



Saint Michael's College

Knights and Days in...

BUSINESS & ACCOUNTING

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A newsletter for students and alumni of Saint Michael's Department of Business Administration and Accounting

STEPPING OUT OF THE COMFORT ZONE

By Robert Letovsky, Ph.D., department chair



OVER THE PAST YEAR, I have had the privilege of teaching and working in two very different institutions and environments—the Universidad Catolica de Occidente (UNICO) in Santa Ana, El Salvador, and the American University of Afghanistan, in Kabul, Afghanistan. Though these two places are very different from each other and from Saint Michael's College, they have both allowed me to develop new perspectives into what teaching and learning mean.

UNICO is a small, private Catholic university in western El Salvador. One of its academic leaders is Castulo Hernandez, a Saint Michael's graduate of 1990. Two years ago, the school established an MBA program to serve the rapidly growing number of firms in western El Salvador. I had been to the campus before on numerous occasions, most recently accompanying a group of our MSA students on a one-week study tour there in 2005.

In November 2006 and again this past December, I was invited to teach in their MBA program. Fortunately, the students were extremely accommodating and patient with my Spanish, the language of instruction at UNICO. Classes are held in the evenings, and most students arrive in class after a long day's work. Some have to travel a considerable distance to get to campus, and roads in El Salvador can be dangerous at night. Nonetheless, the students display an incredible enthusiasm for learning, and especially for gaining insights into how business is conducted in North America.

One of my main teaching materials has been case studies highlighting successful (or unsuccessful) practices by various well-

known firms. I have been amazed at how focused the students have been on all aspects of our business environment: The differences in regulatory systems, competition, consumer tastes and business strategies.

Another aspect of my experience at UNICO has been the students' exceptional appreciation for learning. They understand what an education means for their respective careers and future. It is also clear to me that the students realize they are in the vanguard of El Salvador's economic future, and they are proud of it.

In June and again in October 2007, I traveled to Kabul, Afghanistan to work with the newly established American University of Afghanistan (AUAF). The university was begun with seed funding from the U.S. government, and is on the site of a school originally built with American aid in the 1950s for diplomats' children. AUAF currently has about 300 students pursuing studies in English, social sciences and business. A program in Information Technology is also being developed by my Saint Michael's colleague, Dr. Michael Battig. I have been working on a consulting basis, helping to establish and staff the business program.

As one can imagine, security issues loom large in Kabul. The campus is a walled compound, and access to it is controlled. Once inside, however, it's easy to set security issues aside and focus on how much alike the campus is to any American institution: The students chatting and joking with each other between classes, the energy in classrooms where students are connected with new knowledge, and the general atmosphere of optimism and collegiality. As in El Salvador, the students realize they are being given a unique opportunity, and they seem eager to make the most of it. Classes are all



taught in English, and the students work extremely hard to take notes in what is for most of them a second or even third language.

The dedication of the faculty to the learning enterprise is unbelievable. Living in Kabul is at best an adventure, and at times given the cold weather and frequent power shortages, an ordeal. Nonetheless, the professors I have met approach each class with a great attitude and a genuine affection for their students.

It's that interaction between committed faculty, motivated students and a future full of opportunities and challenges that makes a college campus come alive, no matter where it is located and what kind of external challenges it faces. Having the chance to be involved in these two fabulous institutions over the past year has reinforced in me what it takes to make the teaching and learning enterprise successful.

As for the idea of stepping out of one's comfort zone to gain new perspectives, the best way to do that is to actually go. The Department of Business Administration & Accounting is proud of the fact that an increasing number of our students are participating in study abroad programs. Over the past five years, between 20 and 25 percent of eligible Business and Accounting students have gone abroad. Our students have, over this time period, ventured to universities in Europe, Africa, Asia, Australia and Latin America, no doubt making the same kind of discoveries I have about the power of learning, the universal desire for self-improvement, and the joys of acquiring new knowledge. ■

STUDENT PROFILE: Owen Glubiak '08



IT WAS EASY FOR OWEN TO DECIDE to attend Saint Michael's College. His parents, both Saint Michael's graduates, have fond memories of their college experiences, and they introduced him to the college at an early age.

