American Institute of Accountants: A Memo to Certified Public Accountants describing the Institute's function, purpose, history, services organization

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THE AMERICAN INSTITUTE OF ACCOUNTANTS is the national organization of certified public accountants. Among its basic aims are:

1. To advance the techniques, the standards and the public service of the accounting profession.

2. To help individual certified public accountants in their day-to-day work.

3. To create a united profession.

In its effort to fulfill these objectives, the Institute encourages all certified public accountants whose qualifications meet requirements to apply for membership (see last section). Only a strong national organization, working closely with State societies of certified public accountants, can safeguard the high standards of accountancy and carry on a long-range program for the advancement of the profession as a whole.
How the Institute Helps the Accountant

Publications:
Each member receives regularly the technical and professional information he needs in order to keep up with important developments. The Institute sends the following publications, without charge, to all members:

The Journal of Accountancy, the authoritative journal of the accounting profession ($6 a year to non-members). The reader will find in the Journal, every month, significant ideas and developments in the field of accounting.

The Certified Public Accountant, a monthly news-bulletin (available only to members) which gives information on the activities of the Institute, State Societies and Chapters, and individual members.

Other Publications: Accounting Research Bulletins, Statements on Auditing Procedure, the Yearbook, case studies in Auditing Procedure, technical papers presented at the annual meeting, and special releases of immediate importance.

Information Service:
The Institute staff provides informational services on a wide variety of subjects (excluding technical tax problems) in response to members' inquiries.

Library Service:
The Institute has a comprehensive library of books, pamphlets, and papers on all aspects of accounting. Members may borrow books in person or by mail.

Annual Meetings:
Each member may attend the annual meeting of the Institute, which includes a three-day program of technical sessions, roundtable discussions and addresses by prominent authorities.

Special Projects:
Many special projects are carried on by the Institute — research studies, special work by committees, surveys, reprints of important published articles and related items. These are made available to Institute members, either through the Institute's regular publications or through special mailings.
How the Institute Serves the Accounting Profession...

Cooperation with State Societies:
One of the Institute's purposes is to cooperate with State Societies of Certified Public Accountants. By helping State Societies to coordinate activities, the Institute increases the usefulness of programs of common interest and helps to maintain a united profession.

Legislation:
The Institute takes a stand on national legislation affecting the profession. The Institute also follows State legislation, and keeps State Societies informed of developments in this field and activities being carried on by the various State groups.

Standards of Competence:
The Institute prepares uniform examinations for CPA candidates in 45 states and four territories. The Institute grades papers for most of the States. These procedures help to maintain professional standards throughout the country.

Research:
The research department of the Institute includes a full time Research Director and a technical staff. This department, in cooperation with appropriate committees, carries on continuous studies of accounting and auditing problems. The results of its technical studies on accounting subjects are prepared in bulletin form and made available to members.

Education:
Since all professions must depend heavily on educational facilities, the Institute cooperates with teachers to promote the highest possible standards of training in the nation's educational institutions.

Ethics:
The Institute has established and consistently enforces rules of professional conduct to maintain the professional standing of CPAs.
How the Institute Serves the Public

Because accounting so intimately affects the public interest, the Institute constantly stresses the concept of public service in all its activities.

The Institute believes that this policy strengthens public confidence in the accounting profession — and that this in turn increases confidence in certified public accountants themselves.

Following are illustrations of the Institute’s public service.

Federal Taxation:

The Institute continuously gives help in connection with studies designed to improve and simplify the nation’s tax structure, and works constantly with Congressional committees and the Treasury Department to achieve such aims. This work has become especially important during the last ten years because of the increasing complexity of the tax structure and its effect on business, large and small.

Federal Government Accounting:

The Institute for many years has cooperated with all government efforts to establish a program of sound financial control, uniform accounting, periodic auditing and adequate financial reporting of the Federal Government’s own affairs. The Institute’s general policy in this field is to make a continuing study of governmental accounting procedures and to make recommendations for action whenever warranted.

Other Groups:

Many groups are interested in accounting problems — for example, stock exchanges, lawyers, bankers, credit grantors, the Securities and Exchange Commission, management and labor organizations. The Institute cooperates fully with such groups, believing that this kind of close cooperation with other groups dealing with common problems is beneficial to the profession as a whole.

Regular committees include those on Cooperation with Bankers and other Credit Grantors, Cooperation with Congressional Appropriations Committees, Cooperation with Industrial Accounting Organizations, Cooperation with SEC, and Municipal Accounting.
Program of Public Relations...

The Institute conducts a public relations program designed to build greater public understanding of the Certified Public Accountant and his profession. Although it is a national program, it is also geared to meet the requirements of State Societies.

Aims:
Specific aims are to inform the public about the financial and economic roles of accounting; to support legislation which enables the accountant to serve the public effectively — and to oppose that which does not; to support activity which augments the stature of accounting; and to increase understanding of public relations among accountants themselves.

Methods:
The program employs diversified methods, and it is based on public relations concepts rather than on publicity techniques.

A Glimpse of Institute History

The American Institute of Accountants — today's only national organization of certified public accountants — was established in 1887 under the name of The American Association of Public Accountants.

In 1905 it was amalgamated with the Federation of Societies of Public Accountants in the United States of America.

In 1916 it acquired its present name, and in 1936 the Institute merged with the American Society of Certified Public Accountants.

During the past quarter of a century, the ranks of Certified Public Accountants in the United States have expanded more rapidly than those of any other profession. Today, over 12,000 CPAs are members of The American Institute of Accountants.

A strong and active membership in the Institute helps to build increasing public awareness of the profession and the work of the individual CPA.
Method of Organization

Requirements for Membership

The Council:
The Institute's governing body is composed of 48 elected members, four elected officers, past presidents of the Institute and predecessor organizations, and presidents of State Societies who are members of the Institute. The Council controls finances and fixes policy.

Committees:
Work is done under the direction of approximately 40 committees, all but three of which are appointed by the president. The Executive Committee, the Board of Examiners, and the Committee on Professional Ethics are elected by the Council.

Staff:
The paid staff — under the supervision of the Executive Director — consists of more than 75 employees. Among them: the Administrative Secretary, the Research Director, the Director of Public Information, and the Associate Editor of the Journal of Accountancy.

Basic Requirements:
A CPA certificate and two years of public accounting experience or its equivalent. Applicant must be in work related to accounting.

Application Forms:
May be obtained by writing The American Institute of Accountants, 13 East 41st Street, New York 17, New York.

References:
Applicants are required to give the names of two members of the Institute as references.

Application Fee:
Fee is $10.00 to be remitted with filled-in application form. This fee is not required of applicants who belong to a State Society at time of application. There is no additional initiation fee.

Processing of Applications:
It usually takes about ninety days to process an application. The Institute
sends letters to applicant's references, his State Board, the State Society, and his employer or former employers. The Board of Examiners then reviews the application along with whatever additional information it has from other sources.

After the Board's approval, the applicant's name is listed on a ballot which is mailed to the Council. In addition, his name is published in the current issue of *The Certified Public Accountant*. Assuming there is no protest from any source, applicant is elected a member after his name is published.

**Annual Dues:**

$10 for each member who has had a CPA certificate less than four years; $20 for each member who has had one four years or more but less than six years; $30 for all others.