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National Association of Cost Accountants, "Chapter organization" (1920). *Publications of Accounting Associations, Societies, and Institutes*. 21.

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NATIONAL ASSOCIATION
of
COST ACCOUNTANTS



Official Publications

Vol. II NOVEMBER, 1920 No. 4

Chapter Organization

WOOLWORTH BUILDING
233 BROADWAY NEW YORK CITY

NATIONAL ASSOCIATION
of
COST ACCOUNTANTS



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Vol. II, No. 4

November, 1920

Chapter Organization

WOOLWORTH BUILDING

233 BROADWAY NEW YORK CITY

OFFICERS OF THE ASSOCIATION

For the Year Ending August 31, 1921

President: WILLIAM M. LYBRAND

Lybrand, Ross Bros. and Montgomery, New York

First Vice-President: WILLIAM BUTLER

Comptroller, Fisher Body Co., Detroit.

Second Vice-President: W. P. HILTON

Certified Public Accountant, Norfolk, Va.

Treasurer: HAROLD DUDLEY GREELEY

Certified Public Accountant, New York.

BOARD OF DIRECTORS

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DIRECTOR IN CHARGE OF CHAPTERS

C. H. SMITH, *Westinghouse Air Brake Co., Pittsburgh.*

National Association of Cost Accountants

CHAPTER ORGANIZATION

One of the most important developments of our Association is going to come through the organization of Local Chapters throughout the country. During the past few months we have had opportunity to observe the value of chapter work through the operation of the Chapters which have been established in Chicago, Boston, Pittsburgh, Philadelphia and New York. All of these Chapters are completely organized and have for some time been holding monthly meetings. In every case there has been a steady growth in membership and in interest. The Chapters have demonstrated in practice that they can perform a useful service in carrying out the aims and objects of the national body.

The Executive Committee wants to make a systematic effort to expand our chapter organization. In addition to the Chapters mentioned above there are a number of others in various stages of organization. Some of these, such as San Francisco, will be completely established within a few weeks. There are at least a dozen other centers which provide excellent fields for Local Chapters. The purpose of this booklet is to explain the process of chapter organization and to invite the co-operation of our members in building up this feature of our work.

THE PURPOSES OF LOCAL CHAPTERS

Better Acquaintance.—This may be mentioned first among the benefits to be derived from Local Chapters because we have already discovered in our organization work that cost men do not know one another. Heretofore there has been no means by which they could get together, but through the chapter meetings it is possible for all cost men, both those in public practice and those in private organizations, in any locality to become acquainted with one another; to exchange views and to develop their own ideas through association with other men who are thinking along the same lines. At the meetings of those chapters which have already been organized we have had ample evidence of the great value of this phase of chapter work.

Exchange of Ideas.—Here again the advantage to be gained from a general exchange of ideas among men of like interests is so obvious as to need no explanation.

Discussion of Practical Problems.—The chapter meetings become forums for the general discussion of practical cost problems, In some cases it is the practice to have papers on specific topics prepared and distributed to the members in advance of the meetings but whether the papers are distributed in advance or delivered orally at the meetings they always result in spirited discussions by men who have had practical experience and who are seriously interested in getting down to the fundamentals of the problem or question.

Aiding the National Organization.—Local Chapters may be of great assistance in carrying on the work of the National Organization. For example, as the number of Chapters increases it will be possible to carry on a systematic plan for the discussion of different practical questions in all chapters during the same month. The result of these discussions can be reported to the national headquarters and distributed to the entire membership of the Association. In many ways the chapters may render useful service in carrying on the work of the Association.

WHERE CHAPTERS MAY BE ORGANIZED

Chapters may be established wherever there are fifteen members of the National Association within a territory which makes it possible for them to hold regular meetings; at least ten of these must be full *members*, the others may be *juniors*.

THE PROCEDURE OF ORGANIZATION

The initial steps in the organization of a Local Chapter must be taken by members who are sufficiently interested in the development of the Association to give a little time and a little effort to this work.

The usual procedure is for two or three members to get together and arrange to hold an informal meeting to which all the members in the locality are invited. Lists of members may be secured at any time from the office of the Secretary of the Association.

