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Coast-to-Coast

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of inception of the plan. It is suggested, therefore, that the estimated amount of unprovided past service at the end of any year should be disclosed in the pension footnote to the financial statements. The amount of this unprovided past service can only be a very rough estimate because of the various factors involved in the computation of this figure. Of course, this figure will have to be furnished by an actuary, and it has been suggested that it might be wise in disclosing this figure in the financial statements to also indicate the major premises on which computed. For instance, in the case of a pension plan providing for the reduction of the company portion of the pension to correspond with any increase in social security benefits, the basis on which the past service obligation was computed would have to be disclosed, due to the fact that an increase in social security benefits could have a major effect on the amount of the unprovided-for past service. Inasmuch as these plans are merely five-year plans, it is true that contractually the company does not have an obligation for the entire amount of the past service. However, because of

the fact that the plans will probably be extended at the end of five years, it has been recommended that the amount of the past service should be shown, and, if the company desires, it can indicate in the balance sheet footnote that the plan terminates at the end of five years and that the company therefore has no agreement for any pension costs past that date.

It has also been suggested that the amount of the past service obligation probably should be recorded in the financial statements as a liability with a corresponding deferred charge. Because of the uncertainty of the amount of the past service obligation and also the question as to whether it is in effect an actual liability of the company in its entirety, this position has not been pushed very strongly.

As can be seen by this discussion, there are definite accounting and financial statement problems with respect to the new 1950 pension plans. It will be interesting to see how these pension plans are treated in the company financial statements for the year 1950.

COAST-TO-COAST

VIRGINIA THRUSH, Toledo, Ohio

CHICAGO

The subject discussed at the October meeting was "Budgets Are Not A Panacea." The speaker at the November meeting, Mr. W. J. Madden, vice-president, treasurer and director of Consolidated Grocers spoke on "The Thirteen Month Calendar and Branch Accounting." An open house in honor of Alice Aubert, past national president of ASWA, was held in November. The chapter participated in a "Whee Of A Wee Week-End" the first week-end in December at the Hotel Morraine on the Lake in Highland Park, Illinois.

CINCINNATI

The speaker at the October meeting was Mrs. Iphigene Bettman, author of "Hereabouts," a column in the Cincinnati Times Star. She spoke of "Romance of Ohio." The September meeting was highlighted by a talk given by Mr. Burl Graham, Senior Partner with Gano & Cherington, who spoke on "Qualifications and Requirements for Certified Public Accountants in Ohio."

CLEVELAND

Mr. Richard Austin of Westinghouse Electric Co. and president of NACA, Cleveland Chapter, spoke at the November meeting on "Controlling Costs and Expenses." An interesting addition to the monthly bulletin was noted—a "Quiz Corner," in which pertinent questions are answered monthly. Cleveland Chapter sponsored a tea in Pittsburgh during November for women accountants in that city. Plans are being formulated for an ASWA chapter in Pittsburgh.

COLUMBUS

"Speech As An Aid To The Woman Accountant" was the subject chosen by Miss Allene Montgomery, Assistant Professor of Speech at Capital University, the speaker at the October meeting. Mr. Horace Domigan, of Keller, Kirschner, Martin and Clinger, spoke at the November meeting on "History of Taxation."

DETROIT

Several members attended the Charter-Installation dinner of the newly formed Lansing Chapter of ASWA.

Mr. Lynn Townsend, CPA, with Touche, Niven, Bailey & Smart spoke at the September meeting on "Accounting For Pension Plans." The October meeting was highlighted by an interesting discussion on "Recent Changes in the Social Security Regulations" by Mr. Theodore E. Lapp, Assistant Manager of the Detroit Field Office of the Social Security Administration.

HOLLAND

"Sales Tax" was the subject chosen by Mr. Clare Walker, speaker at the September meeting. Mr. Ray Maihofer spoke at the October meeting on "Depreciation". An interesting discussion followed the meeting.

INDIANAPOLIS

Mr. Joseph E. Cain, President of P. R. Mallory & Co. spoke at the September meeting on "Our Scarcest Raw Material Is Facts."

"Public Utility Accounting" was the subject chosen by Mr. Ralph E. Swingley, Secretary of the Indianapolis Water Co. who spoke at the October meeting. The November meeting was highlighted by the presentation of the CPA certificate to Bonnie Lou Oberholtzer by Mrs. Ida S. Broo, past national president of AWSCPA and ASWA, and a member of the Indiana State Board of Accountancy.

LONG BEACH

The changes in the Federal Income Tax Law were discussed by Mr. Jack Krancus, president of the Long Beach Chapter of Society of American Accountants. The speaker at the November meeting was Mr. Kenneth Lake, CPA, Dean of California College of Commerce who spoke on Section 117-J.

LOS ANGELES

Miss Muriel Storrie, an attorney, spoke at the October meeting on "A Woman's Will—Generally Speaking." An interesting question and answer period followed the talk. The Public Relations Meeting was held in November at which time Mr. Herbert G. Bowles, CPA, resident partner of Lybrand, Ross Bros. and Montgomery, spoke on "How Much Test Checking Is Enough?"

