

University of Mississippi

eGrove

---

Guides, Handbooks and Manuals

American Institute of Certified Public Accountants (AICPA) Historical Collection

---

1987

## AICPA coordination handbook for state societies, 1987-1988

American Institute of Certified Public Accountants. State Society Relations Division

Follow this and additional works at: [https://egrove.olemiss.edu/aicpa\\_guides](https://egrove.olemiss.edu/aicpa_guides)



Part of the [Accounting Commons](#), and the [Taxation Commons](#)

---

### Recommended Citation

American Institute of Certified Public Accountants. State Society Relations Division, "AICPA coordination handbook for state societies, 1987-1988" (1987). *Guides, Handbooks and Manuals*. 891. [https://egrove.olemiss.edu/aicpa\\_guides/891](https://egrove.olemiss.edu/aicpa_guides/891)

This Book is brought to you for free and open access by the American Institute of Certified Public Accountants (AICPA) Historical Collection at eGrove. It has been accepted for inclusion in Guides, Handbooks and Manuals by an authorized administrator of eGrove. For more information, please contact [egrove@olemiss.edu](mailto:egrove@olemiss.edu).

**AICPA**  
**COORDINATION HANDBOOK FOR STATE SOCIETIES 1987-1988**

**AICPA COORDINATION  
HANDBOOK FOR  
STATE SOCIETIES  
1987-1988**

**American Institute of Certified Public Accountants**  
1211 Avenue of The Americas, New York, NY 10036-8775

# 1987-1988 AICPA Coordination Handbook for State Societies

## TABLE OF CONTENTS

	Page
<b>Preface</b> .....	iii
<b>AICPA Senior Staff Directory</b> .....	iv
<b>Organizational Overview</b>	
<b>Summary of AICPA Operations</b> .....	1
<b>Council</b> .....	4
<b>Committee Appointments</b> .....	6
<b>Staff and Membership</b>	
<b>AICPA Staff</b> .....	8
<b>Sources and Occupations of AICPA Membership</b> .....	9
<b>AICPA Members by State</b> .....	10
<b>Technical</b>	
<b>Auditing Standards Division</b> .....	11
<b>Accounting Standards Division</b> .....	15
<b>Management Advisory Services Division</b> .....	17
<b>Tax Division</b> .....	20
<b>Technical Information Division</b> .....	24
<b>Information Retrieval Department</b> .....	29
<b>Self-Regulation</b>	
<b>Professional Ethics Division</b> .....	32
<b>Joint Trial Board Division</b> .....	35
<b>Division for CPA Firms</b> .....	39
<b>Examinations Division</b> .....	46
<b>State Legislation Department</b> .....	48

	<b>Page</b>
<b>Member Interests</b>	
Continuing Professional Education Division .....	51
Publications Division .....	58
Industry and Practice Management Division .....	65
Library Services Division .....	70
Insurance Plans .....	72
Benevolent Fund .....	74
Annual Dues .....	75
<b>External Relations</b>	
Federal Government Relations Division .....	76
Communications and State Society Relations Division—Washington ..	78
Political and Legislative Affairs Division .....	79
Legislative Breakfast Program .....	81
Public Relations and Communications Division .....	83
State Society Relations Division .....	88
Relations with Educators Division .....	91
Minority Recruitment and Equal Opportunity Department .....	95
<b>Administration</b>	
Fulfillment Division .....	99
Membership Administration Division .....	100
Meetings & Travel Division .....	101
Management Information Systems Division .....	103
Text Processing Division .....	105
Planning and Research Division .....	107
Mailings to State Societies .....	108

## **PREFACE**

This handbook has been written to provide state societies with a central source of information about the AICPA, its organization, and resources.

We hope that the handbook will be particularly helpful to state society presidents and executive directors as they plan and implement programs for their members. The handbook is designed to keep them informed of activities that are coordinated with the AICPA. It identifies the assistance available to state societies from various AICPA divisions, and indicates the types of input that the AICPA periodically requests from state societies.

The handbook will be updated annually. Comments or suggestions for future editions are welcomed.

State Society Relations Division  
October 1987

## **AICPA SENIOR STAFF DIRECTORY**

**President:** Philip Chenok (212) 575-5577

### **COMMUNICATIONS**

**Vice President—Communications:** William Corbett (212) 575-7089

**Director—Communications:** David De Mala (212) 575-3877

**Director—Communications:** Helene Kennedy (212) 575-3880

**Executive Editor—*The CPA Letter*:** Roderic Parnell (212) 575-6274

### **GENERAL COUNSEL AND SECRETARY**

**General Counsel and Secretary:** Donald Schneeman (212) 575-6469

**Assistant General Counsel:** Paul Geoghan (212) 575-6385

**General Counsel Administration:** William Tamulinas (212) 575-3852

### **OPERATIONS**

**Group Vice President—Operations:** Kenneth Kerin (212) 575-6471

#### **Continuing Professional Education**

**Vice President—Continuing Professional Education:** Joseph Cote (212) 575-5498

**Director—Operations:** Mary Anne Tait (212) 575-5660

**Director—Program Development:** Ronald Ledwith (212) 575-5261

#### **Finance and Administration**

**Vice President—Finance and Administration:** Donald Adams (212) 575-6296

**Controller:** Joseph Davis (212) 575-6483

**Director—CPE Accounting:** Robert Boos (212) 575-6242

**Director—Financial Management:** Leonard Green (212) 575-6383

**Director—Fulfillment:** Charles Hynek (212) 575-6481

**Director—Human Resources:** Norman Nestler (212) 575-6202

**Director—Management Information Systems:** Alan Frotman (212) 575-6297

**Director—Office Administration:** Francine Gallo (212) 575-7055

#### **Internal Audit**

**Director—Internal Audit:** Gennero Cicalese (212) 575-6303

#### **Member Services**

**Vice President—Member Services:** Christopher Seidel (212) 575-3640

**Director—Industry and Practice Management:** Nancy Myers (212) 575-6436

**Director—Library:** Karen Neloms (212) 575-6319

**Director—Meetings and Travel:** Marilyn Stoddard (212) 575-5495

**Director—Member Programs:** Steven Gutmore (212) 575-3659

**Director—State Society Relations:** James Flynn (212) 575-3882

#### **Planning and Research**

**Director—Planning and Research:** Frank Katusak (212) 575-5267

## Publications

Director—Publications: Robert Rainier (212) 575-6264

## **PROFESSIONAL**

**Group Vice President—Professional: Thomas Kelley (212) 575-6656**

## Auditing

**Vice President—Auditing: Daniel Guy (212) 575-6377**

Director—Audit and Accounting Guides: Patrick McNamee (212) 575-3850

Director—Auditing Research: Alan Winters (212) 575-5510

## Division for CPA Firms

Director—Private Companies Practice Section: John Mitchell (212) 575-6359

Director—SEC Practice Section: Arthur Renner (212) 575-6367

## Review and Regulation

**Vice President—Review and Regulation: George Dick (212) 575-6474**

Director—Examinations: James Blum (212) 575-6495

Director—Professional Ethics: Herbert Finkston (212) 575-6209

Director—Quality Control Review: Dale Rafal (212) 575-6396

Relations with Educators: (212) 575-6434

## Technical

**Vice President—Technical: Thomas McRae (212) 575-6398**

Director—Accounting Standards: Paul Rosenfield (212) 575-6368

Director—Management Advisory Services: Monroe Kuttner (212) 575-6363

Director—Technical Information: John Graves (212) 575-6391

## **WASHINGTON OFFICE**

**Special Assistant to the AICPA Chairman: B.Z. Lee (202) 737-6600**

**Group Vice President—Government Relations: Theodore Barreaux (202) 737-6600**

## Communications and State Society Relations (Washington)

Director—Communications and State Society Relations (Washington):  
Jay Rothberg (202) 737-6600

