

Culverhouse School of Accountancy



Fall 2010

Alumnus Gary P. Fayard Leads As CFO of The Coca-Cola Company

We recently spoke to Gary P. Fayard, Coca-Cola CFO and an alumnus. We asked him to share his thoughts on the challenges he has faced during his career, the changes he has seen and expects to see going forward at Coca-Cola, and his advice to students.

Fayard transitioned to Coca-Cola from accounting firm Ernst & Young, after working on the Coca-Cola engagement while a partner in the mid-1980s. He explains why it was an easy transition: “I knew the business, the financial situation and the players at the Company. I understood the global landscape from a financial perspective and knew joining the Company was a great opportunity for me and my family. I firmly believe that there is no better business to be in than the beverage industry, and I have never regretted my decision to come ‘in-house’.”

As CFO, Fayard is responsible for the Company’s financial operations in more than 200 countries and has witnessed a great deal of change in the industry. He notes that although there was a lot of product diversity when he came on board, “it was nothing like the 3,300 products we have worldwide now.” He continues: “We were number one in sparkling soft drinks, but now we’re also number one in ready-to-drink teas and coffees and number one in juice and juice drinks. So the business has evolved geographically and from a brand perspective.”

Fayard’s job is increasingly impacted by international developments and global challenges. He explains: “80% of our income is from international markets and this has obvious effects from a financial perspective in terms of tax, treasury and foreign currency management, as well as governance and controls. It requires an understanding and



sophistication on the part of all of us in finance to understand the nuances of running a global business.”

For these reasons, he believes that accounting programs should be integrating the study of International Financial Reporting Standards (IFRS) into the curriculum and into coursework. Fayard also encourages stu-

dents’ efforts to study abroad, or alternatively, utilize today’s technology to obtain some of the same experiences. Overall, he stresses the importance of students having an international perspective in their studies.

Adaptability to change is also a significant part of Fayard’s job as CFO. The Company is currently poised to merge the North American operations of the Company’s largest bottler, Coca-Cola Enterprises, with the Company’s own operations in North America. He anticipates that this will “fundamentally change our business and drive growth in our flagship market.”

Fayard provides this final advice to students: “Regardless of the economic outlook, education is the key. In order to succeed you have to have a great work ethic and attitude. Together with a good education, you will be prepared for whatever economic climate you find yourself in when you graduate.”

Inaugural Accounting Career Awareness Program

Walter J. Smith, immediate past president of the National Association of Black Accountants, told 21 minority high school students and their parents that by taking part in the Accounting Career Awareness Program at The University of Alabama's Culverhouse School of Accountancy, they would be "joining a huge community" and "a very powerful network."

Smith was the closing speaker for the UA Accounting Career Awareness Program, one of 20 such programs in the nation. ACAP is a nonprofit organization that encourages minority students to take the preparatory courses they need to major in accounting or other business areas. This was the first program of its kind in the state of Alabama.

The week-long camp in June 2010 was hosted by The Culverhouse School of Accountancy and sponsored by Alabama Power, Ernst & Young, Deloitte, the Birmingham Professional Chapter of The National Association of Black Accountants, and The Alabama Society of CPAs.

The students were welcomed to campus by Doug M. White, president of the Birmingham professional chapter of the National Association of Black Accountants. The six-day camp included presentations on accounting, maintaining cultural and ethnic identity, business integrity, forensic accounting and fraud detection, college admission and financial aid processes, cash management and financial planning and professional etiquette. One day was spent touring accounting firm offices in Birmingham, and the students took part in group case study competitions and presentations.

Students who won the group case study competition, which involved the analysis of a publicly traded company's financial statements and annual report, will receive college scholarships.

"We are extremely grateful to all of the faculty members who helped us with this ground-breaking program," said Dr. Mary Stone, director of the Culverhouse School of Accountancy. "We must give a special thanks to our generous sponsors and applaud their dedication to diversity in the accounting profession."