MUSKEGON

Mr. Vernon W. Hale, Vice-President of Continental Securities Co., presented a

very interesting talk at the September meeting entitled "Mad Money," which talk was followed by a movie called "Money at Work." The October meeting was addressed by Miss Kay Wilson, County Librarian and President of the League of Women Voters of Muskegon who spoke on the ever important subject—Election Issues. "Revised Social Security Laws" was the title of the talk given by Miss Sylvia Paul at the November meeting. Miss Paul is manager of the Bay City office of the Social Security Administration.

NEW YORK

Mr. Herbert A. Lisle, BS, LL.B., a member of the Tax Department of Harris, Kerr, Forster & Co. spoke at the November meeting on "1950 Changes in the Tax Law."

PHILADELPHIA

The monthly bulletin, "Quaker City Chronicle" made its debut in October. The October meeting was addressed by Mr. J. Malcolm Miller, Asst. Mgr. of the Assn. American Soap & Glycerine Producers, Inc., who spoke on "Say It With Figures." Mr. T. Wesley Matthews, Assistant Vice-President of the Girard Trust Company spoke at the November meeting on "The General Field of Trust Operation, Emphasizing Investments."

SAN DIEGO

Mr. A. George Miller, Assistant Manager of the San Diego Social Security Division Office addressed the October meeting on "The New Social Security Law."

SAN FRANCISCO

Mr. Leon Schiller, tax attorney, spoke at the July meeting on "Interesting Recent Decisions on Every Day Tax Problems." "The Reorganization of the Inferior Courts in California" was the subject chosen by Miss Katharine Hanrahan, Research Attorney, who spoke at the August meeting. The fall season opened with a meeting in September, at which time Mr. Arthur B. Poole, Vice President and Treasurer of the American President Lines, Ltd., spoke on "Developments in Steamship Accounting."

The October meeting was addressed by Mr. Rudolph E. Lindquist, CPA, partner in Lindquist, Von Husen and Joyce, CPA's, who spoke on "The New Income Tax Act."

SEATTLE

Chapter member, Doris Parks, CPA, spoke at the July meeting on "Cost Accounting For Foods." In October, chapter members presented a panel discussion on "Theoretical Problems in Accounting." The chapter Study Group, under the chairmanship of Doris Parks, presented its first session on Inheritance Taxes. The discussion was led by Genevieve Flynn.

TERRE HAUTE

The September meeting opened the 1950-51 season. Miss Eleanor Braid gave an interesting talk entitled "Hello." The chapter accepted an invitation from the Wabash Valley Chapter of the NACA to attend a meeting at which time, Dr. M. O. Ross, President of Butler University, spoke on "The Economic Outlook Ahead."

The chapter held its annual public relations meeting in November. Mr. William V. Miller, Division Chief, Internal Revenue

Service, spoke on the Social Security Act Amendments of 1950 and the Revenue Act of 1950. Following this talk Mr. Kelley from the Indianapolis Office of the Internal Revenue Department held a discussion period.

Professor Vachel Breidenbaugh of Indiana State Teachers College spoke at the October meeting on "A Unique Institution."

TOLEDO

Harriette McCully, member of the Toledo chapter, spoke at the September meeting on "Accounts Payable, Accounts Receivable, Internal and Inventory Control." Mrs. Lois Cossitt, member of Toledo Management Committee, spoke at the October meeting on "How the Hoover Report and Recommendations Affect You."

Mrs. Grace Dimmer, National President of ASWA spoke at the November meeting on "The Function of the National Board of ASWA."

TAX NEWS

TENNIE C. LEONARD, C.P.A., Memphis, Tennessee

THE CORPORATE "FATHER OF THE BRIDE"

Once in our experience we had a client with an incorporated "love nest" appropriately taxed as a personal holding company, but Mr. Haverhill introduced a new feature into corporate activities when he attempted to persuade the internal revenue agent that Haverhill Shoe Novelty Company (15 TC No. 70) had acted as father of the bride, Mr. Haverhill's daughter.

Having recently attended an elaborate and expensive wedding and reception for the daughter of a sales minded client where the customer-guests were curious as to what expense account would be charged with the entertainment, we were particularly interested in Mr. Haverhill's experience.

When his daughter captured a husband, Mr. Haverhill attempted to have his corporation compensated for his loss as a father. Accordingly, customers and prospective customers were invited to join in the festivities. When it came time to pick up the check, Mr. Haverhill, knowing the generosity of his corporation, "outfumbled" the foster father, and the business paid expenses commensurate with the benefits it hoped to derive.

How some of the expenses were allocated to "shop expense" the record does not re-

veal, but it is not important since the amount charged to "travel and entertainment expense" as well as that charged to "shop expense" was disallowed on the theory that the corporation made a gift to Mr. Haverhill, its treasurer and majority stockholder. Lucky Mr. Haverhill that he did not have a more imaginative examining officer who would have determined that the corporation had paid him a dividend, or additional salary in an unreasonable amount!

WHY ACCOUNTANTS DIE YOUNG

Readers of the obituary section of "The CPA" published by the American Institute of Accountants sometimes write that magazine asking whether accountants die at an earlier age than do other professional people. We wouldn't know what the actuaries' averages show, but we suspect some reason may exist for the early demises of public accountants who practice taxes. Consider the sad case of Mr. Anonymous Accountant who audited the books and prepared the tax returns of Reliance Factoring Corporation (15 TC No. 81).

During a routine examination of the corporation's return, an internal revenue agent proposed a deficiency of \$526.60 under section 102 of the Internal Revenue Code. In-