## Federal Government Relations

**Vice President—Federal Government Relations: Joseph Moraglio (202) 737-6600**

Director—Political and Legislative Affairs: Mary Frances Widner (202) 737-6600

## Federal Taxation

**Vice President—Federal Taxation: Donald Skadden (202) 737-6600**

Director—Federal Taxation: William Stromsem (202) 737-6600

Director—Federal Taxation: Kenneth Thomas (202) 737-6600





# **SUMMARY OF AICPA OPERATIONS**

## **I. History of AICPA**

The American Institute of Certified Public Accountants and its predecessors have a history dating back to 1887, when the American Association of Public Accountants was formed. In 1916, the American Association was succeeded by the Institute of Public Accountants, at which time there was a membership of 1,150. The name was changed to the American Institute of Accountants in 1917 and remained so until 1957, when the name was again changed to the American Institute of Certified Public Accountants. The American Society of Certified Public Accountants was formed in 1921 and acted as a federation of state societies. The Society was merged into the Institute in 1936 and, at that time, the Institute agreed to restrict its future members to CPAs.

## **II. Important AICPA Bodies**

### **A. Governing Council**

The council determines Institute programs and policies. Its 260 members represent every state and U.S. territory. The council meets twice a year.

### **B. Board of Directors**

The board acts as executive committee of council, directing Institute activities between council meetings. The 21-member board of directors includes three representatives of the public.

### **C. Joint Trial Board**

This board provides for uniform enforcement of professional standards by adjudicating disciplinary charges against state society and AICPA members through a system of regional trial boards and a National Review Board. Its decisions affect both AICPA and state society memberships.

## **III. Senior Committees and Boards**

Accounting and Review Services Committee

Accounting Standards Executive Committee

Auditing Standards Board

Board of Examiners

Continuing Professional Education Executive Committee

Federal Taxation Executive Committee

Management Advisory Services Executive Committee

Professional Ethics Executive Committee

SEC Practice Section Executive Committee

Private Companies Practice Section Executive Committee

#### **IV. Membership Participation**

##### **A. Membership Breakdown**

There are about 255,000 members: 47.6% in public practice, 39.5% in industry, 2.8% in education, 3.4% in government, and 6.7% miscellaneous or retired. (See page 9.)

##### **B. AICPA Committees**

Over 1,600 members serve on approximately 130 boards, committees, and subcommittees.

##### **C. Standard-Setting Activities\***

The following AICPA bodies have been designated by council to promulgate technical standards:

- Auditing Standards Board
- Management Advisory Services Executive Committee
- Accounting and Review Services Committee

#### **V. Requirements for Membership**

To qualify for admission to membership in the American Institute, one must:

- A. possess a valid and unrevoked CPA certificate issued by the legally constituted authorities of the states, territories, or territorial possessions of the United States or the District of Columbia;
- B. have passed an examination in accounting and other related subjects to the satisfaction of the AICPA board of directors;
- C. agree to abide by the AICPA bylaws and the Code of Professional Ethics.

#### **VI. AICPA Publications for Members**

##### **A. General Texts**

*Professional Standards*

*Technical Practice Aids*

*Accounting Trends and Techniques*

*Audit and Accounting Manual*

*Management of an Accounting Practice (MAP) Handbook*

*Index to Accounting and Auditing Technical Pronouncements*

*Financial Report Surveys*

---

\*The Financial Accounting Standards Board (FASB) sets accounting standards. The AICPA Accounting Standards Executive Committee (AcSEC) comments on FASB exposure drafts, prepares issues papers on emerging problems, and from time to time may issue Statements of Position that the FASB may designate as indicating preferable accounting practices.

**B. Journals (Monthly)**

*Journal of Accountancy*

*The Tax Adviser*

**C. Newsletters**

*Accounting Education Update*

*CPA Client Bulletin*

*The CPA Letter*

*Legislative Report*

*PCPS Reporter*

*The Practicing CPA*

*State Society Coordinator*

*Washington Report*

**D. Technical Standards**

*Statements on Auditing Standards (SAS)*

*Statements on Standards for Accounting and Review Services (SSARS)*

*Statements on Standards for Management Advisory Services (SSMAS)*

# COUNCIL

## I. Powers

Council has the authority to prescribe the policies and procedures of the Institute and to enact resolutions binding upon the board of directors, the officers, committees, and staff.

## II. Composition

	<u>Numbers</u>	<u>Term</u>
Members elected by membership in each state with an equitable allocation for each state based on AICPA membership	139	3 years
One member designated by each state society	54	1 year
Members-at-large	21	varies
Members of the board of directors	21	varies
AICPA past presidents and chairmen of the board	<u>25</u>	permanent
Total	<u><u>260</u></u>	

## III. Apportionment of AICPA Council Seats

- A. According to AICPA's bylaws (6.1.2.2), council seats are reallocated at five-year intervals at least nine months prior to the annual meeting to be held each calendar year that ends in one and in six. Such reallocation is based on the membership figures and addresses carried on the books of the Institute the last day of the fiscal year immediately preceding the date of such determination.
- B. The allocation method used by the Institute is the one used for the apportionment of the U.S. House of Representatives. This method is explained in *Steps in Computing and Apportionment*, published by the U.S. Department of Commerce.

## IV. Nominations

- A. At least eight months prior to the annual meeting of the Institute, the AICPA Nominations Committee requests from the recognized society of certified public accountants in each state the names of suggested candidates to fill any vacancies that may arise in the coming year. The AICPA secretary usually sends a letter to state society executive directors and presidents in November requesting that they supply the names of recommended candidates for council by the middle of January. State societies are urged to:
1. consider consulting with present and past members of council about their selections of nominees;
  2. recommend only those members who are likely to be able to devote the time and energy involved in carrying out a council member's responsibilities;
  3. balance selection geographically within the state and ensure that it is representative of occupational categories of the society membership.

- B. The Nominations Committee makes its nominations for directly elected members of council at least six months prior to the annual meeting of the Institute. Notice of such nominations is published to the membership by the secretary at least five months prior to the annual meeting of the Institute.
- C. Any 20 members of the Institute from any state for which a vacancy arises may submit to the secretary independent nominations for vacancies in the council from that state provided that such nominations are filed with the secretary at least four months prior to the annual meeting of the Institute.

## **V. Elections**

- A. The nominees of the Nominations Committee for directly elected seats on council are declared elected by the secretary if no independent nominations are filed for such seats.
- B. In each state in which there is a contest for a directly elected seat on council, the secretary mails to all members of the Institute (at least 90 days prior to the annual meeting of the Institute) ballots containing the names and relevant background information of nominees from the state selected by the Nominations Committee and the names and relevant background information of nominees independently nominated. Ballots must be returned to the secretary at least 45 days before the AICPA annual meeting to be valid. Election to the contested seats on council are determined by a majority of the votes received.

## **VI. State Society Representatives on Council**

In April of every year, the AICPA secretary requests state society executive directors to provide the names of their designated representatives on council for the committee year commencing in October. The deadline for receipt of this information is the middle of June.

# COMMITTEE APPOINTMENTS

## I. Committee Handbook

Every fall a handbook is prepared listing each committee, subcommittee, and board, their objectives, and their membership for the new year. A copy is sent to all AICPA council members, to each state society president and executive director, and to each AICPA committee member. Copies are also available to all other interested parties.

