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Annual Meeting

American Woman's Society of Certified Public Accountants

American Society of Women Accountants

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sion must be obtained before making a change in the method of accounting.

Present indications are that where facilities are being used to an abnormal extent, the Bureau may approve depreciation charges in excess of normal and which fluctuate with activity. The full rate of depreciation, however, will not be permitted to fluctuate with activity but only a portion thereof. This is because a part of the normal depreciation rate relates to obsolescence which is not affected by activity. It will be necessary, then, to determine what part of the normal depreciation rate represents the use factor and what part represents the obsolescence factor.

For example, assume that the normal depreciation rate on machinery is 10%. Assume further that it is determined that one-half of such rate represents the use factor and one-half obsolescence and that it can be demonstrated that increased usage results in increased depreciation in the same ratio. If the machinery is now being operated twice as many hours as normally, it is possible that a rate of 15% would be allowed. This of course is determined by doubling the use factor rate to which is then added the nonfluctuating obsolescence factor rate.

I do not intend to go into the subject of what detailed records should be kept to substantiate claims for accelerated depreciation. I will say, however, that you must compile now data which will later be required to establish your right to adequate depreciation deductions. The type of records is your problem. Be sure that your records of plant assets are complete and sufficiently detailed to enable you to demonstrate with facts and figures the extent and conditions of their operation. At the time such assets are retired, you should see that detailed stories are written as to the reasons for retirement. These reasons should be specific. Was the machine inefficient or obsolete? Or was it just plain worn out? What caused its inefficiency? Was it lack of proper maintenance? Operation by unskilled labor? Or what? This information can generally be obtained at the time of retirement from the foreman or workmen who are intimately acquainted with the particular items. The main thing is to get the facts and record them while they are still fresh in the minds of those who know.

So far I have not mentioned amortization of emergency facilities. It is a subject by itself and, being governed by statutory requirements

and regulations thereunder, does not present problems similar to those connected with accelerated depreciation. Provisions for amortization of emergency facilities were inserted in the Internal Revenue Code in 1940 in order to encourage plant expansion at a time when we needed such expansion in our defense effort. The Revenue Act of 1942 liberalized to some extent these provisions. If your plant has been expanded for war production it might be to your advantage to make a careful study of the statute.

Annual Meeting

The annual meeting of the officers and directors of AWSCPA was held jointly with that of ASWA at the Waldorf-Astoria Hotel in New York on October 17 with Mrs. Grace A. Dimmer, Detroit, Michigan, presiding as President of AWSCPA and Mary Gildea, Chicago, Illinois, presiding as President of ASWA. As current conditions made impracticable the usual annual meeting of the memberships of the two Societies, all within that vicinity were invited to attend the joint board meeting and a goodly number were present.

Announcement was made of the unanimous election of officers nominated by both Societies and of the approval of suggested amendments to by-laws, the voting having been conducted by mail.

Reports of various committees presented a comprehensive review of the year's work. Of especial interest were the reports of the Public Relations Committee and the Research Committee. Achievements and future possibilities of Public Relations are covered fully elsewhere in this issue (page 4) and the wealth of information resulting from the survey of women accountants made by the Research Committee will be covered in a subsequent issue.

Mrs. Ida S. Broo expressed the appreciation of the membership for the splendid work of the committees and asked for a vote of thanks as a tribute to the committees and to the retiring presidents for the progress of the two Societies made under their leadership.

Many women accountants remained in New York throughout the week to attend the Annual Convention of the American Institute of Accountants during which many constructive talks on various phases of Wartime Accounting and Postwar Planning were presented by a brilliant array of speakers.