve as an accounting internship advisor. The advisor would meet weekly with the advisee, but the meeting could be a virtual meeting using telephone or e-mail communications.

Assumption E

The internship would not be undertaken before a given point in the

students' academic career. It was easy to make the assumption, but hard to define where that point should be. There was considerable discussion on whether students benefit most if allowed to undertake an internship early in the academic process or whether it was better for them and for the program if they did not intern until they were well along in the program. The current decision is that it is better to err on the side of allowing them an early start than in delaying them. Interns must only have successfully completed intermediate accounting.

Assumption F

In order for a student to receive credit for an accounting internship, the focus of the work must be on accounting, but the work does not have to be in an accounting firm. A member of the faculty evaluates the likelihood of the intern having an adequate opportunity to practice accounting skills prior to the student's taking employment at the firm. The advisor can make the determination based on communication with the host or based on general knowledge of the host's requirements. This assumption makes it possible for students to have accounting internships in venues other than public accounting firms. Hospitals and publishing firms, as well as other organizations, have accounting departments with the potential for providing the student valuable understanding of accounting if the host is a knowledgeable accountant.

Assumption G

Students should work a minimum number of hours in order to receive course credit. After discussion, a minimum was set at 320 hours. This number of hours was a concession to the constraints of the regular semester and the summer program. A student in the summer program can work full time and get these hours of experience. A student in a regular semester can work half time and get the experience.

Practitioners had noted that interns who were working less than half time did not have a real opportunity to be involved in the flow of the workday.

Students can take an Incomplete Grade or an In Process grade if circumstances make it impossible to complete the requisite number of hours. Further, the student can begin the experience before the official start of a semester if they are in contact with an internship advisor and know the expectations. Students are expected to keep a record of the hours worked.

Assumption H

Students would not attempt a full semester's worth of academic credit in the semester they undertake an internship. Faculty assumed that a student who was working half time could not take more than two other courses in a regular semester (one in the summer) and that only one of those courses could be an accounting course. This is an assumption that has been difficult to administer and subject to perhaps the greatest number of exceptions. A related assumption that has held true is that the majority of internships would take place in the summer.

Appendix B

Journal Entry Examples

The following journal entries were from the last week of the student's internship. He has since entered graduate school.

Wednesday, 7/28/04

I received a reviewed return back from one of the senior accountants today, and there were a few things which needed to be fixed. Some of these items I was not able to fix yet because the senior accountant needs to get more information from some third parties in order to finish the return. The

one thing that stuck out about the review notes was the fact that the senior staff member said I needed to organize the client's info within that year's folder. The thing is, I felt like I had organized the information in a reasonable manner. However, this was the first return that I worked on for this staff member and I am not used to organizing things quite as meticulously as they want. I guess I was either getting sloppy or there are various ways to organize a file in an acceptable manner. Anyway, I think that learning my supervisors' different personalities and preferences is something which can only be done with more time on the job.

I talked to one of the partners today as the day was winding down, and he talked to me some about how I was doing, since he is going to be gone the rest of my days at work. He was very encouraging in what he said to me, and I'm glad to get some feedback other than the typical review notes. My personality tends to start to wonder a bit about the quality of work I am doing if I do not hear anything one way or another in the way of feedback. I do not think this is so much me begging for recognition as it is a way to judge how well I am doing and to see where I need to improve in certain areas.

Thursday, 7/29/04

I spent a few hours today working on some financial statements for a compilation which we are doing for a fairly large corporation. This was a pretty long process for me, since it was very easy to miss a number in the transfer from the client's trial balance to the more consolidated financial statements. Also, I learned to appreciate the brief parts of our intermediate accounting text which dealt with the note disclosure requirements of financial statements. I found today that the notes should be quite important to users of financial statements, since they tend to expound on the

information in the statements and give the user a more developed picture of the company's financial position.

With the same client, I started working on their tax return using the information from the trial balance this afternoon. This was only the third or fourth C corporation return I have done, but its similarity in design to the S corporation return made it fairly easy to figure out where everything went. However, the balance sheet was off by over a million dollars, and I looked long and hard without finding the error. It turns out that the cost of goods sold information I entered from the income statements has to be entered in a different manner in the tax software in order to arrive at the correct figure. I was not able to figure this out myself, but I was able to figure out that the cost of goods sold item was causing the imbalance, then Shon was able to show me how to fix it.

Appendix C

Example Questions for a Weekly Session Focusing on the Host Business

One of the objectives of the program is to have the students who graduate understand the role and the importance of accounting in any business. Note that these are simply the base questions. Each

discussion leads to additional questions on the part of the intern and the advisor. This topic is so far ranging that it requires at least two meetings.

- *What business is your host in?*
- *How do they make money?*
- *How does the accounting function help them make money?*
- *How do you cost the host money?*
- *How do you assist the host in making money?*
- *How does accounting assist the business process?*
- *What would happen to the business if the accounting process were to cease?*
- *What would happen if the accounting process were to be significantly inefficient?*
- *What role do you play in the accounting function?*
- *Do you see any way to improve the function you perform?*
- [Get the student to identify the business process...understand the importance of making a profit from the activities that go on...understand the need to earn more from the employee than they pay to the employee...cover the concepts of value added, whether or not the term is actively defined.]
- *How does the company compete?*