

# Woman C.P.A.

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## Editorial

American Woman's Society of Certified Public Accountants

American Society of Women Accountants

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## EDITORIAL

### EDITOR'S MAILBOX

Those of you who find the rumble of a passenger train, the roar of a plane overhead, or the distant toot of a passing ship the most distracting sounds of a day, will agree with us that the most diverting tidbits in the mail this month have to do with convention time.

#### *Annual Meeting AWSCPA-ASWA*

We aren't going to list the exciting things in store for you, our members have seen the advance publicity, our friends and members will be treated to a coverage of the high points of the meeting in the December issue. We do want to urge each and every one of you to be in New York, October 14th—October 17th.

#### *Annual Meeting AIA*

If you have vacation time left, an understanding boss, and a desire to see more of New York after the AWSCPA—ASWA meeting why not plan to attend the American Institute of Accountants meeting from October 17th—October 21st?

#### *Third Interamerican Accounting Conference*

Paula Reinisch, Grand Rapids, writes to tell us that our societies will be well represented in Sao Paulo, Brazil from November 14th to November 21st. Grace S. Highfield, C.P.A., Columbus, will be ASWA's official representative. Our International Associate Member, Maria J. de Torres, C.P.A., will present a technical paper at the conference and will be an Alternate Delegate from Panama. Others planning to attend are Helen G. McGillicuddy, C.P.A., Chicago; Marion Frye, C.P.A., Cleveland; Mrs. Queen B. Leithhead, Sacramento; and Martha O'Sullivan, C.P.A., Los Angeles.

### NATIONAL OFFICERS

We had the pleasure of introducing the new presidents of ASWA and AWSCPA in the August issue. This month you will find the pictures of the other national officers of the two societies for 1954-1955 on pages 8 and 9. We would like to tell you a little about each of them.

#### *AWSCPA*

Corinne Childs, C.P.A., 1st Vice-President, has served AWSCPA as director, chairman of the legislative committee, secretary, and as second vice-president during the year just closed. She is the first president of our new Tulsa Chapter of ASWA. Corinne attended Baylor University, the University of Texas, New York University, and is an honor graduate of the University of Tulsa School of Law. She has been admitted to the Oklahoma Bar, and holds CPA certificates from Texas and Oklahoma. Corinne conducts her own public accounting practice in Tulsa. Miss Childs has been Secretary-Treasurer of the Oklahoma Society of CPA's for four consecutive years, and is a member of several other professional societies in Law and Accounting.

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# BUDGETING

By JUNE L. CASSADA, Muskegon Chapter ASWA

Budgeting  
Usually  
Determines  
Good  
Executives,  
Technique to  
Success

A budget is the blueprint of a financial or operating plan for a specific period of time. Its fundamental purpose is to chart a path along which the business may be directed. This plan coordinates activities of the selling, advertising, manufacturing, and financing functions. Its most important use is the comparison with actual performance.

In order to succeed, the budget must have the full support of all executives. This support is best obtained by requiring the executives to participate substantially in the preparation of the budget.

The budget must be sufficiently flexible to permit adjustment for unforeseen circumstances.

Fixed or variable, the plan should cover all phases of the business, including: sales, manufacturing costs, selling costs, warehousing costs, and general and administrative costs. The sum total of these becomes the over-all company budget.

These divisional budgets are then broken down into departmental budgets so that each department or section's operation is under control.

In addition to the above, there can be Cash Position Budgets, Capital Expenditure Budgets, Research and Development Budgets, all of which must fit into and be part of the over-all operating budget.

To be successful a budget must:

Be attainable

Follow organizational lines to pinpoint responsibility

Be built up in cooperation with individuals who are going to be required to operate within its limitations

Be accepted by and enforced by management

Be made only for the period necessary to make a reasonable forecast

Be easily adaptable to changing needs

An efficiently prepared budget, enforced by management, although it cannot control operations, is an instrument to help management in that it can coordinate the efforts of the entire organization; establish a measurement of operating efficiency; control current and future operations within a flexible framework for unforeseen circumstances; reveal operating weakness or failures; prevent waste; stabilize the use of labor and equipment; and forecast need for and extent of expansion or contraction of operations.