If the members present at this preliminary meeting decide to proceed with a Chapter Organization, an Organization Committee should be appointed with a Chairman and Secretary. This committee should prepare a petition for a charter in the following form:

To the Secretary,

*National Association of Cost Accountants,
233 Broadway, New York.*

Dear Sir:

The undersigned MEMBERS and JUNIORS of the National Association of Cost Accountants herewith request that a charter be issued for the establishment of a Local Chapter of the Association in the following territory:

Signed

This petition should be circulated within the territory so that as many names as possible may be secured. When it is received by the Secretary of the National Association he will at once notify all members within the territory of the proposed chapter that the petition has been received, giving the date upon which it will be considered by the Executive Committee. Any member within the territory may submit objections to the granting of the charter to the Executive Committee and these will be considered when the matter is before the committee for decision.

When the Executive Committee has approved the petition, a charter will be issued in the form indicated on page 7. This charter will contain the names shown in the original petition as Charter Members and for this reason it is desirable to have as many members as possible sign the original petition. When the charter has been granted the Organization Committee should call a general meeting of the Chapter for the election of permanent officers, in accordance with the provisions in the Rules and Regulations for Local Chapters. All members in the territory should be notified of this meeting. It is customary to have a good speaker deliver a talk on some phase of cost accounting at this meeting. The President of the Association, the Director of the Chapter Organization or some other executive officer of the Association is usually available for the purpose. An invitation should be extended to all the men in the locality who are interested in cost work to attend this meeting.

After the address, the chairman of the Organization Committee should explain the aims and objects of the National Association of Cost Accountants and the purpose of the Local Chapter. All of those present should be invited to become members.

While it is desirable to elect the permanent officers of the Chapter as soon as possible it is better not to hold these elections until the membership of the Chapter is representative of the territory. If it is thought inadvisable to elect officers at the first regular meeting, the temporary officers may continue for another month and a Nominating Committee may be appointed to suggest candidates for the different offices at the next regular meeting. Some chapters find it advisable to elect the president, the vice-president, the secretary and the treasurer at the first regular meeting and to add the five directors, one or two at a time, as the membership grows.

MANAGEMENT OF THE CHAPTER

In order to maintain uniformity in chapter organization, all chapters are conducted in accordance with the Rules and Regulations for Local Chapters adopted by the Board of Directors of the National Association. These Rules and Regulations will be found on page 9 of this booklet. The Rules and Regulations are subject to change by a vote of the Board of Directors, which is always glad to receive suggestions from the chapters.

Under the Rules and Regulations the direct management of each chapter is placed in the hands of a president, a vice-president, a secretary, a treasurer and a board of five directors who are elected at the annual meeting of the chapter for a period of one year. The duties of these officers are outlined in the Rules and Regulations.

CHAPTER MEMBERSHIP AND FUNDS

All members of the National Association within the territory are eligible for membership in the Local Chapter. The secretary of each chapter will be supplied with forms which he may send to all members within the territory and which they may use in making application to become members of the Local Chapter. When these cards are received by the Chapter Secretary he should enter the names on his list and send the cards to the National Secretary for filing. It is very necessary that the membership rolls of the Local Chapter be kept accurately because the allotment of funds from the national treasury is based upon the membership in the Chapter.

The National Association will pay the necessary expenses of Local Chapters up to an amount not in excess of 10 per cent of the annual dues paid to the National Association by members of the Chapter. These payments will be made in accordance with the provisions of the Rules and Regulations for the government of Local Chapters. Local Chapters may establish such additional local dues as may be approved by the members of the Chapter.

CHAPTER MEETINGS

It is customary for Local Chapters to hold monthly meetings. It is usually possible to secure the use of a hall for this purpose without cost from some local institution. These meetings are devoted to the discussion of cost questions. The program is arranged by the Director in charge of meetings. The usual practice is to have one or two papers of about thirty minutes duration followed by a general discussion. In some cases these papers are multigraphed and distributed in advance of the meeting and the entire time of the meeting is then devoted to discussion. This plan has been used very successfully in the Pittsburgh Chapter.

Copies of all papers presented, minutes of all meetings and other material connected with the work of the chapter should be sent to the Secretary of the Association to be filed among the chapter records. In some cases papers presented at chapter meetings are published by the Association.

NATIONAL ASSOCIATION OF COST ACCOUNTANTS
Charter and Constitution
of

The.....Chapter

Messrs.

being MEMBERS of the National Association of Cost Accountants
and

being JUNIORS of the National Association of Cost Accountants,
having made application for authority to establish a local chapter
of the Association in the.....district, as hereinafter
defined, and such application having been approved by the Direc-
tor-in-Charge of Chapter Organization and by the Executive Com-
mittee, on behalf of the Board of Directors of the National Asso-
ciation, the above-mentioned MEMBERS and JUNIORS of the
National Association of Cost Accountants are herewith authorized
and empowered to establish a chapter of the Association in the
said district subject to the provisions of the Constitution of Gov-
ernment hereinafter set forth and subject to such Rules and Regu-
lations as have been established or may hereafter be established
by the Board of Directors or the Executive Committee of the
National Association of Cost Accountants.