Owen's goal is to work in business. "I have always enjoyed business, and someday I would like to use my dual degrees in Business and Economics to start my own business. The great thing about Saint Mike's is that not too many other liberal arts schools in the Northeast provide a degree in business. This is a huge advantage for the college," he says.

Owen's internship position at Green Mountain Power Corporation is an incredible opportunity for him. He is currently

working on several projects to help the company improve their efficiency, and also help them find ways to reduce their impact on the environment.

My passion is for 'green business' and environmental economics. After graduation, I plan on working to improve companies' efficiencies to reduce their environmental impact. I truly believe the right technology is out there for every company to reduce their environmental impact and still have an economic payback. On average, companies spend 30 percent of their expenses on utilities. If you can reduce usage, waste stream, and upgrade heating and cooling systems as well as lighting, companies will have the ability to lower utility costs and enjoy a payback for their investments.

Owen feels the company gives him latitude to perform research and develop proposals, which may be implemented, if they are proven to be environmentally and economically beneficial to Green Mountain Power Corporation.

An active participant in campus activities, Owen serves as the Student Association Secretary of Finance, is involved with the Environmental Council, and is a member of Green-Up.

Green Up
SMC

Owen is writing a thesis for his economics major and is researching the college's carbon footprint. His objective is to learn whether or not it is economically viable for Saint Michael's to become "carbon neutral."

Owen believes his degree from Saint Michael's will be a boon to his future as he works in the world of business. ■

FACULTY SABBATICAL PROJECT: Norm Walker

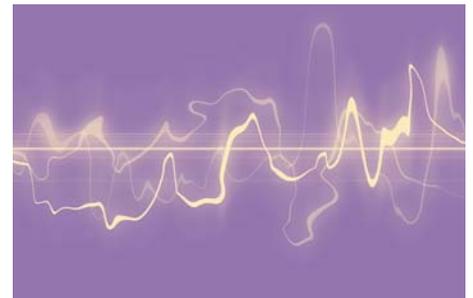
I WAS PLEASED TO BE GRANTED A SABBATICAL DURING THE SPRING 2007 semester. Below is my report about the work I accomplished during that period.

Fr. Brian Cummings asked me to meet with Martin Hoak, the CFO of the Diocese of Burlington, about developing a uniform system of accounting and financial controls for parishes in the Diocese. This was a project that had been under discussion at the Diocese for several years. It had now become more urgent because of recent publicity about poor financial controls and financial mismanagement throughout the Catholic Church in the United States. Fr. Brian sent me an article from *The Wall Street Journal* in December about these issues along with a report by a Villanova professor that raised serious alarms. Among other points, this report indicated that a large percent of dioceses in the United States had been victimized by financial indiscretions because of poor financial management and a lack of adequate training. This negative publicity

was exactly what the Church didn't need in light of the sexual abuse scandals that had already caused such harm. To their great credit, this Diocese wanted to be proactive in strengthening the accounting systems under its auspices.

After this initial meeting, I met with Bishop Salvatore Matano and subsequently agreed to work at the Diocese for the duration of my sabbatical through August 2007.

My work at the Diocese started at the end of February 2007. My initial approach was to determine what accounting software was in use and the nature of the internal controls already in effect. In this regard, I visited several parishes, interviewed Diocese finance office personnel and reviewed the relevant documentation at the Diocese. I found that there were a variety of systems and practices in place and that the skill level of Diocese bookkeeping was inconsistent, to say the least. It was clear that a uniform approach was needed and would be of great benefit.



Working with another consultant already involved at the Diocese, we conducted a survey of best practices at other Dioceses and had telephone conferences with finance employees at the Diocese/Archdiocese of Maine, Miami, Sacramento, Baltimore and Bridgeport. We determined that the systems at all of these locations were different. However, most were mandating a uniform system of accounting within their Diocese/Archdiocese and were using QuickBooks, Logos or ParishSoft software. Another factor that we considered was that the

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FACULTY PROFILE: *Mark J. Nigrini, Ph.D.*



MARK J. NIGRINI, Ph.D. is an associate professor on the faculty at Saint Michael's College where he teaches managerial accounting, auditing, and special topics courses. He was formerly on the faculty at the Cox School of Business at Southern Methodist University. His current line of research addresses continuous monitoring technologies and advanced theoretical work on Benford's Law.

