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New York State Society of Certified Public Accountants

Banking Law Journal

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A. W. TEELE
SEC.



H. S. CORWIN
TRES.



CHAS. W. HASKINS
PRES.



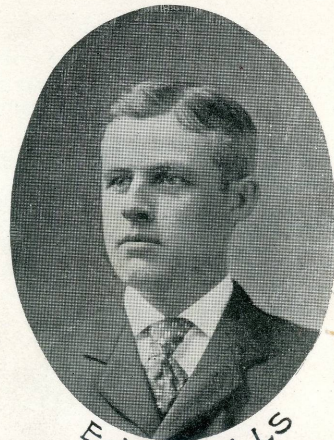
F. J. MACRAE
INCORP'R.



FRANCIS GOTTSBERGER
INCORP'R.



JOHN HOURIGAN
VICE PRES.



E. W. SELLS
CHAR. MEM.



J. R. LOOMIS
DIRECTOR

NEW YORK STATE
SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

(See page 313.)

THE NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS.

AN ORGANIZATION WHICH MEETS THE GROWING NEED OF THE BUSINESS WORLD FOR LEGALLY QUALIFIED EXPERTS.

The necessity of knowledge by the owners of wealth concerning its safe investment and proper management is the foundation stone upon which is reared the business of the modern professional accountant. Whether such wealth be invested in a mercantile, manufacturing or other business carried on by the owner individually or in partnership, or in the stocks or bonds of any of the various corporations which conduct every variety of operation in trade, commerce and finance, or be held for prospective investment in any corporate or individual enterprise, the same necessity exists for accurate knowledge of condition, of receipts, expenditures and profits, of economy or extravagance in administration, of simplicity or cumbrousness of method, of future prospects; in short, knowledge of everything concerning the business as affecting the security and fruitfulness of the wealth invested in it.

The professional accountant is the one looked to, to supply such knowledge, and as the years roll on the demand for the services of experts of integrity, skill and experience, is constantly on the increase. The reason for this is obvious. The wealth of the nation, officially estimated in 1890 at the enormous total of sixty-five billions of dollars, is constantly becoming greater. An increase of wealth and population must necessarily result in an increase of business and industry; hence, we see the volume of business steadily enlarging, business enterprises multiplying, and their transactions becoming more complicated and detailed. Furthermore, the forms of enterprise, while still largely individual or firm, have grown more in the direction of the corporation. The vast aggregate of investable wealth in the hands of innumerable owners is far beyond the capacity of such owners to employ in individual or partnership enterprises. But in the form of a corporation large numbers of the investing public may be taken substantially into partnership, as shareholders, without the personal management which would be required of each investor were his money placed in an individual business. And so we have at the present day millions upon millions of dollars

thus invested in the corporations of America, formed to carry on the business of railroading, banking, insurance, manufacturing, mining, and a wide variety of industrial operations.

In this condition of modern business we see the necessities which call for the services of the experienced professional accountant. In addition to the wide variety of services connected with investigating the books, accounts and affairs of individuals and firms, of estates of decedents and of insolvents, and making the reports of condition, certificates of fact and recommendations required in each particular instance, the vast field of corporate enterprise is yearly inviting more and more of his labors. The numerous instances in which losses have been entailed upon shareholders of corporations by reason of mismanagement or irregularities are leading to the adoption and extension in this country of what has been for some time established in England, a system of periodical, independent examinations and audits of the affairs of corporations by skilled and experienced experts, whose fearless and unbiassed reports are of the greatest advantage to shareholders or prospective shareholders, as well as to the officers of corporations whose aim is to conduct the operations according to the best and most economical methods. The extension of this system of independent audit among the corporations of the country, is doing much to promote investment in American securities. By such means light is thrown upon the true condition of affairs, misstatements by deceitful officials are prevented, irregularities in methods of book-keeping are discerned, and frequently insolvency and ruin are averted by the disclosure and correction of some bad policy.

The competition of wealth with wealth is now so keen that success or failure may often depend upon whether the methods of conduct employed are antiquated, cumbrous and costly, or modern, simple and economical. The experienced accountant, in touch with improved and modern methods, will often effect a great saving in this respect. His services, also, are called into play for the ascertainment and certificate of the

earnings and intrinsic value of an established business, where a change from partnership to corporate form is desired, or a consolidation, sale or reorganization of the business of a corporation is in prospect. And in the complicated affairs of government, national, state and city, his investigations and reports are regularly required.

It is evident, therefore, from the nature and variety of the demands of modern business upon the services of the professional accountant, that he must be one highly skilled and experienced in his calling, as well as of unquestioned integrity, for upon his ability, integrity and judgment, millions upon millions of invested wealth depend. And so it is that at this, the close of the nineteenth and the dawn of the twentieth century, the great state of New York has awakened to a comprehension of this fact, and in the year 1896, by act of legislature, assumed control and elevated the business of the expert accountant to the plane of a profession. The accountant in the state of New York who would attain to a legal standing as such, must be of good moral character, have been in active practice for at least a certain stated time and pass a rigid examination as to his qualifications under the scrutiny of the Regents of the University of the State of New York. The successful applicant is then granted a certificate to practice under the title of "Certified Public Accountant" but under the control of the authorities who can revoke his certificate for cause. The certified public accountants of the state of New York are the only accountants in the world practicing under an educational degree, and this elevation is alike of importance to the duly qualified members of the profession and to the investing public.