Doug White, Lisa McKinney, Walter Smith, and Don McLeod at ACAP

Students Prepare Tax Returns for Low-Income Families

More than 150 University of Alabama students traveled statewide during the 2010 tax season to prepare more than 2,900 income tax returns for working families. Forty of these students were participants in a service-learning version of Honors Introduction to Accounting.

As part of this statewide initiative, sponsored by the UA Center for Ethics & Social Responsibility and Impact Alabama, UA students played a critical role in helping secure \$7 million in tax refunds and saving the working families about \$1 million in commercial tax preparation fees. Under the supervision of SaveFirst, a nonprofit tax preparation and financial literacy initiative of Impact Alabama, UA students collaborated with 400 additional students from 12 other campuses.

Honors student Katie Dergunov said, "SaveFirst was unlike any other volunteer experience. It really opened my eyes to the realities of the world close by me and allowed me to better connect to the city. Meeting the people and hearing their stories touched me very deeply. Knowing that each time I volunteered, I made a difference in multiple people's lives was an absolutely unparalleled feeling."

IFRS Convergence in The Classroom

Most accountants and business leaders are aware that American and international accounting standard setters are working toward a goal that is destined to have a monumental impact.



According to Reese Phifer Fellow of Accounting Tom Albright, the goal of the U.S. GAAP/IFRS convergence project is “to merge international accounting standards with U.S. Generally Accepted Accounting Principles (GAAP) to create a single, high-quality, globally accepted set of standards.” While the convergence idea has been highly debated since its inception, Albright points out that the U.S. banking crisis of recent years “emphasized that banking is a world-wide system... and highlighted the fact that markets are global.” He believes that this is important evidence of the need for a single set of standards.

Albright is integrating the issue into his courses where relevant. In the combined financial/managerial accounting course he teaches to MBA students in the fall, as well as the financial reporting course for Executive MBAs, he spends an entire class session “talking about where we are with respect to convergence and its timetable.” He also discusses what International Financial Reporting Standards (IFRS) are and how they differ from U.S. GAAP.

As he progresses through the text, Albright points out areas where GAAP would differ from IFRS using examples that students recognize as core accounting areas, such as treatment of revenues, capital leases, and inventory.

Albright also gives insight to his students as to what might be coming after convergence and encourages students to follow the topic outside of the classroom. He hopes to encourage them to “pay attention and stay tuned, because accounting regulation is continually evolving.” He emphasizes that “keeping current truly requires lifelong learning.”

Ocean University Student: Yu Kuang

Yu “Silvia” Kuang is a sophomore in the accounting program visiting from China. She came to Alabama with a group of students from Ocean University China (OUC).

The collaborative agreement to bring Silvia here began in Fall 2008, when UA students and students from one of China’s leading universities began a pilot initiative to study at each other’s institutions. OUC is a prestigious university that is ranked 35th out of more than 2,600 Chinese institutions of higher learning. It is located in Qingdao, China, a city known for the site of the yacht races in the 2008 Olympics.



The OCU students recently completed their first year in a two-year on-campus program that is part of a comprehensive dual degree program designed for business students that

would like to study abroad. The students complete one year at OUC, two years at UA, and finish their final year at OUC. Chinese students are required to complete certain courses in English, such as English Writing and American Culture, during their freshman year at OUC to prepare them for their trip to the US.

Students majoring in accounting (as one of their dual majors) study both U.S. GAAP and Chinese Accounting Standards. Chinese standards are moving to converge with International Financial Reporting Standards (IFRS).

Silvia has really enjoyed her time at UA because of the “awesome” facilities, excellent instructors, and the frequent visits and presentations by accounting firms. She notes that “the library and research resources are so impressive that they will attract you to study.” She does miss family, friends, and authentic Chinese food.

Silvia hopes to one day work for a Big Four accounting firm in audit or advisory services. With a 4.0 GPA here at UA, there is little doubt she will achieve her dream.

Alumni Spotlight: Debbie Kornegay

Debbie Kornegay is a great success story, but it is a story with surprises.

Debbie is a proud alumna of The School of Accountancy who began her life in Centreville, Alabama diagnosed with Muscular Dystrophy (MD) and was given an original life expectancy of only six years.