His Benford's Law and data analysis work has been publicized in *The Wall Street Journal*, *Canadian Business*, *Technology in Government*, *Contingencies*, *The Globe and Mail*, and *CA Magazine*, among others.

Nigrini's work has also appeared in publications such as *The Financial Times*, *The New York Times*, *Der Spiegel*, *Business Week*, *Dallas Morning News*, *Philadelphia Inquirer*, *The Journal of Accountancy*, and *USA Today*. He has published papers on Benford's Law, auditing, and accounting in academic journals such as *The Journal of the American Taxation Association*, *Auditing: A Journal of Practice and Theory*, *The Journal of Accounting Education*, *The Review of Accounting and Finance*, *Journal of Forensic Accounting*, *Mathematical Geology*, and *The International Journal of Algebra* (forthcoming) and in practitioner journals such as *Internal Auditor* (as recently as August, 2005), *Journal of Accountancy*, *IT Audit Forum*, *The White Paper*, and *IEEE Potentials*. His media interviews have included the BBC in London.



Professor Nigrini in Albany, New York

Nigrini has presented at many academic and professional seminars for accountants in North America with the audiences primarily comprising internal auditors in the public and private sectors. He has also presented seminars overseas with presentations in Malaysia, Singapore, and New Zealand in 2007.

Nigrini has an active research agenda and includes the results of this work in his seminars. He has an advanced Benford's Law paper under review at *Auditing: A Journal of Practice and Theory* titled *Data Diagnostics using Second Order tests of Benford's Law* (with Steven Miller). In another paper, *The Order and Arrangement of Measurements in Accounting Data*, he suggests that hedge funds could use deviations from Benford's Law as a trading rule. In another paper in progress, he finds a link between Benford's Law and the patterns of seismic signals before, during, and after earthquake activity. Another paper, authored with Saint Michael's College physicist and professor Sandy Karstens, evaluates the use of vector algebra as a means to quantify the "distance" between sets of financial statements.

Nigrini is the author of *Digital Analysis Using Benford's Law: Tests and Statistics for Auditors* and *Using Microsoft Access for Data Analysis and Interrogation*. To learn more about his work and his books, you can visit his Web site at <http://www.nigrini.com/>. ■

STUDENT RESOURCE CENTER EVENTS

- Monday, March 10 RESUMÉ WORKSHOP**
4:00 p.m. – 5:00 p.m. in Alliot Vermont Room
- Tuesday, March 11 SUMMER JOBS INFORMATION TABLE**
11:15 a.m. – 1:00 p.m. in Alliot Lobby
- Tuesday, April 1 RESUMÉ WORKSHOP**
12:00 p.m. – 1:00 p.m. in Alliot Vermont Room
- INTERVIEWING SKILLS WORKSHOP**
4:00 p.m. – 5:00 p.m. in Alliot Vermont Room
- Thursday, April 3 SIGN-UP FOR PRACTICE INTERVIEWS BY**
4:00 P.M. Practice interviews will be held on April 7 in the Student Resource Center.

Check out the Student Resource Center calendar for detailed information:

www.smcvt.edu/src

ACADEMIC INTERNSHIPS – *By Joanne LaBrake Muehlberger, Internship Director*

ON JANUARY 20, 2008, JOANNE LABRAKE MUEHLBERGER sponsored a Sunday Brunch to introduce sophomores and juniors to the Academic Internship Program. Supervisors from ECHO, Make-A-Wish Foundation of Vermont, Nowak and Nowak, and the Vermont Expos enticed students by sharing each of the unique opportunities, which are offered at their sites. Patrick Gallivan '89, Director of Alumni and Parent Relations, spoke to students about the value of networking through their internship experiences. Recent interns shared their experiences about how they feel their internships will positively influence their careers.

A raffle, which featured prizes, such as a Saint Michael's College portfolio, a Samsonite leather briefcase, and several networking opportunities with key people on campus was a big hit. This was the first event of its kind sponsored by the Academic Internship Office. Hopefully, many more events of this nature will be planned in the future, because it was a huge success. Special thanks to Mallory Wood '08 for organizing the event and to the interns and site supervisors who attended.

To learn more about the Academic Internship Program, please contact:

Joanne LaBrake Muehlberger at 802.654.2314.

