

International Accounting Opportunities

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Take a foreign country--any country--and you will probably find a United States-based company involved in a business venture there. One such company, Delta and Pine Land (D&PL), is the U.S.'s top breeder, producer, and seller of cotton seed. Although its corporate headquarters is located in the small town of Scott, Mississippi, it has operations in a number of foreign countries including Argentina, Australia, China, Costa Rica, Mexico, Greece, and South Africa.

D&PL moved into the international arena to take advantage of the different growing seasons in locations of the world outside the United States. It also saw an advantage in combining its research efforts with those of other companies to produce new products to expand internationally.

Every company, including D&PL, has a great need for accounting services. Therefore, companies must decide whether they prefer to hire accountants to work as employees or whether they want to contract with external accounting-service-providers. They may choose some combination of the two options. To be hired as an accountant by either type of company, one typically would have earned a bachelor's degree with a major in accounting from a four-year college or university.

Firms that sell accounting services on a contract basis are referred to as public accounting firms or CPA (Certified Public Accounting) firms. Typically, these firms offer a wide variety of accounting and management services and are major employers of accountants.

D&PL contracts with public accounting firms for special project work and year-end audits, but hires accountants as employees to handle the day-to-day accounting functions of the company. The company also employs junior and senior accounting students from area colleges and universities to work on a part-time basis. Several of these positions, called internships, allow students to earn college credit by learning and performing job functions at the employer's place of business. Schools granting college credit for internships have established guidelines which specify exactly the responsibilities of the student, as well as the employer, for the student to earn college credit. That is how Tim Snyder was first employed at D&PL.

In July of 1996, Tim interviewed with D&PL for an internship position. He was hired and went to work later that same month. Initially, he performed such duties as posting journal entries, creating spreadsheets for reporting financial information from foreign operations, and was given special project assignments. In all aspects of his work, he found there was a strong emphasis on the computing skills he brought to the job. In addition to computerized spreadsheet applications, his knowledge of word processing software and exposure to accounting system software were essential.

Tim graduated with a bachelor's degree in accounting in May 1997 and accepted a full-time accounting position in its international division. He was advised to get a passport because he might need to travel abroad on short notice at some time in the future.

As of August 1997, D&PL International had an accounting staff of 70 in its domestic and international locations. Currently, Tim continues to work in the international accounting position and is responsible for collecting financial information from foreign locations, converting the foreign currencies to U.S. dollars, and preparing numerous reports from the data generated. Although he communicates regularly with his counterparts at over fifteen foreign offices, his job does not currently require him to speak a foreign language. To offset the language barrier, a translator or bilingual accountant is employed in the foreign offices where English is not the primary language. D&PL employs two full-time translators (one Spanish and one Chinese) at the corporate office in Scott, Mississippi, to translate documents. Many of the documents are accounting-related. Tim does suggest that knowledge of a foreign language would be beneficial.

International accounting is further complicated by the absence of a set of International Accounting Standards. Although accounting standards exist in most countries and work toward a single set of standards has progressed over the years, major differences in the way books are kept and financial statements are prepared still need to be resolved. Until that time arrives, accountants like Tim must work to reach an acceptable level of accuracy in converting foreign financial information to U.S. format and standards.

Currency exchange challenges do exist. Tim has developed a spreadsheet to assist him in converting each foreign currency into U.S. dollars. As the monthly financial information is received from each country, Tim obtains the appropriate conversion rates via the Internet, and restates the foreign information in terms of U.S. dollars. Although inflation is not currently a problem in the United States, the case may be quite different in other countries. If excess or hyper-inflation is present in any of the foreign countries, an adjustment must be made to the financial information reported by those offices. The monthly combined (or consolidated) financial statements are then analyzed by the D&PL company managers for differences between budgeted and actual revenues, expenses, and profits. This information is used as the basis for future decisions.

While Tim is still relatively new at the Company, another accountant, Bill Arnold, was with the company for twenty years. Bill was hired as the Assistant Controller of D&PL in 1979. Since then he has held the positions of Controller, Vice President of Finance, and President of D&PL International. Although Bill recently retired, his last position as President of International Operations offered him the opportunity to travel extensively to foreign countries. It is largely due to Bill's efforts that D&PL projects that, within the near future, approximately 25% of the company's revenues will come from international activities. It was Bill's challenge to develop and cultivate the company's international operations.

The potential for advancement in the area of international accounting for both of these individuals began with their college degrees in accounting. The opportunities to interact on a regular basis with business associates in foreign countries; to learn about foreign business practices, languages, cultures, and currencies; and to travel to foreign lands are directly related to jobs in international accounting. Best of all, these experiences with an international flavor are available to almost everyone with a degree in accounting. Accounting majors can take advantage of getting paid to travel around see the world.