Debbie persevered through elementary and high school and chose The University of Alabama's accounting program for her next challenge. After successfully completing the Masters of Accountancy program, she gained an instructor position at Judson College in Marion, where she taught a wide variety of accounting classes. After Judson, she worked at David Turnipseed and Company, LLC in Tuscaloosa as a staff accountant for three years.

Debbie recently opened her own accounting firm in Brent, Alabama, Debbie L. Kornegay, CPA, PC. Accomplishing this goal by the age of 41 is pretty amazing, but Debbie did it all despite her health struggles. She says she never "paid much attention" to the prediction of a short life expectancy for her. Instead, she set short goals for herself that would culminate into her long term goal of owning her own firm. "I wanted to better see the results of my efforts. I suspect that nothing will show you that more than self-employment," Debbie said.

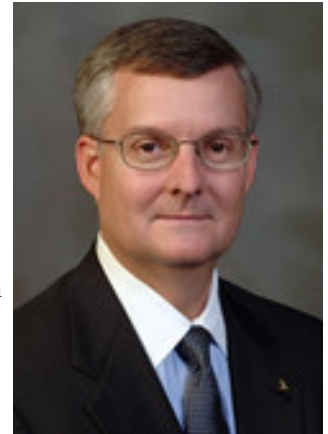
Debbie shared her plans for her new business. "I want to utilize technology to the maximum. I want to help small business owners maximize the use of their accounting information systems to make well-informed management decisions on a daily basis."

The firm opened in March, mid-tax season, so it has been a hectic start for Debbie. The School of Accountancy wishes her success as she works to grow her firm.

Alumni Move to Top Positions at Regions Financial

O.B. Grayson Hall Jr., a 1980 graduate of the Culverhouse College of Commerce, formerly president and chief operating officer at Regions Financial Corporation, has been named chief executive officer, and David J. Turner has been named chief financial officer.

Turner had been the head of internal audit for Regions since 2006. In 2005, he was a general auditor to the predecessor of Regions, and was an audit partner for KPMG before 2005. Turner is a 1986 graduate of the Culverhouse School of Accountancy.



Birmingham, Alabama-based Regions Financial is a top U.S. bank-holding company with \$142 billion in assets, operating about 1,800 banking offices across 16 states. Regions is also Alabama's largest bank.

Alumnus Chosen as Top 20 Impact Leader

Reggie Walker, a 1992 graduate of the Culverhouse School of Accountancy, has been chosen as one of the Top 20 Impact Leaders in Atlanta. Walker is a partner with PricewaterhouseCoopers in Atlanta. Walker was featured in "Business to Business" magazine's May/June issue, which recognizes 20 of Atlanta's top leaders.

Walker is responsible for PricewaterhouseCoopers' advisory practice in Atlanta, which consists of management consulting, forensics, and mergers and acquisitions. He also oversees the firm's service to retail and consumer products clients in the Southeast.

Walker has been with PwC 18 years. He is a member of the Metro Atlanta Chamber of Commerce Economic Development Committee and actively involved with the Georgia Center for Non-Profits. He is also a member of the United Way's Alexis de Tocqueville Society.

NABA Chapter Receives Award

UA's student chapter of the National Association of Black Accountants (NABA) placed first in the Southern Region Conference and eighth in the NABA National Division III in the student chapter reporting and evaluation program for 2009.

Division III schools are those with 10-29 members. NABA sponsors several key programs and services designed to address the needs of students majoring in the fields of accounting, finance, or business administration. The UA student chapter was founded in August 2007.

Olympic Accountant: Catalin Cosma

The School of Accountancy may have a future Olympic star in our midst.

Catalin Cosma is member of the swim team and an accounting major at UA. He came here from Arad, Romania to attend school "because of the swimming tradition Bama has." Catalin has competed at several World Cups and European Championships and hopes to swim in the 2012 Olympics.

Catalin is also an excellent student, having made the Dean's List twice this year. He says the key is to "just take each practice, class, competition or exam one at a time. It is just a matter of following the process and staying focused."