The basic principle of budgeting is applicable to all businesses, only the application of methods changes.

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Elizabeth A. Sterling, C.P.A., 2nd Vice-President, has served AWSCPA as director, chairman of the Award Committee, and as secretary during the year just closed. She attended Oglethorpe University, and holds a BCS degree in accounting from the University of Georgia. She and her husband are partners in the firm of Sterling and Sterling. Mrs. Sterling and her husband were the first couple in the United States to pass the CPA examination at the same time, receive their certificates together, and practice together. Mrs. Sterling is serving her third term as Bulletin Editor and Trustee of the Georgia Society of CPA's.

Anne T. Long, C.P.A., Secretary, is a former president of Toledo Chapter of ASWA. She obtained her B.A. degree from Antioch College and holds a New Jersey CPA certificate. Anne is currently enrolled as a part-time student at Columbia University in the Graduate School of Business, and, upon finishing her course, is planning to combine full-time professional interests with her family life as the mother of two children.

Helen M. Seelmayer, C.P.A., Treasurer, served the society as 1953 Convention Chairman. She is a former president of the Chicago Chapter of ASWA. Helen studied accounting at Northwestern Uni-

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the fact, however, that the requirements of the various laws need to be considered in arriving at decisions as to the period of retention. Some companies are ruthless in the destruction of records; some, on the other hand, are overly conservative; and some go so far as to preserve all records permanently. Since records constitute a history of the business their preservation should be given the same serious consideration as other operating problems.

The proper time to plan for the preservation of records is when they are current. The first step in the process should be the appointment of a committee of possibly three members, two of whom should be the controller and the legal counsel. A list of all forms used should be compiled and from this list retention schedules should be drawn up and presented to top management for approval. Heads of departments responsible for the furnishing of information should be given a voice in the determination of the period of retention, but they should be required to furnish sound reasons to support a retention period longer than that contemplated by the committee. Once retention schedules are approved, consistent plans should be made for the systematic storage and indexing of records. A good system for storing and indexing considerably reduces the work involved in destroying records. Strict control should be maintained over withdrawal of records from storage.

One of the major problems involved in the consideration of the period of retention of records is the adequacy and cost of storage space. One large bank destroys records after retaining them only a short interval on the theory that it would take several law suits to cost as much as valuable storage space. Costs of storage can be reduced by storing records in a fire-proof location since records can then be filed in cardboard transfer files. Further savings in space occupied can be made by standardizing the size of forms. One firm with 3,000 forms, after studying its problems, reduced the number of sizes of forms by 90%.

The microfilming of records results in tremendous savings in storage space and helps considerably in the systematic storage and indexing of records. Films can usually be kept in or near the office where they are readily available for reference. They are less likely to become lost and the fire hazard is less since they are usually stored in metal boxes and metal cabinets. Most such films are treated to

resist fire. It is estimated that storage space is reduced by from 90 to 99%. Studies indicate that it is usually not advisable to microfilm records which will be retained less than six years, and that it usually costs less if a firm has its own equipment. Microfilming, however, has certain disadvantages. Reduction can be made at such a high rate that records cannot easily be read even with a projector. Records which cannot be filmed in some logical sequence, such as numerical, alphabetical, etc., should not be microfilmed since it may take much longer to locate such a record on film than it would in a regular file. While microfilmed records have been used in court their legality in certain instances, is still questionable. The Internal Revenue Service does not accept microfilmed books of original entry. It does accept supporting data on film, but such data must be readily accessible and easily read. Regulations of the Director of Contract Settlement require that no records shall be destroyed where film does not clearly indicate all of the features of the record, such as, whether it is an original or copy, red figures, etc.

Some types of records should be permanently retained. Such records are the general ledger, all books of original entry (cash receipts, cash disbursements, general, purchase and sales journals), all ledgers and capital stock records. Working papers, schedules, and financial statements pertaining to periodic closings should also be retained permanently. War bond records should be retained at least 10 years (the life of the bonds). Records which might be needed to establish the costs of capital gains or losses should also be kept permanently.