FACULTY SABBATICAL PROJECT... *(Continued from page 2)*

Diocese of Burlington was concerned about implementing uniform family census and safe environments software. Some vendors had packages that included all of these along with accounting packages. Understanding those applications became part and parcel of this project.

We arranged to review each of these software packages and had demonstrations and trainings by Logos and ParishSoft. I also obtained QuickBooks training material for self study and did an online training that was set up by the Archdiocese of Baltimore on their system. Bishop Matano also formed a subcommittee of priests and laypeople to review our recommendations and help support our efforts.

We ultimately recommended that the Diocese implement a QuickBooks based system similar to the Diocese of Bridgeport. The primary basis for this recommendation was that QuickBooks was already in use at a fairly high percent of parishes in Vermont, and this was by far the least expensive option. A unique feature of the system configuration was that the programs would be hosted by a company called RightNetworks, who utilized the Verizon computer center in Boston to run the software. Parishes would access their programs over the Internet, and daily backups and security would be provided by RightNetworks. This approach allows

the Diocese to provide direct support to parish bookkeepers without having to travel all over the state, facilitates internal audit reviews of parish accounting and allows the Diocese direct access to reports. This recommendation was endorsed by the subcommittee, strongly supported by Bishop Matano and officially approved by the Presbyteral Council in late May.

Our next initiative was to convert a critical mass of parishes to the new system effective at the beginning of the new fiscal year on July 1. In order to do this, I prepared a new standard chart of accounts modeled after the one written for Bridgeport, wrote a customized parish QuickBooks training manual and arranged for and conducted five parish bookkeeper training sessions in late June at the ETC training facility at Saint Michael's on the North campus. Over 20 parishes attended these initial training sessions.

After the trainings, I began the actual conversion of parish accounts from the old to the new system. This was a lot more time-consuming than just starting the new system with opening balances, but allows parishes to continue to issue comparative financial reports and to perform research about transactions from prior periods as needed. Most of the parishes that attended the June trainings were completely online by the end of July. I also conducted individual

trainings with three parishes and conducted another group training at the elementary school in Ludlow, Vermont, for six more in early August. By the end of my service, approximately 30 parish bookkeepers were online, and they provide bookkeeping services to about 40 churches. This initial batch represents many of the larger parishes in Vermont.

Our concept was to have in place an internal network of experienced users of the new system who can become a resource as more new sites come online. Hopefully, the momentum that was built during this period will continue so that this Diocese may become a prototype for others to follow.

This was a rewarding professional and personal experience that utilized my expertise and interests to the fullest degree. I got to know many of the parish bookkeepers and a good number of parish priests, and I think that they appreciated my effort and assistance. People who devote their life to the Church have a special calling, and it was a pleasure to work with them. The working environment at the Diocese was excellent, and the people there were extremely cordial. I was thrilled with the wonderful reception from everyone, most especially by Bishop Matano who went out of his way to welcome me. He is one of the most gracious people I have ever met and interacting with him made this experience even more gratifying. ■

THE ENTERPRISE PLAN COMPETITION

The Enterprise Plan Competition began in 2000 with the support of Kareen Kendrick Worrell '77 and Peter Worrell '79, Saint Michael's College Trustee. This annual competition challenges Saint Michael's undergraduates to develop and market sustainable business plans to a panel of business leaders serving as competition judges. All business plans must include the social purpose of the enterprise being proposed. Individuals and teams of students compete for the cash prizes awarded to the winners.

*The Enterprise Plan Competition will be held on
May 1, 2008 in the Hoehl Welcome Center.
All Business and Accounting majors
are encouraged to attend.*

DEPARTMENT OF BUSINESS & ACCOUNTING ALUMNI ACCOMPLISHMENTS

Michael Seaver '81, is President of Chittenden Bank, Burlington, Vermont.

Marty Burke '64, left the Canadian Armed Forces in '97 (30 years) prior to compulsory retirement age. He accepted a job as Vice President of Marketing for an international software manufacturer producing Internet-based project management software. He then accepted an offer as President & CEO of a global business management consulting and training corporation for the next six years. He is now heavily involved in a new career as a freelance nature photographer and recently received notification that one of his images was selected as the 'Editor's Choice' of the International Society of Photographers.



Suggestions or ideas for the next newsletter? Please contact Adrienne Charboneau '07 at acharboneau@smcvt.edu.