In this connection it becomes our pleasure to bring to the notice of the commercial and investing public, the N. Y. State Society of Certified Public Accountants, a newly organized body composed exclusively of certified public accountants of the state of New York of the highest standing, who have incorporated the society "for the purpose of elevating and maintaining the standard of proficiency, integrity and character, and promoting and protecting the interests of Certified Public Accountants; also of cultivating a spirit of professional co-operation and social intercourse among its members." This society is destined to be to the accountant profession what the New York Bar Association is to the legal profession of the city and state.

The New York State Society of Certified Public Accountants, was incorporated on January 28th of the present year, with 17 charter members, five of whom were the incorporators. The names of the incorporators are:

John Hourigan,	Henry Harney,
Francis Gottsberger,	S. E. Sargent,
Farquhar J. Macrae.	

The names of the charter members in addition to the above, are:

J. R. Loomis,	C. W. Haskins,
A. S. Patterson,	E. W. Sells,
Charles Both,	J. W. Kelly,
R. S. Dennis,	H. S. Corwin,
A. W. Teele,	Edw. L. Suffern,
Thomas Bagot,	T. P. Ryan,

The following constitute the Board of Directors, thirteen in number, elected May 10th:

Chas. W. Haskins,	John Hourigan,
Francis Gottsberger,	Henry Harney,
Farquhar J. Macrae,	W. A. C. Ewen,
D. C. Tate,	T. P. Ryan,
J. R. Loomis,	Chas. E. Sprague,
R. S. Dennis,	A. W. Teele,
H. S. Corwin.	

The following officers were also then elected:

President, Chas. W. Haskins.
 Vice-Pres., John Hourigan,
 Secretary, A. W. Teele,
 Treasurer, H. S. Corwin.

Since its incorporation, the New York State Society of Certified Public Accountants has received a steady accession of desirable members to its ranks, and is constantly growing in numbers and influence. The application of any person desirous of becoming a member must be approved in writing by a majority of the committee on admissions, and such person may then be admitted by a majority vote of the Board of Directors at any meeting. There is no admission fee until the society has a membership of 50; and the annual dues are \$20, payable semi-annually in advance, on the first day of April and October. The Society has three standing committees, consisting of three members each; (1) A committee on admissions who investigate and report upon the eligibility of candidates for membership; (2) A committee on auditing and finance, who audit the treasurer's accounts and perform such other duties as may be prescribed by the board of directors; and (3) a committee on legislation who are charged with the duty of keeping themselves informed

on all proposed legislation affecting the interests of the certified public accountants of New York State and of proposing such amendments or such new measures as, in their opinion, should be recommended by the Society.

It was not long after its incorporation that the Society exemplified its usefulness as a guardian of the interests of the profession in a very satisfactory manner. A bill was pending at Albany to incorporate the Accounting Guarantee Company of New York City, and notwithstanding strenuous opposition, as being a measure inimical both to the interests of the profession and the general public, passed both branches of the legislature at Albany, and was sent to the governor. The members of the New York State Society of Certified Public Accountants appeared in force before the governor, and as a result of their arguments the bill was vetoed. The following dispatch published in the New York "Evening Post" of May 5th, describes the hearing which led to the subsequent veto:

"A HEARING BY GOVERNOR BLACK.

"Opposition to the Bill incorporating the Accounting Guarantee Company.

[Special Dispatch to the Evening Post].

"Albany, May 5—Governor Black this afternoon gave a hearing on the bill of Mr. Bedell [Rep. Orange] to incorporate the Accounting

Guarantee Company of New York city. Its incorporators are to be Hugh R. Garden, Frank S. Williams, Lawrence N. Barnum, David B. Simpson, and H. Gerald Chapin. Mr. Simpson spoke in support of the measure. Its opponents comprised a delegation from the New York Society of Certified Public Accountants, consisting of C. W. Haskins, President of the organization; H. S. Corwin, treasurer; R. S. Dennis, Chairman of the Committee on Legislation; Francis Gottsberger, A. S. Patterson, S. E. Sargent, Thomas P. Ryan, R. L. Cuthbert and F. J. Macrae.

"President Haskins, who acted as spokesman, said that among the bill's objectionable features were that it permitted the proposed corporation to act as a business corporation, as a trust company, and as an insurance corporation, in that it may insure its own and other's work; yet, as Mr. Haskins declared, the proposed corporation is not to be under the supervision of either the Banking or the Insurance Department, save that it is to get its certificate to do business from the latter department when its capital stock amounting to \$150,000 has been paid up.

"Gov. Black gave no intimation as to his probable disposition of the bill."

One of the strongest points made against this measure which does not appear in the above published account, was made by Mr. Haskins, in an argument in which he urged the unconstitutionality of the proposed measure, on the ground that it violated the constitutional requirement of the formation of corporations under general laws.

PROTECTION OF SAVINGS DEPOSITS.

It is the custom among some of the savings banks in Vermont, to prevent frauds in case of loss of deposit book, to have no name of a depositor appear upon the deposit book but merely a number. On a register kept in the bank these numbers are inscribed and against each

number are separate columns for the names, residence, occupation, age and place of birth of the depositor, together with such remarks or conditions as to the deposit as may be directed to be entered. A section of the register would appear as follows:

No.	Signature.	Residence.	Occupation.	Age.	Where Born.	Remarks.
10400	John Smith	Barre.	Grocer.	38	Boston.	

A plan of this kind would appear to make it more difficult for the thief or finder of a deposit book to deceive the

bank's officers and obtain the money from the bank, and is worthy of the notice of bank officials in other states.