NAME OF CHAPTER

Section I

This Chapter shall be known as the.....Chapter of
the National Association of Cost Accountants.

BOUNDARIES OF THE CHAPTER

Section II

The chapter is authorized to accept members from the follow-
ing territory:

OBJECTS OF THE CHAPTER

Section III

The objects of the chapter shall be as follows:

- (a) To promote better acquaintance among the members
of the National Association resident within the ter-
ritory of the chapter.

- (b) To hold meetings for the discussion of cost questions and for the advancement of the science of cost accounting by the exchange of ideas.
- (c) To aid in furthering the best interests and in carrying out the objects of the National Association.

MEMBERSHIP OF THE CHAPTER

Section IV

The membership of the chapter shall consist of such members of the National Association of Cost Accountants, resident within the territories set forth in Section II of this instrument, as may from time to time apply for membership in the said chapter in such manner as may be set forth in the Rules and Regulations for Local Chapters. The MEMBERS and JUNIORS named as petitioners in this instrument shall be the Charter Members of said Chapter.

GOVERNMENT OF THE CHAPTER

Section V

The officers and governing bodies of the chapter shall be elected in the manner prescribed in the Rules and Regulations for Local Chapters.

FINANCES OF THE CHAPTER

Section VI

The financial affairs of the chapter shall be conducted in accordance with the provisions set forth in the Rules and Regulations for Local Chapters.

Section VII

This Charter may be revoked by Vote of the Board of Directors of the National Association, provided that the officers of the chapter shall be given notice of such proposed action thirty days in advance of the meeting of the Board at which it shall be considered and may be represented before the Board when the question of revocation is discussed.

Given under the Seal of the Association this.....
day of.....in the year.....

.....
Director-in-Charge of Chapter Organization

.....
President

.....
Secretary

RULES AND REGULATIONS FOR THE GOVERNMENT OF
LOCAL CHAPTERS ADOPTED BY THE BOARD OF
DIRECTORS, OCTOBER 25, 1920

When Chapters May Be Formed

Fifteen MEMBERS and JUNIORS of the National Association of Cost Accountants, of which number at least ten shall be MEMBERS, resident within a compact territory not within convenient distance of any existing chapter, may petition for authority to establish a local chapter within said territory.

Preliminary Steps

A lesser number of MEMBERS and JUNIORS may meet and form a temporary organization for the purpose of securing the necessary number of members for a permanent chapter.

Petition Addressed to Secretary

Petitions for authority to establish a local chapter shall be addressed to the Secretary of the Association. He shall give notice to all members of the Association within the district that such application has been received and then submit the application to the Director-in-Charge of Chapter Organization for his examination and upon receipt of his report, lay it before the Executive Committee for final action.

The Petition Shall Be Signed By At Least 15 MEMBERS and JUNIORS

The petition shall bear the signature of at least fifteen MEMBERS and JUNIORS who shall be known as the Charter Members of the Local Chapter.

Charter Issued By Secretary

When the petition has been approved by the Executive Committee, the Secretary shall issue a Charter and Constitution, to the Local Chapter, bearing the signature of the Association and the signatures of the President, the Director-in-Charge of Chapter Organization and the Secretary of the Association.

Temporary Officers

The preliminary steps in the organization of a local chapter shall be conducted by a temporary chairman, a temporary secretary and an organization committee of at least five members elected from among the petitioners.

Permanent Officers

Immediately after the charter has been issued, the temporary officers shall call a meeting for the purpose of electing permanent officers for the chapter. It is desirable that a special committee be appointed, or elected, for the purpose of suggesting nominees for the several offices and also the directorships.

Chapter Officers

The permanent officers of each local chapter shall be a President, a Vice-President, a Secretary and a Treasurer and five Directors. The offices of Secretary and Treasurer may be combined if desired. Officers shall be elected for a period of one year and are eligible for re-election. Officers shall be ex-officio members of the Board of Directors.

Term of Office

The fiscal year of the chapters shall be the same as the fiscal year of the National Association, namely, from September 1 to August 31, and the officers shall retain office for this period.

