

*Ranked lowest among the professions  
in terms of volunteer assistance,  
accountants work to change their image.*

# PRO BONO ACCOUNTING

*by Peter D. Rosenstein*

**T**he very skills that serve the public interest are developed and nurtured through an accountant's education, experience and adherence to ethical standards. Many individual accountants serve the public interest by volunteering their expertise to the community — for example, helping low-income individuals at tax time, serving on a church's building committee, or helping manage myriad other nonprofit organizations.

No wonder, then, that most accountants were disturbed to learn that in a nationwide poll by Lou Harris & Associates in 1986, accountants ranked lowest among the professions in terms of public welfare work. This poll reflected the widespread public perception that accountants, unlike doctors and lawyers, do not participate significantly in public service work.

## **Changing the image**

Accountants for the Public Interest (API), a national network for accountants who work on volunteer public service projects, seeks to reverse this perception. Public relations campaigns are not sufficient to repair the damage done by headlines about civil and criminal fraud cases against CPAs, punitive actions by the Securities and Exchange Commission, and congressional hearings. It is only by acting for the public good ("pro bono publico") that accountants can improve their image.

Twelve years ago Accountants for the Public Interest (API) was incorporated in California. Grants from the Carnegie Corporation and the Ford Foundation helped launch API's early initiative to increase professional commitment to public service. In 1987, accountants working through the API network provided:

- Direct assistance to small nonprofit organizations and businesses, including setting up bookkeeping systems and providing counseling on budgets and financial statements
- Educational programs for employees, officers and board members of small business and nonprofit organizations, including conferences and workshops
- Tax assistance programs for low income individuals and tax calendars for nonprofit organizations
- Publications including manuals on financial management of nonprofits and tax guides for nonprofits
- Studies on a range of public policies and government assistance programs
- CPAs for boards of nonprofit organizations.

## **Network action**

In the past year, API affiliates in California, Illinois, New Jersey, New York, Oklahoma, Oregon, Pennsylvania and Rhode Island provided services to more organizations (2,416) and individuals than ever before.

## EXAMPLES OF PRO BONO

The magic word in Cincinnati seems to be "accountant." Mention it to the Chamber of Commerce and you'll get a glowing report on how much professional time has been donated toward improving the city. Three years ago, the "Phillips Commission" (named for David C. Phillips, CPA, then managing partner of Arthur Andersen & Co.'s local office) came up with 85 recommendations for improving the efficiency of municipal operations. As of January 1988, 66 of the 78 recommendations accepted by the city have been put into effect, with a reported savings of \$10.2 million.

According to Phillips, his committee of local businesspeople contributed some 12,000 man hours plus out of pocket contributions amounting to about \$150,000. Phillips, now regional managing partner of AA's West Coast offices and a former chairman of the Greater Cincinnati Chamber of Commerce, estimates that he personally gave more than 600 hours to the project.

The Phillips Commission volunteers rode in police cars, made fire runs and worked in city parking garages. The task force did a lot of listening and found that most suggestions for improvements actually came from city workers. Besides cost cutting measures, their report suggested expenditures for computerization to achieve long-term savings.

Recently implemented recommendations include: establishing a fee for delinquent water works payments, designing a yearly review system for better management of city property, and using civilians for police duties not directly related to law enforcement.

This Valentine's Day weekend, Arthur Andersen staged a series of free concerts and events, celebrating its 30th year in the city.

But a firm does not have to grow as large as Arthur Andersen before it starts volunteering its services. On a smaller scale, Peter Ciccone & Co., CPAs, with two partners and one staff member, has been in Glen Cove, New York, for some 20 years. The firm's pro bono work has included helping the local chapter of the National Association for the Advancement of Colored People, a neighborhood church's day care center, Glen Cove's Volunteer Emergency Medical Service, a religious retreat house and an Italian-American social organization.

Founding partner Peter Ciccone explains, "The retreat master called us in to find out why they were losing money. After about three or four visits going over the entire bookkeeping system, we came up with the simple fact that they weren't charging enough for their retreats. We did a cost analysis and found that their income was something like 30 percent of what their costs were. They were using figures from 15 years ago, when heating oil prices were one-third of what they are today. It was that kind of thing. So we sat down and worked out a whole new schedule of retreat costs."

As for the day care center, Ciccone says, "They were running afoul of regulations and weren't able to get funding because of paperwork problems. So we worked on that and got it straightened out."

On average, the firm gives one to two weeks of its time per year to volunteer projects, Ciccone estimates. The national treasurer of the National Conference of CPA Practitioners, he believes many other small practices are donating similar amounts of their professional time. Ciccone says, "Pro bono is what we give back to society for giving us the privilege of practicing our profession."