Catalin chose an accounting major in order to "have a better understanding of how the business world works." He would like to one day return to Romania to work for a U.S. company at a branch back home.



Navigating Tunnels: King Interns in DC

Abbey King, a senior undergraduate in The School of Accountancy, just completed an exciting summer internship in the office of Congressman Robert Aderholt (R-AL, 4th District) in Washington, D.C.



Abbey explained her experience. "On a typical day, I would begin by distributing newspapers and political publications. Then I would sort faxes, mail, and invitations among the staff according to their area of expertise as legislative assistants. I answered phone calls to the office addressing the concerns of constituents from Alabama's Fourth District and entered them into our Internet quorum. I also gave tours of the Capitol building, speaking about the history behind the paintings, sculptures, and architecture in the old Supreme Court chamber, Senate chamber, rotunda, and crypt."

Abbey was able to enjoy a flexible work schedule that allowed her to explore the exciting, scenic, historical, educational, urban city. She was surprised most at how approachable the office staff was, including Congressman Aderholt. He scheduled lunch in the House members' only dining area with each intern, posed for photos with each of them in front of the Capitol, and also hosted a farewell party for the interns at his home.

Abbey said that the most challenging part of her internship was "learning how to navigate around the Capitol and all of the underground tunnels connecting the Capitol to other house buildings and the Library of Congress." The buildings are all connected by underground tunnels (with trains), hidden corridors, and stairwells.

Abbey plans to obtain her Masters in Accountancy at The University and work in public accounting, possibly in the DC Metro area.

Faculty & PhD Highlights

New Faculty: Don Minyard

The School is pleased to announce the addition of new faculty member Don Minyard. You may have seen him on one of his four different TV game show appearances, one of which was a large win on "Jeopardy" in April 2006.

Minyard has taught the graduate fraud class during the interim term since 2004, so he is not a stranger. He has also been a guest lecturer many times at the University on the topic of forensic accounting.



Minyard earned his BS and MBA from Auburn University, and then received his Ph.D. from the University of Illinois. He has more than 14 years of experience in fraud examination, damages computations, and business valuation.

Minyard explained why he has specialized in fraud examination: "When I went into forensic accounting, I wanted to use my skills to explain complex matters to people that needed to understand them but did not really have a background in accounting. A lot of my work has involved explaining accounting matters to attorneys and the courts."

Minyard has experience at other schools teaching a wide variety of accounting classes including Principles, Cost, Government, Systems, and even Individual Tax, so he plans to help out wherever he is needed. He will continue to do consulting work for his firm, Financial Forensics & Valuation Group, in Birmingham while teaching.

We welcome Minyard as a valuable full time addition to our accounting department.

To see his performance on Jeopardy, go to:
www.j-archive.com/showplayer.php?player_id=1908

Stone Elected BAP President-Elect

Mary Stone, the Culverhouse Chair of Accounting, was recently elected president-elect of Beta Alpha Psi (BAP).

BAP is an international honor society with more than 289 chapters. Its primary objective is "to encourage and give recognition to scholastic and professional excellence in the business information field." BAP has chapters around the world and recently held its first Oceania Regional Meeting in Sydney with students from both Australia and New Zealand.

As president-elect of Beta Alpha Psi, Stone will lead BAP's strategic initiatives. Stone will rely on the members of Alabama's BAP chapter for advice on annual meeting activities and speakers.

Career Services for Alumni

Services of The University Career Center are available to anyone who graduated from The University. Positions are posted through the on-line system, CrimsonCareers, at: www.myinterfase.com/alabama/student/home.aspx.

Other services for alumni can be found at <http://career.ua.edu/students/studentsAlumni.cfm>.