## II. Obtaining Names of Candidates for Committee Service

- A. A notice is published in *The CPA Letter* in November notifying members that the Institute is seeking qualified candidates for committee service and inviting any interested members to write for further information.
- B. In December, letters seeking recommendations for committee service are mailed to all AICPA council members, to all state society executive directors and boards of directors, officers, and committee chairmen, to all firms with over 50 AICPA members, to associations of CPA firms, and to professional organizations of CPAs. Included with each letter is a booklet listing each committee, subcommittee, and board, with their objectives, size, current major projects, and the estimated number of meetings to be held during the year. Biographical information forms are also included.

## III. Deadline for Returning Biographical Information

Candidates for committee service for the committee year beginning with the Institute's annual meeting in the fall must return their biographical forms to the Institute by the preceding February 15.

## IV. Length of Terms

Committee appointments are for a one-year term. Committee members who make a positive contribution to the committee's work are usually offered reappointment for two additional consecutive one-year terms. In general, a member may not serve on a committee for more than three years unless the member is subsequently appointed chairman of the committee. A committee chairman normally serves for three one-year terms regardless of prior service.

## V. Number of Committee Appointments

Although the figure varies each year due to the creation and termination of certain committees, about 1,300\* total committee appointments are made annually by the Institute's incoming chairman of the board. Because members are usually rotated off committees after serving three one-year terms, approximately one-third of each committee is newly appointed and two-thirds are reappointed every year. In addition, task forces are appointed as required to undertake specific projects for a committee or subcommittee. The task force may entirely or partially be composed of members of the related committee or may be composed entirely of other persons.

---

\* This figure is exclusive of appointments that are made to the Joint Trial Board Division, the Division for CPA Firms, Professional Ethics Area Planning Subcommittees, and State Legislation Area Planning Subcommittees, which are not appointments made by the Institute's incoming chairman of the board.

## **VI. Expenses**

Council of the Institute has adopted a policy that allows reimbursement of actual expenses up to a per diem maximum for members whose attendance at committee meetings would cause significant disruption to the professional practice, business, or other activities in which they are involved.

## **VII. Special Committees**

A special committee is a committee appointed by the board of directors or by the chairman of the board solely to undertake a special one-time project and to be disbanded upon the completion of that mission. A special committee is distinguished from a task force by the fact that it is not responsible to an executive committee and is not created or appointed by an executive committee chairman. Currently appointed special committees, objectives, and staff aides are as follows:

### **A. Commodity Futures Trading Special Committee**

This committee provides liaison between the accounting profession and the Commodity Futures Trading Commission, offers the assistance of the profession in formulating reporting practices within the commodities industry, and prepares an audit and accounting guide when CFTC regulations are issued.

It is staffed by the technical manager, Accounting Standards Division.

### **B. Government Contractors' Guide Special Committee**

This committee revises the industry audit guide, Audits of Government Contractors.

It is staffed by the technical manager, Federal Government Relations Division.

### **C. Investment Companies Special Committee**

This committee revises the present guide on Audits of Investment Companies to cover developments since it was published, and keeps abreast of new issues that affect the industry to develop timely responses.

It is staffed by the technical manager, Accounting Standards Division.

### **D. Professional Advertising Special Committee**

This committee considers the use of professional advertising as a means of educating the public about the CPA profession.

It is staffed by the public relations coordinator, Public Relations Division, and the vice president, Communications.

### **E. Upward Mobility of Women Special Committee**

This committee recommends strategies to strengthen the upward mobility of women in accounting.

It is staffed by the director, Industry & Practice Management Division.





**AICPA STAFF**  
**(as of July 31, 1987)**

**I. Total Staff: 566, including 83 CPAs**

**A. New York Office**

256 Exempt  
283 Non-Exempt

**B. Washington Office**

18 Exempt  
9 Non-Exempt

**II. Staff Breakdown by Area (includes support staff):**

A. Technical	61
B. Self-Regulation	60
C. Member Interests	159
D. External Communications	41
E. Administration	245

**SOURCES AND OCCUPATIONS OF AICPA MEMBERSHIP  
AS OF JULY 31, 1987**

	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
Total AICPA Membership	140,158	149,314	161,319	173,900	188,706	201,764	218,855	231,333	240,952	254,923
Public Accounting	57.6%	55.0%	54.1%	53.3%	52.5%	53.0%	51.5%	51.0%	49.1%	47.6%
Business & Industry	31.9%	34.2%	35.5%	36.1%	37.6%	36.9%	38.4%	38.8%	39.5%	39.5%
Education	2.8%	3.0%	2.9%	2.8%	2.5%	2.7%	2.7%	2.7%	2.8%	2.8%
Government	3.4%	3.4%	3.3%	3.3%	3.2%	3.3%	3.3%	3.3%	3.2%	3.4%
Retired & Miscellaneous	4.3%	4.4%	4.2%	4.3%	4.2%	4.1%	4.1%	4.2%	5.4%	6.7%
Membership in Public Practice	80,723	82,141	87,339	93,082	99,141	106,870	112,673	117,850	118,226	121,349
Firms with one member	23.9%	23.5%	23.8%	21.8%	23.5%	22.6%	23.1%	23.9%	25.1%	25.6%
Firms with two to nine members	29.9%	32.3%	33.1%	34.5%	34.0%	34.0%	34.0%	33.7%	34.3%	34.0%
Firms with 10 or more members, except the 25 largest firms	11.8%	12.6%	13.0%	14.2%	14.5%	15.0%	15.1%	15.1%	15.0%	15.5%
The 25 largest firms	34.4%	31.6%	30.1%	29.5%	28.0%	28.4%	27.8%	27.3%	25.6%	24.9%

## AICPA MEMBERS BY STATE AS OF AUGUST 1, 1987

<u>STATE</u>	<u>TOTAL</u>		<u>STATE</u>	<u>TOTAL</u>
ALABAMA	2,569		NEW JERSEY	12,155
ALASKA	651		NEW MEXICO	1,135
ARIZONA	3,747		NEW YORK	20,905
ARKANSAS	1,907		NORTH CAROLINA	5,397
CALIFORNIA	25,532		NORTH DAKOTA	574
COLORADO	5,552		OHIO	8,914
CONNECTICUT	5,231		OKLAHOMA	3,919
DELAWARE	555		OREGON	2,814
DISTRICT OF COLUMBIA	1,100		PENNSYLVANIA	11,103
FLORIDA	13,320		RHODE ISLAND	897
GEORGIA	5,800		SOUTH CAROLINA	1,987
HAWAII	1,281		SOUTH DAKOTA	465
IDAHO	944		TENNESSEE	4,159
ILLINOIS	16,481		TEXAS	22,426
INDIANA	4,251		UTAH	1,810
IOWA	2,158		VERMONT	396
KANSAS	2,588		VIRGINIA	6,289
KENTUCKY	2,429		WASHINGTON	4,720
LOUISIANA	4,251		WEST VIRGINIA	993
MAINE	656		WISCONSIN	4,010
MARYLAND	6,375		WYOMING	400
MASSACHUSETTS	6,320		PUERTO RICO	895
MICHIGAN	7,825		PACIFIC ISLANDS	54
MINNESOTA	5,144		VIRGIN ISLANDS	30
MISSISSIPPI	1,602		APO NEW YORK	101
MISSOURI	4,766		APO CALIFORNIA	14
MONTANA	870		APO WASHINGTON	0
NEBRASKA	1,470		CANADA	158
NEVADA	984		FOREIGNS	1,025
NEW HAMPSHIRE	819			
			<b>TOTAL</b>	<b><u>254,923</u></b>



## AUDITING STANDARDS DIVISION

### I. Objective

To provide technical support for the Auditing Standards Board, the senior technical body of the Institute designated to issue pronouncements on auditing matters.

### II. Staff

Twelve employees: vice president, director of audit research, director of audit and accounting guides, six managers, and three support staff.