These services included seminars presented by API-New Jersey on topics ranging from the "Financial Responsibility of a Nonprofit Board of Directors" to "Budgeting and Financial Management."

Community Accountants in Philadelphia introduced a computer consulting program for nonprofits and provided an annual tax calendar to its clients, as well as donated over \$500,000 worth of accounting services to the community. In addition, Community Ac-

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countants recently published a Disaster Accounting Manual to assist accountants help disaster victims rebuild their lives. This manual is based on the work of the Pennsylvania Institute of CPAs and Community Accountants with the victims of the MOVE bombing in west Philadelphia. Both the American Red Cross and the American Institute of CPAs are currently distributing the manual.

CPAs for the Public Interest, our affiliate in Chicago, provided services to 700 organizations in the metropolitan area during the past year by way of financial management workshops and one-on-one accounting training and assistance. This is a service replicated by each of our affiliates.

### Joint effort

API has worked with the American Institute of Certified Public Accountants, American Red Cross, Association of Volunteer Administrators, Independent Sector, National Association of Accountants, National Center of Institutions and Alternatives, Private Sector Advisory Group to the Solicitations Law

Project of the National Association of Attorneys General and The Support Centers of America.

To hasten turning commitment into action, API has recommended that national organizations adopt a statement "encouraging each member to devote a portion of his/her professional time each year to public service involvement." The National Association of Accountants was the first to incorporate this language into its bylaws.

### Serving California

Years of public service accounting laid the groundwork for the 1985 passage of SB:302, authorizing California's State Board of Accountancy to contract with a nonprofit agency to act as a liaison between non-profits unable to afford accounting services, and the state's public accountants. The Clearinghouse for Volunteer Accounting Services (CVAS), an API affiliate founded in 1982, was awarded that contract.

As the only statewide source for pro bono accounting services in a state with some 50,000 non-profits operating, CVAS typically receives 35 requests a month for assistance. Many of the calls are urgent, requiring help to resolve a crisis; others seek professional guidance for budgeting, bookkeeping or reporting procedures.

The human side of the program is a dimension not clearly represented by the accounting solutions alone. For example, the director of a small, southern California nonprofit agency phoned CVAS for help. At 80 years of age, she found herself unexpectedly in charge of the organization she had founded years before. Its bookkeeper had left suddenly; the year-end federal tax report was past due and her volunteer-based group, supported by small private contributions, could not afford to pay an accountant. She was "in a pickle," she

The following organizations  
are affiliated with API:

**CALIFORNIA**  
Clearinghouse for Volunteer Accounting Services  
315 West 9th Street  
Los Angeles, CA 90015  
(213) 623-3147

**ILLINOIS**  
CPAs for the Public Interest  
220 South State Street  
Chicago, IL 60604  
(312) 786-9128

**NEW JERSEY**  
API-New Jersey  
985 West Seventh Street  
Plainfield, NJ 07063  
(201) 757-9313

**NEW YORK**  
Accountants for the Public Interest/ Support Center of New York  
38 West 44th Street  
New York, NY 10036  
(212) 302-6940

**OKLAHOMA**  
Accounting Aid Program  
The Support Center  
525 Northwest 13th Street  
Oklahoma City, OK 73103  
(405) 236-8133

**OREGON**  
Oregon API  
715 West 1st Street  
Portland, OR 97204  
(503) 225-0224

**PENNSYLVANIA**  
Community Accountants  
1700 Sanson Street  
Philadelphia, PA 19103  
(215) 564-6986

Western Pennsylvania  
Community Accountants, Inc.  
612 Frick Building  
Pittsburgh, PA 15203  
(412) 471-5533

**RHODE ISLAND**  
The Support Center  
57 Eddy Street  
Providence, RI 02903  
(401) 521-0710

explained. Notwithstanding the penalties for late filing, the problem was clearly distressing to her personally. Could CVAS help?

Like hundreds of other clients who contacted CVAS during the past year, the woman's organization did receive help: in this in-

stance, 15 hours of services from a CVAS volunteer accountant. Supplying that volunteer involved contacting a number of working accountants to locate an individual who would be available, geographically nearby and willing to undertake the work. And like the 240 other accountants who contributed their time and expertise to CVAS last year, this CPA was requested not to charge for his assistance.

### How to get involved

Individual accountants can get involved in public service in different ways. The most direct route is to offer your services to a local civic group or other nonprofit organization that you know. You can contact an accounting association, such as the state CPA society or an NAA chapter, and get involved through them. If a local affiliate of API exists in your area, you can contact them—if not, call the na-

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tional API office in Washington, DC, to find a group in your area. Other options include contacting the mayor's voluntary action center or local community technical assistance centers that often get requests for volunteer accounting help. If you want to get involved and offer your expertise to the community, there's a way to do so. NA

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