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versity and received her BS degree from the University of Illinois. She is employed by M. S. Kuhns and Company, CPA's, as a staff accountant, and is a member of the Illinois Society of Certified Public Accountants.

#### ASWA

R. Grace Hinds, C. P. A., 1st Vice-President, served the society as director, and as New Chapter Development Chairman for the past two years. She assisted with the organization of the Cincinnati Chapter of ASWA and served that chapter as secretary and as president. Miss Hinds graduated from Coshocton Business College and has studied at the University of

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Board of Directors so that fair decisions may be reached. Once an authorization is approved by the Board, the controller must take steps to report on expenditures so that no excess spending results. In no event can he play the part of the passive bookkeeper. For certain of the administrative expenses the controller will be directly responsible—not only for the accounting division expenses, but also for certain of the costs assigned to him for control, such as income taxes, other income and expenses, contributions, or payroll taxes and insurance.

There are many other fields in which the controller is active, such as control of cash, receivables, inventories, investments, fixed assets, liabilities, capital, surplus, and reserves.

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Cincinnati. She is employed as accountant and auditor with the Appellate Division, Indianapolis office of the Internal Revenue Service. She is a member of AWSCPA and the Ohio Society of CPAs.

Marjorie H. Mitchell, C. P. A., 2nd Vice-President, has served the society as director and as 1st vice-president. A charter member and former president of the Detroit Chapter of ASWA, Marjorie was a director of the San Francisco Chapter during the year just ended. She graduated from Walsh Institute of Accountancy and holds CPA certificates in Michigan and California. Formerly a senior accountant on the staff of Price Waterhouse & Co., Marjorie is currently employed as assistant treasurer of Pacific Molasses Company. A member of the American Institute of Accountants and the National Association of Cost Accountants, she is the first vice-president of the Zonta Club of San Francisco.

Elizabeth E. Shannessy, Secretary, is a past president of the Muskegon Chapter of ASWA and served the national society as auditor in 1952-1953. Mrs. Shannessy, a busy mother and grandmother of four, has been extremely active in Muskegon community activities. She is a graduate of McLachlan University and is employed as General Office Manager of Krause's Stores.

Ida H. Alt, Treasurer, has served the society as director and is a charter member and past president of the Louisville chapter. Miss Alt studied accounting at Midway Junior College, Spencerian Business College and IAS. She is employed by Brown and Monroe, Certified Public Accountants.

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pittance, sweeping the floors and making the fires besides, brought about a crusade for shorter hours and better working conditions, and women being novices to the industrial world, legislation was sought for their "protection" as they gradually filtered from the home and homelife into the field of the gainfully employed outside the home. But that same "protection" was finally achieved for all workers men and women.

This "protective legislation" enjoyed by men has not caused them to lose their *legal* rights. If women are given the same *legal* rights as the male citizen has, are they to be returned to the sweatshops, deprived of their improved "working conditions," and reduced to the pittance wage?

In 1954, what was intended as a protection many years ago, has now become a discrimination against women. For the male employee can work over his regular hourly week and receive time and a half pay, maybe double pay—but because of the "protective legislation" kept on the statute books in some states "female employees" can not so work over time or at night and earn the extra income that she, her children, aged parents and perhaps an invalid husband so badly need.

Almost 20 million women, in 700 different fields of endeavor, are earning a living today, and 46 percent of them have one or more dependents. A survey shows that 92 percent of the mature women who work do so because of necessity, and nearly 5 million families in this country receive at least one-half of all their income from the earnings of women. To maintain the high standard of living in American homes and give the children the education most parents desire for them now, the employment of all the women in the home is in a great majority of cases almost imperative. Millions of women are the sole support of themselves and dependents. Why should a special group of citizens—women—be "restricted" in their employment and their ability to earn? To say the least, it is anti-democratic.

Nothing was too hazardous for the frail, "protected" woman during World Wars I and II. Night work and maximum hours of labor knew no sex during these times. No cry was made to relieve the nurses or the other women in industry and the armed services who worked day and night to save life and keep up production. Could it be in

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