Annual Meeting

Each chapter shall hold an annual meeting not later than May 31 of each year, for the purpose of electing officers for the following year. The officers elected at such meetings shall assume office at the close of the current fiscal year—August 31.

Nomination Committee

At each annual meeting there shall be elected a Nomination Committee of three members who shall each year prepare a list of nominees for the various offices and directorships to be filled at the ensuing annual election. These nominees shall be transmitted to the members of the chapter by the chapter secretary at least three weeks in advance of the annual meeting. Nominations may also be made at the annual meetings by any two members present.

Duties of the President

The President shall be the chief executive officer of the chapter. He shall preside at all meetings of the Board of Directors and of the chapter. He shall approve all expenditures from chapter funds upon authorization of the Board of Directors. He shall designate the special duties of the members of the Board as indicated in the section dealing with the duties of Directors. He shall perform such other duties as may be necessary for the supervision of the activities of the chapter.

Duties of the Vice-President

The Vice-President shall perform the duties of the President in the absence or inability of that officer.

Duties of the Secretary

The Secretary shall maintain a register of chapter members. He shall give notice of all meetings. He shall make reports of each meeting of the chapter and of the Board of Directors to the Secretary of the National Association. He shall send to the Secretary of the National Association all the applications for membership in the local chapter after they have been entered on his records. He shall act in general as the point of contact between the chapter and the National organization.

Duties of the Treasurer

The Treasurer shall keep all financial records and books of accounts. He shall make an annual report of the finances of the chapter to the Board of Directors—a copy of which shall be forwarded to the National Secretary.

Duties of the Board of Directors

Immediately after each annual election the President of each local chapter shall designate one member of the Board of Directors to have general supervision of meetings; one for Membership, one for Publications, and one for Research and Standardization. The Directors so designated shall assume such duties as of September 1 following. These Directors, in addition to their general duties as members of the Board shall supervise the activities of the chapter in the special fields assigned to them. In this work they shall work in close association with the Directors-in-Charge of the similar activities for the National Association. They may, at their discretion, appoint committees from the members of the chapter, to assist them in carrying on the work under their direction.

Who May Be Members of Chapter

All members of the National Association of Cost Accountants, resident within the territory of the Chapter, may become members of the local chapter upon application addressed to the Chapter Secretary. Forms for such applications will be supplied by the National Secretary. The Secretary shall forward all such applications to the National Secretary, having first made the necessary entries in the membership records of the chapter.

Chapter Allotment of National Funds

The National Association will each year place to the credit of local chapters, ten per cent of the amount of annual dues paid to the National Association by the members of the local chapter, and from said fund will reimburse the Secretary-Treasurer, or Treasurer, of the local chapter, for such necessary expense as may be incurred for the following purposes:

- (a) Organization Expense.
- (b) Rent of Meeting Place.

- (c) Notices to Members.
- (d) Expense of Secretary's Office.
- (e) Expenses of Speakers.
- (f) Expense in Preparing and Distributing Papers.

Method of Payment From National Funds

Upon receipt of the applications for membership in the Local Chapter, the National Secretary shall notify the National Treasurer of the total amount of dues paid by said members for the current fiscal year and authorize him to place ten per cent of this amount to the credit of the local chapter. The National Treasurer shall make payments for chapter expenses from this fund upon authorization from the National Secretary, who shall give such authorization upon requisitions from the chapter Secretary, accompanied by statements of expenditures, provided that at no time shall the total payments, in behalf of the local chapter, in one fiscal year, exceed ten per cent of the dues paid by chapter members as set forth above. Any unappropriated balance to the credit of a local chapter at the close of any fiscal year, shall revert to the credit of the National Association.

Annual Dues

Local Chapters may establish local dues not to exceed \$5 per annum. Any resolution to establish such dues must be recommended by the Board of Directors of the Chapter and approved by fifty per cent of the chapter members.

Annual Audit

There shall be an annual audit of the books of the Treasurer of the Local Chapter, a copy of which shall be furnished to the National Secretary. Each Treasurer shall turn over all funds and records to his successor.

These Rules and Regulations shall become effective as of October 25, 1920, provided, however, that chapters already organized previous to this date, may proceed under their existing officers and organization until August 31, 1921, but they shall hold an annual meeting before May 31, 1921, for the election of officers for the fiscal year 1921-22.

For further information write Secretary

NATIONAL ASSOCIATION OF COST ACCOUNTANTS,
233 Broadway, New York