#### Key Staff Contacts:

Dan M. Guy, vice president, (212) 575-6377

Alan J. Winters, director, audit research, (212) 575-5510

Camryn O. Carleton, manager, State Society Exchange Program, (212) 575-5404

### III. The Auditing Standards Board (ASB)

- A. The Auditing Standards Board, formed in October 1978, is responsible for the promulgation of auditing standards and procedures to be observed by members of the AICPA in accordance with the Institute's rules of conduct.
- B. The board is composed of 21 members, including representatives from accounting education (one), international firms (eight), national or regional firms (three), local firms (eight), and state government (one).

### IV. Accounting and Review Services Committee

- A. The committee is composed of seven members representing regional and local firms.
- B. It develops and issues standards of reporting on the unaudited financial statements or other unaudited financial information on nonpublic entities.
- C. State societies can nominate CPAs with experience in reporting on unaudited financial statements of nonpublic entities to serve on the committee. The committee meets regularly three or four times a year.

### V. Publications

#### Type

#### Audience/Purpose

*Statements on Auditing Standards*

These are issued by the Auditing Standards Board to provide CPAs with guidance regarding application of generally accepted auditing standards. SASs are enforceable under Rule 202 of the Institute's Rules of Conduct.

<i>Statements on Standards for Attestation Engagements</i>	These are issued by the Auditing Standards Board (these statements may also be issued by the Accounting and Review Services Committee and the Management Advisory Services Executive Committee) to provide guidance to CPAs engaged to perform attest services.
<i>Statement on Standards for Accountants' Services on Prospective Financial Information</i>	This is issued by the Auditing Standards Board to provide guidance to accountants concerning performance and reporting for engagements to examine, compile, or apply agreed-upon procedures to prospective financial statements.
<i>Statements on Standards for Accounting and Review Services</i>	These are issued by the Accounting and Review Services Committee to provide CPAs with guidance regarding reporting on the unaudited financial statements or other unaudited financial information of nonpublic entities.
<i>Auditing Interpretations</i>	These provide CPAs with guidance regarding application of individual SASs in specific circumstances.
<i>Attest Interpretations</i>	These are issued by the staff of the Auditing Standards Division and reviewed by the Auditing Standards Board to provide interpretive guidance for attest services.
<i>Accounting and Review Services Interpretations</i>	These are issued by the staff of the Auditing Standards Division and reviewed by the Accounting and Review Services Committee to provide guidance on the application of pronouncements of the Accounting and Review Services Committee.
<i>Audit and Accounting Guides</i>	These provide CPAs with authoritative guidance regarding audits of entities in specialized industries or other specialized auditing areas.
<i>Statements of Position of the Auditing Standards Division</i>	These supplement or amend the audit and accounting guides.
<i>Auditing Research Monographs</i>	These provide CPAs with background material and informed discussion to help them in reaching decisions on significant audit problems.
<i>Auditing Procedures Studies</i>	These inform practitioners of developments and advances in auditing procedures to provide practical assistance regarding auditing procedures.

*In Our Opinion* . . .

This is a technical newsletter that includes commentary on current division projects, descriptions of division operations, and the division's technical plan.

These publications are issued throughout the year as the division completes its research and deliberation. They are available for sale to all members. SASs are distributed free to the entire membership. SASs, interpretations, and SOPs are also reprinted in the *Journal of Accountancy*. *In Our Opinion* . . . is issued free of charge to state society committees concerned with auditing standards.

## **VI. Other Documents**

- A. Auditing Standards Board agenda material is available through the AICPA Meetings Subscription Service. The cost of the subscription service is \$120 a year. To subscribe write to Irene Yablon in the AICPA Circulation Department.
- B. The division participates as the U.S. representative in the development of International Audit Guidelines, which are available through the AICPA.

## **VII. Board Pronouncements**

These typically progress through the following stages:

- A. **Identification**—The need for a pronouncement may be identified through litigation, regulatory pressure, or comments of practitioners. Whatever the source, the common element is a recognized need for more guidance in a particular area.
- B. **Research**—The shape of guidance needed is assessed through analysis of the issues, gathering of data on current practice, review of existing literature, and development of alternative approaches. This step is a combined effort of the staff and a small task force of practitioners, some or all of whom are members of the board.
- C. **Consideration**—The proposed pronouncement is deliberated by the board and alternatives are evaluated. The task force and staff submit a draft for discussion and revise it in response to the criticisms and suggestions of the board made in open meetings. Preliminary drafts are normally revised many times.
- D. **Exposure**—The proposed pronouncement must be approved for exposure by 14 of the 21 board members. Exposure drafts are distributed for comment to the offices of all CPA firms with AICPA members, regulators and similarly interested parties, and anyone else who requests to receive them. Approximately 50,000 copies are distributed. Ordinarily, at least 90 days are allowed for comments.
- E. **Issuance**—The comments are reviewed by the board. Any matters raised in the comments that were not considered previously by the board are evaluated. However, the board does not normally change positions on matters thoroughly considered before exposure. The purpose of exposure is to identify matters that may have been overlooked or not studied thoroughly. Exposure is not made to assess the popularity of proposed guidance. If approved by 14 of the 21 board members, a document is issued in the numbered series of statements on auditing standards.

- F. **Implementation and Application**—The final SAS will usually result in a CPA firm developing a policy statement on exactly how it is to be implemented in the firm's practice. Application of the SAS in the field may raise new issues that result in an auditing interpretation or, in extreme cases, the identification of the need for a new pronouncement.

### **VIII. Committees**

In addition to staffing the Auditing Standards Board, the division staffs two subcommittees and 25 task forces.

### **IX. Requests for State Society Input**

- A. Exposure drafts of SASs, audit and accounting guides, and SOPs are sent to state society presidents, executive directors, and accounting and auditing committee chairmen. Exposure periods generally range from three to six months.
- B. The division sponsors a visitation program in which ASB members or division staff meet with state society auditing standards committees to promote a free exchange of ideas concerning current board projects. Similarly, state society representatives are invited to attend ASB meetings and talk with ASB members.
- C. The division periodically surveys state society accounting and auditing committees (among others) regarding practice problems that should be addressed by the Auditing Standards Board or other division components.
- D. State societies are often requested to recommend individuals for appointment to the Auditing Standards Board or its task forces.
- E. The division consults with state societies when it becomes aware of practice problems affecting practitioners in a specific state.



## ACCOUNTING STANDARDS DIVISION

### I. Objective

To determine Institute technical policies regarding financial accounting and reporting standards, and generally to be the Institute's official spokesperson on these matters.

### II. Staff

Ten employees, including seven CPAs: director, five technical managers, senior technical advisor, and three support staff.

#### Key Staff Contacts:

Paul Rosenfield, director, (212) 575-6368

Judith Weiss, technical manager, (212) 575-7645

### III. Division Activities

- A. The division maintains a continuous liaison with and submits letters of comment to the FASB, the GASB, and the SEC.
- B. It develops issues papers to help the FASB identify accounting areas that need to be addressed or clarified.
- C. It issues or clears for issuance statements of position and guides and other publications containing accounting recommendations.

### IV. Publications

#### Type

#### Audience/Purpose

#### *Issues Papers*

These help the FASB identify accounting areas that need to be addressed or clarified.

#### *Statements of Position*

These influence the development of financial and accounting principles in directions the Accounting Standards Division believes are in the public interest.

#### *Audit and Accounting Guides*

These assist independent auditors in examination and reporting on financial statements of various types of entities.

#### *Accounting Research Monographs*

These provide background material and informed discussion that should help in reaching decisions on significant accounting problems.

#### *Practice Bulletins*

These communicate the views of the Accounting Standards Executive Committee on certain narrow accounting issues.

