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Idea Exchange

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THE CONTRARY COMMISSIONER

One of the major headaches of tax consultants for the past few years has been the devising of plans for deferring compensation of highly paid executives. Usually the Commissioner attempts to tax such compensation at the earliest possible date.

Mr. Fred C. Hall (15 TC No. 30) received fifty shares of stock in the Ohio Aircraft Fixture Company in consideration of the signing of an employment contract. However, the certificates were to be endorsed in blank and turned over to the Treasurer of the Company who was to give Mr. Hall a certificate for 25 shares when he had completed one year of his contract and the other 25 shares at the end of his second year of employment.

Mr. Hall reported the value of the fifty shares as income in the year received, 1942. When it was determined that the tax would be greater if the shares were reported as income in 1943 and 1944, the Commissioner moved to the other side of the fence and determined that Mr. Hall's compensation should be deferred until he actually regained physical possession of the stock. The Tax Court agreed with the Commissioner. So do we but we'd never try to get by with such a plan if we wanted the compensation deferred.

Some of the tax commentators have pointed out that the Commissioner's face may be red as a result of this decision when he moves back to the other side of the fence.

IDEA EXCHANGE

PHYLLIS M. HAAN, Grand Rapids

The responsibility placed upon the office executive is greater today than ever before.

He is the one who must furnish the figures that keep materials and parts moving toward scheduled assembly points, insure prompt payment of labor, and furnish management with statistics for prompt decisions, quick action.

The office executive today is also taking his rightful position along with sales and manufacturing executives in sharing responsibility for increases or decreases in cost.

In meeting this responsibility office executives find that they have the co-operation of higher executives, who understand thoroughly that in the office as well as in the factory well-trained, well-equipped employees can complete more work at less cost than untrained, inefficient employees.

If the responsibility is placed in your hands to short-cut methods, and you do not feel completely confident of being able to accomplish the desired results, try different methods—use a stop watch, if necessary, to show the savings in one over the other.

If an adding machine is used on work involving mostly multiplication and division, and someone else you have talked to is getting faster results using some make of calculating machine, borrow a calculator and test it—maybe a small expenditure will save you not only time but dol-

lars, as well as make it easier for the employee.

Maybe you feel you need an entire change of system. Sometimes calling in outside systems men will accomplish the results you need.

Before you do anything, why don't you bring the problem to the attention of your Chapter's educational chairman. Your problem furnishes her committee with material for study groups as well as giving you the opportunity of having many opinions to choose from in arriving at the most satisfactory solution.

You will find higher executives willing to co-operate in providing each desk the right machine or tool and the right training to enable the employee to do the work at that particular desk in less time, with greater accuracy, and with less effort—all it takes is stating the facts to him—giving him a solution; he will act, for he is not adverse to putting more dollars in his pocket through savings in operations.

* * *

One of the members of the Los Angeles Chapter has devised a clever method of presenting her credentials on a moment's notice.

She has had her certificate photographed and reduced to card size to fit her wallet. She can carry it with her at all times and have it conveniently handy for ready reference when calling on clients, prospective clients, and tax authorities.