Other Achievements

- Thomas L. Albright: Professor the of Year, Executive MBA Class of 2010.
- Todd DeZoort: Global Scholar, Kennesaw State University.
- Rick Hatfield: appointed Ernst & Young Professor.
- Richard W. Houston: Past-President, Accounting Business Organization Section of the American Accounting Association, 2009-2010; appointed G. Hilton Dean Endowed Professor.
- Linda Parsons: President, Government & Nonprofit Section of the American Accounting Association; Treasurer and Board Member, Association for Research on Nonprofit Organizations and Voluntary Action; Associate Editor, *Accounting Horizons*.
- Gary Taylor: appointed to a professorship for which donor requests anonymity.

PAB Visits Stadium

The School of Accountancy Professional Advisory Board (PAB) met at Bryant-Denny Stadium in April of this year for its spring board meeting. The members enjoyed a day touring the stadium, the locker room, the press room, and the skyboxes.

The board includes representatives from large publicly traded companies such as Vulcan Materials and Regions Financial Corporation, large public accounting firms, regional and local accounting firms, and other private companies with locations in and outside of Alabama. The members are successful and prestigious individuals who make a significant commitment to service.



The PAB is an integral part of The School’s success, determining and adjusting goals and benchmarks. A full list of current and former members is available at http://www.cba.ua.edu/accounting/advisory_board.

In Memorium

The School of Accountancy remembers the contributions of the following individuals who passed away this year:

JD Corriher, Assistant Professor Emeritus of Accounting and long-time supporter

Catherine E. Miles, first person to receive a PhD in Accounting from The University of Alabama; served as Chairman of The Accounting Department at Georgia State University

Alumni & Friends Return

The following speakers visited campus this year:

- Aaron Beam – Former CFO, HealthSouth
- Paul Booker – Savela Solutions
- Cecil Bostany, J.C. Rouse, & Jim Stroud - WAKM
- Bill Bishop, Karen Miller, & Barbara Pugh – PricewaterhouseCoopers LLP
- Sonia Burrage - IRS
- Kasey Burleson – CFO, McLeod Software
- Russ Carothers & Erin Green – Ernst & Young
- Lindsay Donald & Matt Lusco – KPMG
- Bruce Ely & Will Thistle – Bradley Arant Boul Cummings LLP
- Kim Kimbrell & Samuel Wilson – ZF Lemforder
- Alice Martin – Former US Attorney
- Tim Russell – Commissioner, Alabama Department of Revenue
- Alton Sizemore & Jeff Windham – Forensic Strategic Solutions
- Mark Taylor (SVP), David Turner (CFO), & Chad Foshee – Regions Financial



*Cecil Bostany,
WAKM*

09-10 School Statistics

Undergraduate degrees awarded:
198 accounting degrees
77 were designated with honors.

Graduate degrees awarded:
73 MAcc, 28 MTA, 2 PhD

2010-11 graduate enrollment:
82 MAcc, 22 MTA

Scholarships:
Total awards = over \$223,900 to 81 undergraduate and 68 graduate students.

Advice from Alum Eddie Adair

Charles Edward (Eddie) Adair, a 1970 graduate of The Culverhouse School of Accountancy, credits The University for many of his friendships, associations, and life lessons. He believes that hard work and diligence pay off, and found this to be especially true of the challenging accounting curriculum at Alabama. He encourages current students to not shy away from difficult tasks.

Adair's successful career is a testament to these lessons. Adair began his career after graduation as a staff accountant in Birmingham. In 1973, he became Controller of Durr-Fillauer Medical, Inc. in Montgomery eventually was named President and Chief Operating Officer. In 1993, Adair became a Partner in Cordova Ventures, a venture capital management company based in Atlanta. Based on past experiences as both an interviewer and a recruiter, Adair attests to the importance of leadership skills and people skills.



He advises students to enjoy the social aspect of college and use it as an opportunity to expand that set of skills. He insists that “being able to relate to and work with all different types of people is very important; it’s not just about academics.”

Mr. Adair is very excited about the recent growth experienced by The University. He commends Dean Barry Mason and Dr. Robert Witt for their excellent leadership, and ability to expand enrollment while simultaneously improving quality. “They have made great short-term and long-term decisions that have put both the college and the university in great positions.” He also credits recent graduates for their success which reflects well upon The University. Mr. Adair feels “very confident” that this success and quality growth will continue.