## **V. Committees**

The division staffs the Accounting Standards Executive Committee (AcSEC), composed of 15 members. AcSEC members are drawn from CPA firms of various size, industry, and education. The division also staffs five other committees, two subcommittees, and more than 20 task forces.

## **VI. Requests for State Society Input**

Exposure drafts of proposed guides and statements of position are sent to state society presidents, executives, and technical committee chairmen. Comment periods vary from 60 to 120 days.

# MANAGEMENT ADVISORY SERVICES DIVISION

## I. Objectives

To develop technical standards for the conduct of management advisory services engagements; to inform practitioners of current technical developments and assist them in carrying out MAS engagements through, for example, practice aids and special reports; and to consider developments that might affect MAS practice.

## II. Staff

Six employees: director, technical manager, senior technical advisor, coordinator-editor, and two secretaries.

### Key Staff Contacts:

Monroe S. Kuttner, director, (212) 575-6363

Monte Kaplan, technical manager, (212) 575-7057

Steven Sacks, senior technical advisor, (212) 575-3647

## III. Assistance Available to State Societies

- A. The division provides public information materials about MAS by CPAs, including a speech outline, videotape, and brochure.
- B. It provides information on establishing a state society MAS committee.
- C. It provides speakers for society MAS conferences.

## IV. Publications/Video

<u>Title/Type</u>	<u>Form</u>	<u>Audience/ Purpose</u>
<i>The CPA and Management Consulting</i>	brochure	This is for CPAs to distribute to clients or potential clients to increase their awareness of MAS provided by CPAs.
“The CPA and Management Consulting: an Introduction to MAS”	16 mm film, VHS, and ¾" cassette	This is for state society members to use when making presentations before university and college students to increase students' understanding of MAS.
“Opportunities in MAS”	speech outline	This is for use by MAS practitioners in informing other CPAs about MAS.

<i>Before You Decide on a Computer Consult with Your CPA Because...</i>	brochure	This is for CPAs to distribute to clients or potential clients to explain how CPAs can assist in computer selection and installation.
<i>Statements on Standards for MAS</i>	booklet	These provide technical standards for the conduct of management advisory services.
<i>MAS Small Business Consulting Practice Aids</i>	booklet	These are for CPAs to describe management advisory services most often provided to a CPA's small business clients.
<i>MAS Technical Consulting Practice Aids</i>	booklet	These assist practitioners in applying their knowledge of organizational functions and technical disciplines in the course of providing management advisory services.
<i>MAS Practice Administration Aids</i>	booklet	These assist practitioners in management and administration of their firm's MAS practice.
<i>MAS Special Reports</i>	booklet	These examine special considerations and troublesome areas that practitioners are likely to find when performing MAS work for clients.
<i>Bibliography of MAS Reference Services</i>	booklet or diskette	This is an extensive list of MAS reference sources available on 5¼" floppy diskette or printed edition.

## **V. Conferences**

- A. The division sponsors the State Society MAS Committee Representatives Conference. It is generally held annually to coordinate various AICPA and state society MAS activities. The MAS Division sends letters to executive directors (copies to MAS committee chairmen) requesting the name of one person who should be invited to attend the conference.
- B. It also sponsors a national MAS conference. It is usually held in the fall.

## **VI. Other Division Activities**

The division works with universities to enhance MAS education and to provide information to students about MAS.

## **VII. Committees**

In addition to AICPA staff, the MAS Division consists of the MAS Executive Committee, seven subcommittees, and additional task forces. About 120 practitioners, educators, and industry members currently serve on the division's committees and task forces.

## **VIII. Membership Division**

The Membership Division for MAS may be joined by members of the AICPA in practice, industry, government, and education who have a special interest in management advisory services. The division provides expanded services to members, including a division newsletter and annual meeting. The division has about 4,000 members, and the membership fee is \$70 annually.

## **IX. Requests for State Society Input**

The MAS Division requests state society executive directors and/or state society MAS committee chairmen to nominate a person to review each exposure draft of *MAS Standards*, *Small Business Consulting Practice Aids*, *Technical Consulting Practice Aids*, and *Practice Administration Aids*. The document is then sent to the selected person along with a checklist to guide the individual in reviewing the document. Final *MAS Standards* are sent to state society presidents, executive directors, and MAS committee chairmen.

## **TAX DIVISION**

### **I. Objectives**

- A. To help Congress and the federal administration develop a fair, effective tax system.
- B. To develop appropriate tax policy positions for the accounting profession.
- C. To provide guidance on good standards of tax practice for CPAs.
- D. To protect the right of the CPA to engage in the practice of taxation without encroaching on the rights of others.
- E. To inform the public of the role of the CPA in tax practice.
- F. To maintain and improve the quality of tax education for CPAs.
- G. To publish a sophisticated, useful, monthly tax magazine, as well as studies that contribute to the general body of tax knowledge.
- H. To hold semiannual division meetings to share the tax knowledge of practitioners.
- I. To maintain harmonious relations with state societies and other organizations in the area of taxes.
- J. To underscore the preeminent role of CPAs in taxes and heighten the reputation of the profession as a whole.
- K. To provide an opportunity for a large number of AICPA members to participate in tax activities and to provide them with information on tax developments.
- L. To motivate members to maintain a high level of performance in tax practice through increased association with their professional peers.

### **II. Staff**

Twelve employees, including seven CPAs: vice president, two directors, six managers, and three support staff.

#### **Key Staff Contacts:**

Don Skadden, vice president, (202) 737-6600

William Stromsem, director, (202) 737-6600

Kenneth Thomas, director, (202) 737-6600

James Clark, manager, (202) 737-6600

William Dunn, manager, (202) 737-6600

Carol Ferguson, manager, (202) 737-6600

Edward Karl, manager, (202) 737-6600

Lisa Winton, manager, (202) 737-6600

### III. Activities

- A. The division maintains a liaison with Congress and government officials to enable the AICPA to effectively communicate its views on tax developments.
- B. It assists in the development of simple, fair, and efficient tax legislation.
- C. It assists in the development of sound tax administration, including submission of comments on proposed regulations, rulings, and tax forms.
- D. It develops major statements on broad tax policy issues for the AICPA.
- E. It provides guidance as to what are good standards of tax practice for CPAs.
- F. It serves members by increasing their technical competence in the area of taxes, and assists them in handling various practice issues. This is done through *The Tax Adviser* magazine, the division's quarterly newsletter, division meetings and conferences, practice aids, and various publications of the division.

### IV. Publications

<u>Title</u>	<u>Audience/Purpose</u>
<i>Statements of Tax Policy</i>	These statements present the thinking of the AICPA's Tax Division on questions of broad tax policy, such as indexing the tax laws for inflation, capital cost recovery, double taxation on dividends, and social security. They are designed to aid in the development of federal tax legislation that the division believes is in the public interest.
<i>Tax Studies</i>	These studies recommend improvements for specific areas of the tax law. Examples include <i>Underreported Taxable Income</i> , <i>Fringe Benefits</i> , <i>Subchapter K</i> , and <i>Tax Recommendations to Aid Small Business</i> .
<i>Tax Division Newsletter</i>	This quarterly newsletter informs division members of current division activities and developments in tax law and practice.
<i>Statements on Responsibilities in Tax Practice</i>	These statements are intended to constitute a body of advisory opinion as to what are good standards of tax practice—delineating the extent of a CPA's responsibility to clients, the public, the government, and the profession.
<i>The Tax Adviser</i>	This monthly magazine is intended to provide useful tax information on technical and practice issues to sophisticated tax practitioners.

