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Letter from Frederick H. Hurdman, President, American Institute of Accountants, to Members and Associates of the AIA Re: Encouragement of Reasonable Facilities for the Practice of the Profession by Accountants Passing From One State to Another for the Purpose of Completing Engagements Originating Beyond State Boundaries.

Frederick H. Hurdman

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American Institute of Accountants

135 CEDAR STREET, NEW YORK

July 1, 1929.

TO THE MEMBERS AND ASSOCIATES OF THE
AMERICAN INSTITUTE OF ACCOUNTANTS:

GENTLEMEN:

It seems to the council of the American Institute of Accountants that one of the most important matters calling for consideration by professional accountants throughout the country is the solution of problems connected with state legislation restricting the practice of accountancy. Accordingly, the council has directed the executive committee to prepare an impartial statement of the case and to request that all members and associates give attention to the question raised and reply with an expression of individual opinion.

Every accountant knows that there is a greatly accelerated tendency toward mergers, amalgamations or affiliations of commercial, industrial and financial ventures. This is partly due to the greater facility of communication between the various parts of the country, partly to the generally recognized possibility of economy in combined administration and partly to the enactment of laws relating to the incorporation of companies in the several states.

With this development of every sort of business into an interstate enterprise the duties of the accountant have undergone a substantial change, and it is safe to say that almost every accountant today in the ordinary course of his practice is required to cross state lines. If the accountant is not permitted to pass over into another state to complete an engagement originating elsewhere the progress of business is certain to be hampered and the work of the accountant himself to be handicapped.

If there is to be rigid limitation of practice to the territory within the boundaries of one state the accountants practising in that state, while possibly securing to themselves some practice, will be forced, if they desire to extend their practice, to establish their own organization in every state into which they may wish to penetrate, which in many cases is not justified by the volume of practice involved.

Accountants practising within one state having exclusive laws may be presumed to reap the entire benefit of local practice, but this presumption is not sound. Firms debarred from entering the state to complete engagements originating elsewhere will be compelled to adopt an effective permanent means for carrying out their obligations, and thus competition will become keener than before.

It seems to the executive committee that for many reasons—financial, professional and other—an effort should be made to prevent any unfair limitation of practice, as in the long run it must work to the disadvantage of all concerned.

The executive committee does not at the moment go so far as to advocate that where simple registration is required it should be abandoned. But there is no apparent justification for placing obstacles in the way of proper practice. Such obstacles will not help anyone and will injure all. The profession must keep pace with the development of business.

The committee feels that it would be extremely helpful to have an expression of the opinion of the membership upon the broad general question of interstate practice, and the appended questionnaire is submitted by the committee with an earnest request that every member and associate reply.

It may be added that any member or associate who cares to express his opinion at length is invited to do so. Every reply will receive careful consideration.

The committee has not formulated its full plans for action with reference to interstate practice, but will do so when the replies of members and associates have been received and digested.

The committee will consider replies received within thirty days of the mailing of this letter from the Institute's offices.

Yours truly,

F. H. HURDMAN, *President.*

A. P. RICHARDSON, *Secretary.*

American Institute of Accountants

135 CEDAR STREET, NEW YORK

QUESTION:

Do you favor the encouragement of reasonable facilities for the practice of the profession by accountants passing from one state to another for the purpose of completing engagements originating beyond state boundaries?

COMMENTS:

.....
Signature

Date.....