## **V. Tax Division Membership**

### **A. Establishment of Voluntary Membership**

In October 1983, AICPA Council authorized the establishment of a Tax Division for CPAs who have an interest in taxes. Membership is voluntary and is available only to members in good standing of the AICPA. The Tax Division for CPAs has approximately 20,000 members.

### **B. Membership Benefits**

1. Members have the opportunity to attend semiannual meetings of the Tax Division.
2. They receive a subscription to the *Tax Adviser*. (See page 61.)
3. They receive copies of Tax Division position papers on proposed tax changes and other tax issues.
4. They receive agendas for meetings of the Tax Executive Committee, highlights of past meetings, and reports on activities of subcommittees and task forces.
5. They receive agendas and minutes covering meetings of one subcommittee of the member's choice. These subcommittees focus on topics such as employee benefits, energy taxation, small business taxation, and tax policy, among others.
6. They have the option to receive agendas and minutes of additional subcommittees for a nominal service fee to cover the costs of materials and distribution.
7. They receive a subscription to the *Tax Division Newsletter*.
8. They receive tax return checklists and other practice aids.

### **C. Tax Division Membership Dues and Fees**

Annual membership in the Tax Division covers the period August 1 through July 31. Annual dues for 1987-88 are \$70. This fee covers membership in the Tax Division, plus involvement with one subcommittee of the member's choice.

## **VI. Committees**

The division staffs an executive committee, constituent subcommittees, and task forces. Current subcommittees are as follows:

- Employee Benefits
- Energy Taxation
- Estate and Gift Taxation
- International Taxation
- Responsibilities in Tax Practice
- Management of a Tax Practice
- Small Business Taxation
- Tax Accounting Periods, Methods and Consolidated Returns
- Taxation of Corporations and Shareholders
- Taxation of Special Entities and Industries
- Tax Administration
- Tax Determination
- Tax Education
- Tax Policy
- Partnerships
- State and Local Taxation
- Income Taxation of Estates and Trusts
- Tax Forms
- Tax Computer Applications



## **VII. Requests for State Society Input**

- A. State societies are asked to submit suggestions for agenda items for consideration by subcommittees at division meetings.
- B. The division periodically sponsors meetings with state society representatives with the IRS.

## **VIII. Mailings to State Societies**

- A. Exposure drafts of tax policy statements and responsibilities in tax practice are distributed to state society tax committee chairmen, presidents, and executive directors. The period for comment is specified with the distribution of the exposure draft.
- B. Copies of the *Tax Division Newsletter* and various position papers are mailed to state societies for distribution to tax committee chairpersons and others as deemed appropriate.

## **TECHNICAL INFORMATION DIVISION**

### **I. Objectives**

- A. To respond to technical questions involving accounting principles, financial statement presentations, auditing and reporting standards, and accounting and review services standards. Opinions are not given on the tax or legal implications of questions submitted to this division.
- B. To develop, through various technical or other committees, standards and guidance for members.
- C. To publish technical books and practice aids.
- D. To administer the National Accounting Automated Research System (NAARS).

### **II. Staff**

Eighteen employees, including 12 CPAs: director, nine technical managers, manager, senior technical advisor, one coordinator-editor, two technical advisors, and three support staff.

#### **Key Staff Contacts:**

John Graves, director, (212) 575-6391

Jack Shohet, technical manager, (212) 575-6392

Phyllis Bernstein, technical manager, (212) 575-5713

### **III. Division Activities**

- A. The division responds to technical inquiries.
- B. It staffs the Information Retrieval Committee.
- C. It staffs the Personal Financial Planning Executive Committee.
- D. It staffs the International Practice Committee.
- E. It staffs the Accounting Standards Overload Task Force.
- F. It publishes various technical books and computer software.

### **IV. Technical Information**

The division receives telephone and written inquiries from members throughout the country and parts of U.S. territories. State societies often refer callers to TIS for assistance in responding to technical questions. Conversely, TIS refers callers to state societies if they have tax questions, since some state societies provide tax consultation services. Members may call the following toll-free numbers:

1. for practitioners in all states, except New York, the number is (800) 223-4158;
2. for New York practitioners, the number is (800) 522-5430.

The division handles approximately 25,000 inquiries a year.

## **V. Information Retrieval Committee**

- A. The committee promotes the benefits obtainable by the profession through NAARS, through continuous improvement of the NAARS database, and through advising the AICPA on topics for *Financial Report Surveys*.
- B. It considers and recommends improvements to the AICPA's computerized indexing system and its *Index to Accounting and Auditing Technical Pronouncements*.
- C. It approves budgets and monitors costs incurred in the NAARS and indexing programs.
- D. It assists in the development of new techniques for performing professional accounting research.

## **VI. Personal Financial Planning Executive Committee**

- A. The committee identifies member needs concerning personal financial planning services to clients and provides, or coordinates, the efforts of other AICPA components engaged in providing the educational, practice development, and technical aids and programs necessary to meet those needs.
- B. It administers the Personal Financial Planning Division. Membership in the division helps you:
  - 1. expand your technical knowledge and professional competence;
  - 2. increase the profitability of your personal financial planning practice;
  - 3. exchange your personal financial planning experiences and ideas with professional colleagues.

Membership also enables you to profit from an intensive public awareness program that reinforces in the minds of the public the image of CPAs as competent, objective, and trustworthy personal financial planning professionals. The division has slightly more than 7,000 members, and the membership fee is \$100 annually.

## **VII. International Practice Committee**

- A. The committee fosters a better understanding of the international aspects of public accounting among AICPA members, promotes high standards of practice among firms with international clients, and encourages freedom of movement of accountants across national borders.
- B. It is developing, through its International Booklets Task Force, a series of booklets on accounting and auditing in selected foreign countries to help achieve a better understanding of international auditing and accounting practices.

## **VIII. Accounting Standards Overload Task Force**

The task force monitors the development of accounting standards to encourage greater recognition of the needs of small, nonpublic companies in the development of those standards, and coordinates the development of comprehensive bases of accounting other than generally accepted accounting principles with particular attention to the reporting needs of small, nonpublic companies.

## **IX. Publications**

### **A. *Accounting Trends & Techniques***

1. This is published annually.
2. Its purpose is to provide a study of the latest accounting practices and trends as disclosed in 600 published annual reports.
3. Its audience is accountants in public practice, industry, and research.

### **B. *AICPA Professional Standards***

1. The two-volume paperback edition is published annually.
2. The two-volume looseleaf subscription service provides continuous updating.
3. The purpose of *AICPA Professional Standards* is to provide an organized reference source of pronouncements issued by various standard-setting bodies in the following areas: Auditing, Accounting and Review Services, Ethics, Bylaws, International Accounting and Auditing, Management Advisory Services, Tax Practice, and Quality Control.
4. Its audience is accountants in public practice, industry, and research, and students.

### **C. *Codification of Statements on Auditing Standards***

1. This is published annually.
2. Its purpose is to provide an organized reference source of authoritative auditing pronouncements.
3. Its audience is accountants in public practice, industry, and research, and students.

### **D. *Technical Practice Aids***

1. The paperback edition is published annually.
2. The looseleaf subscription service provides continuous updating.
3. The purpose of *Technical Practice Aids* is to provide nonauthoritative replies to technical inquiries and the statements of position of the Accounting Standards and Auditing Standards divisions.
4. Its audience is accountants in public practice, industry, and research.

### **E. *Audit and Accounting Manual***

1. The paperback edition is published annually.
2. The looseleaf subscription service provides continuous updating.
3. The purpose of the *Audit and Accounting Manual* is to provide practitioners with a nonauthoritative practice aid that can be adapted to individual firm policies.
4. Its audience is accountants in public practice.

**F. *Index to Accounting and Auditing Technical Pronouncements***

1. This is published annually.
2. Its purpose is to provide a convenient index to current professional literature to help users determine which standards, regulations, or guidelines relate to a specific question.
3. Its audience is accountants in public practice, industry, research, and academia.

**G. *Financial Report Surveys***

1. These are published when needed.
2. Their purpose is to show in detail how specific accounting and reporting questions are actually being handled in the financial reports of a wide range of companies.
3. Their audience is accountants in public practice, industry, research, and academia.

**H. *Technical Information for Practitioners Series (TIPS)***

1. These are published when needed.
2. Their purpose is to provide practitioners with specific new nonauthoritative practice aids.
3. Their audience is accountants in public practice.

**I. *Disclosure Checklist Series***

1. This is published annually.
2. Its purpose is to provide practitioners with a tool to use in reviewing financial statements.
3. Its audience is accountants in public practice and industry.

**J. *Professional Accounting in Foreign Countries***

1. These booklets are published periodically.
2. Their purpose is to describe the differences between accounting and auditing standards in foreign countries and the United States.
3. Their audience is accountants and academia.

**K. *Personal Financial Planning Manual***

1. The subscription is updated approximately four times a year.
2. Its purpose is to give practical tools to assist personal financial planners in the efficient and effective delivery of PFP services.
3. Its audience is CPAs who are personal financial planners.

**L. *The Planner***

1. This is published bimonthly.
2. Its purpose is to discuss “hot topics” in personal financial planning.
3. Its audience is CPAs who are personal financial planners.

**M. *Computerized Audit Tool Series (CATS)***

1. These are published as needed (software).
2. Their purpose is to serve as a tool for CPAs so they can efficiently and effectively provide accounting and auditing services to clients.
3. Their audience is CPAs who provide auditing and accounting services to clients.

# INFORMATION RETRIEVAL DEPARTMENT

## I. Objectives

- A. To develop the components of the National Automated Accounting Research System (NAARS), a computerized database for researching annual reports, selected proxy statements, and authoritative and semiauthoritative accounting and auditing promulgations of the AICPA, FASB, SEC, etc.
- B. To research technical problems for members of the profession, including other Institute divisions.
- C. To publicize, demonstrate, and market the system to prospective subscribers and to train subscribers in the proper use of the system.

## II. Database

The accounting information database of NAARS contains three major files:

### A. Annual Report Files

Each file consists of annual reports to shareholders of corporations whose stock is traded on the New York and American Stock Exchanges, and selected companies traded Over-The-Counter whose balance sheet date falls between July 31 and the following June 30. Only the financial statements, footnotes, auditor's opinion and management responsibility letter, FASB 33 material, and proven and unproven reserves are in the file. The five most recent file years are retained on-line. The rest, starting with 1972-1973, are on archive tape and can be brought on-line by request.

### B. Accounting Literature File

The Accounting Literature File includes the full text and superseded authoritative promulgations of the AICPA, the FASB, and the SEC such as:

- APB accounting principles, including *Terminology Bulletins*, *Accounting Research Bulletins*, *APB Opinions* (updated for changes), and *Statements and Interpretations*
- *Statements on Auditing Standards and Interpretations*
- *Statements on Standards for Accounting and Review Services and Interpretations*
- *Statements on Standards for Accountants' Services on Prospective Financial Information*
- *Statement on Standards for Attestation Engagements*
- *Statements on Management Advisory Services*
- *Statement on Quality Control Standards and Interpretations*
- *Code of Professional Ethics*
- *Industry Audit Guides*
- *Industry Accounting Guides*

- AcSEC material, consisting of *Position Papers* and *Issues Papers*
- SEC pronouncements, consisting of *Regulation S-X*, *Accounting Series Releases (ASR)*, *Staff Accounting Bulletins*, *Regulation S-K*, *Accounting and Auditing Enforcement Releases (AAER)*, and *Financial Reporting Releases (FRR)*
- *Staff Accounting Bulletins (SAB)*
- FASB pronouncements, consisting of *FASB Statements*, *Interpretations*, *Concepts*, and *Technical Bulletins*
- *FASB Emerging Issues Task Force Issue Summaries (FEITFIS)*, *Minutes of Meetings (FEITFM)*, and *Dates Issues Discussed and Disposition (FEITFDDD)*
- *CASB Statements (Cost Accounting Standards Board)*
- *International Accounting Standards Committee Pronouncements*
- *International Auditing Guidelines*
- Technical Information Service, consisting of the Institute's *Technical Practice Aids*
- *Government Accounting Standards Board Statements and Interpretations*
- Official government pronouncements of the Office of Management and Budget

#### C. Proxy File

This file consists of selected elements of proxy statements of Fortune companies. (Note: None have been added since September 1985.)

### III. Staff

Three employees, including two CPAs: manager, research associate, and support staff member. Per diem CPAs and accounting students supplement the permanent staff.

#### Key Staff Contact:

Hal Clark, manager, (212) 575-6393

### IV. Characteristics of the NAARS System

- A. **Full Text System**—Every word of every document on file is stored in the computer and is searchable.
- B. **Real Time System**—The computer can be accessed over telephone lines from a computer terminal in the practitioner's office.
- C. **Interactive Mode of Operation**—The researcher carries on a dialogue with the computer during the search process, broadening or narrowing the search by modifying the information retrieved.
- D. **Multiple-Term Coordinate Search Capabilities**—The researcher can create strings of words or phrases based on judgment concerning what documents the individual wants to see and how he or she wants to search.



## V. Available Service Arrangements

- A. **Full Subscriber**—A full subscriber has an NAARS terminal in the firm's office and receives training in the mechanics of operating the terminal and the use of proper search strategy. Two pieces of equipment are provided:
1. a high-speed terminal, which includes a specially designed keyboard for automated research, and a cathode-ray tube where responses are displayed;
  2. a hard copy printer for making copies, if desired, of information displayed on the screen.
- Special rates are available for universities that are full subscribers.
- B. **Associate Subscriber**—An associate subscriber researches problems by using the AICPA terminal rather than having a terminal in his or her office.
- C. **Individual Inquiry**—Access to the NAARS service is also available on an individual inquiry basis for those who do not have a terminal in their office or access to sharing an AICPA terminal. The charge for this service, where research is done by a CPA on the AICPA staff, is calculated at \$2 per minute charged to the nearest second of connect time, with a \$50 minimum charge.

## VI. Publications

The Institute has made extensive use of NAARS in the production of the series of *Financial Report Surveys*.

For additional information, including costs, phone or write:

National Automated Accounting Research System (NAARS)  
American Institute of Certified Public Accountants  
1211 Avenue of the Americas  
New York, NY 10036-8775  
(212) 575-6393



# PROFESSIONAL ETHICS DIVISION

## I. Objectives

To develop ethical standards, promote compliance with such standards, improve the profession's enforcement activities, and establish and present apparent violations of standards to the Joint Trial Board.

## II. Staff

Thirteen employees, including three CPAs: director, four managers, two technical advisors, coordinator, and five support staff.

### Key Staff Contacts:

Herbert Finkston, director, (212) 575-6209

Gregory Furke, manager, Independence & Behavioral Standards, (212) 575-3841

Edith Breitner, technical manager, Technical Standards, (212) 575-6247

## III. Publications

<u>Title</u>	<u>Description</u>
<i>AICPA Professional Standards, Vol. 2</i>	This contains the full text of the AICPA Code of Professional Ethics, including Rules of Conduct, Interpretations of the Rules of Conduct, and Ethics Rulings.
<i>Joint Ethics Enforcement Program Manual of Procedures (rev. ed. 1983)</i>	This lists procedures to be followed by AICPA and state society ethics committees when conducting investigations of potential disciplinary matters. It has an appendix that contains information about the Code of Professional Ethics and bylaws of state societies, and lists rules of procedure and practice of the Joint Trial Board.

## IV. Division Activities

- A. The division administers the Joint Ethics Enforcement Program (JEEP).
- B. It presents formal charges of violation of applicable rules of the Code of Professional Ethics to the Joint Trial Board either on its own behalf or jointly with state societies participating in JEEP.
- C. It interprets the Code of Professional Ethics. The division is the only AICPA body granted this power under the bylaws.
- D. It may propose amendments to the Code of Professional Ethics to be voted upon by the membership.

## **V. Code of Professional Ethics**

Members are required to obey the whole Code of Professional Ethics if they are in public practice or a limited portion of it if they are not in public practice.

## **VI. Joint Ethics Enforcement Program** (information below is included in the *JEEP Manual*)

### **A. Objectives**

JEEP was developed in late 1975 with the following objectives:

1. to eliminate duplication of enforcement;
2. to integrate the efforts of state societies and AICPA with respect to ethics enforcement;
3. to encourage greater uniformity in interpretation of ethical standards and disciplinary action;
4. to encourage more aggressive disciplinary action;
5. to encourage improved understanding of the disciplinary action being taken by all in the profession.

### **B. Role of AICPA and State Societies**

The state society ethics committees and the AICPA Ethics Division are the agents of each other to investigate alleged violations of the codes of professional ethics of either or both organizations. Currently, 50 state societies participate in JEEP.

### **C. Some Procedural Aspects of JEEP**

1. Ordinarily state societies conduct all case investigations. However, the division has the right to conduct the investigation when it receives or obtains a complaint or other information that involves a matter of broad national interest; that arises from litigation or regulatory proceedings involving auditing, accounting, and/or independence issues; that comes from the SEC Practice Section of the AICPA Division for CPA Firms or any committee thereof, including the Special Investigations Committee; that comes from a department, agency, regulatory commission, or other unit of the U.S. Federal Government; or that appears to involve members of more than one participating state society.
2. The investigation may result in one of the following conclusions: no violation, a confidential finding of minor violation, a confidential administrative reprimand when the matter is not serious enough for trial board consideration, and a *prima facie* violation of the code that warrants referral to the trial board for a decision on disciplinary action.
3. If a CPA is a member of both the AICPA and a state society, the organization conducting the investigation must refer the case to the other organization for its concurrence in the result for the action to be joint action.
4. Where an investigation results in a no violation finding, such a finding is conclusive on all JEEP members as to that case.

5. AICPA member complainants must be notified of dismissal or nonaction regarding their complaint. They have a right to petition the National Review Board to investigate the complaint. Complainants will now be notified of the conclusion of an investigation without receiving a report on the results of the investigation.
6. Members requesting a deferral of a case investigation due to litigation must designate a partner or shareholder to act as a nominal respondent during the deferral period if the firm chooses not to identify its partners or employees responsible for a particular engagement under investigation.

#### D. JEEP Semiannual Statistical Reports

The AICPA Ethics Division and the ethics committees of each participating state society are expected to maintain their files so that they can compile the statistical information used to prepare semiannual reports of ethics investigations. The director of the Professional Ethics Division sends a letter to society ethics committee chairmen and executive directors every June and December requesting the appropriate statistical information for the previous six months. The division director compiles the reports, which are then published in the *CPA Letter* in the spring (for the period July 1-December 31) and fall (for the period January 1-June 30).

### VII. Committees

- A. In addition to AICPA staff, the division consists of a Professional Ethics Executive Committee, three subcommittees, and five professional ethics area planning subcommittees.
- B. The area planning subcommittees provide a forum for the AICPA and state societies to discuss emerging ethics issues and to exchange information on procedures to increase the effectiveness of AICPA and state society ethics committees. The five subcommittees are as follows:
  1. Area I — Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.
  2. Area II — Alabama, Delaware, District of Columbia, Florida, Georgia, Kentucky, Maryland, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, Virgin Islands, Virginia, and West Virginia.
  3. Area III — Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.
  4. Area IV — Arkansas, Louisiana, New Mexico, Oklahoma, and Texas.
  5. Area V — Alaska, Arizona, California, Colorado, Guam, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming.

# JOINT TRIAL BOARD DIVISION

## I. Objective

To provide for uniform enforcement of professional standards by adjudicating disciplinary charges against members of a participating state society and the AICPA through a system of regional trial boards and a National Review Board.

## II. Staff

Three employees: general counsel and secretary, director, and an executive secretary.

### Key Staff Contacts:

Donald J. Schneeman, secretary, Joint Trial Board Division, (212) 575-6469

William Tamulinas, director, General Counsel and Trial Board, (212) 575-3852.

## III. Joint Trial Board Division Manual

Published annually at the beginning of each AICPA committee year, this manual lists the rules of procedure and practice of the Joint Trial Board Division and lists members of the various boards. All members of the Joint Trial Board Division and state society executive directors receive copies of the manual. Additional copies are available on request. (The information presented below has been excerpted from the manual.)

## IV. State Society Participation

A participating state society is one that has entered into an agreement with the AICPA concerning integrated ethics enforcement. (See page 33.) Currently, 50 state societies have entered into such an agreement with the AICPA. Decisions of hearing panels affect both AICPA and state society memberships.

## V. Composition and Role of the Joint Trial Board Division

The Joint Trial Board Division consists of 12 regional trial boards and the National Review Board.

### A. Regional Trial Boards

1. Regional trial boards are hearing boards of general original jurisdiction established to adjudicate complaints made under the ethics code of the AICPA and/or participating state societies. States represented by the 12 regional trial boards are indicated on the map at the end of this section.
2. Each regional trial board is composed of at least one member from each state territory in the region designated by the state society president or as otherwise determined by the state society board of directors. States comprising a region by themselves are entitled to designate three members to their regional trial boards. Any state not comprising a region by itself and having more than 6,000 AICPA members is entitled to one additional member on the regional trial board.

3. Every summer, the secretary of the Joint Trial Board Division requests state society executive directors to provide the name of the new designee to serve on a regional trial board for the committee year commencing with the Institute's annual meeting.
4. Regional trial board chairmen are appointed annually from among the trial board members in the region by the chairman of the AICPA, with the approval of the board of directors.

#### **B. National Review Board**

1. The National Review Board is the final appellate authority in matters heard and determined by the regional trial board. It also exercises original jurisdiction over cases in which the respondent petitions to the National Review Board for a direct hearing and which petition is granted by an ad hoc screening committee.
2. The National Review Board consists of 12 members who are elected by AICPA council. No two or more members of the National Review Board may have their principal place of practice in the same state. The chairman of the National Review Board is also the chairman of the Joint Trial Board Division.

#### **C. Ad Hoc Committees**

Ad hoc committees of the National Review Board, composed of at least three members, act on petitions for removal of cases from regional trial boards, petitions for review of cases decided by regional trial boards, and petitions that sections of the bylaws regarding automatic disciplinary action based on the criminal conviction of a member (7.3.1) and the suspension or revocation of a member's CPA certificate and license to practice (7.3.2) not become operative.

#### **D. Hearing Panels**

Regional trial board hearing panels are composed of five members and adjudicate complaints made under the ethics codes of the AICPA and/or participating state societies. Two of the panel members are appointed by the chairman of the regional trial board, and three of the panel members are appointed by the state society of the state in which the respondent resides from among its membership.

Hearing panels of the National Review Board are composed of five members. Hearing panels may:

1. hear cases for which petitions for removal from regional trial boards have been granted by an ad hoc committee;
2. hear cases for which a petition for review of a case decided by a regional trial board has been granted by an ad hoc committee;
3. hear petitions for reinstatement of expelled members.

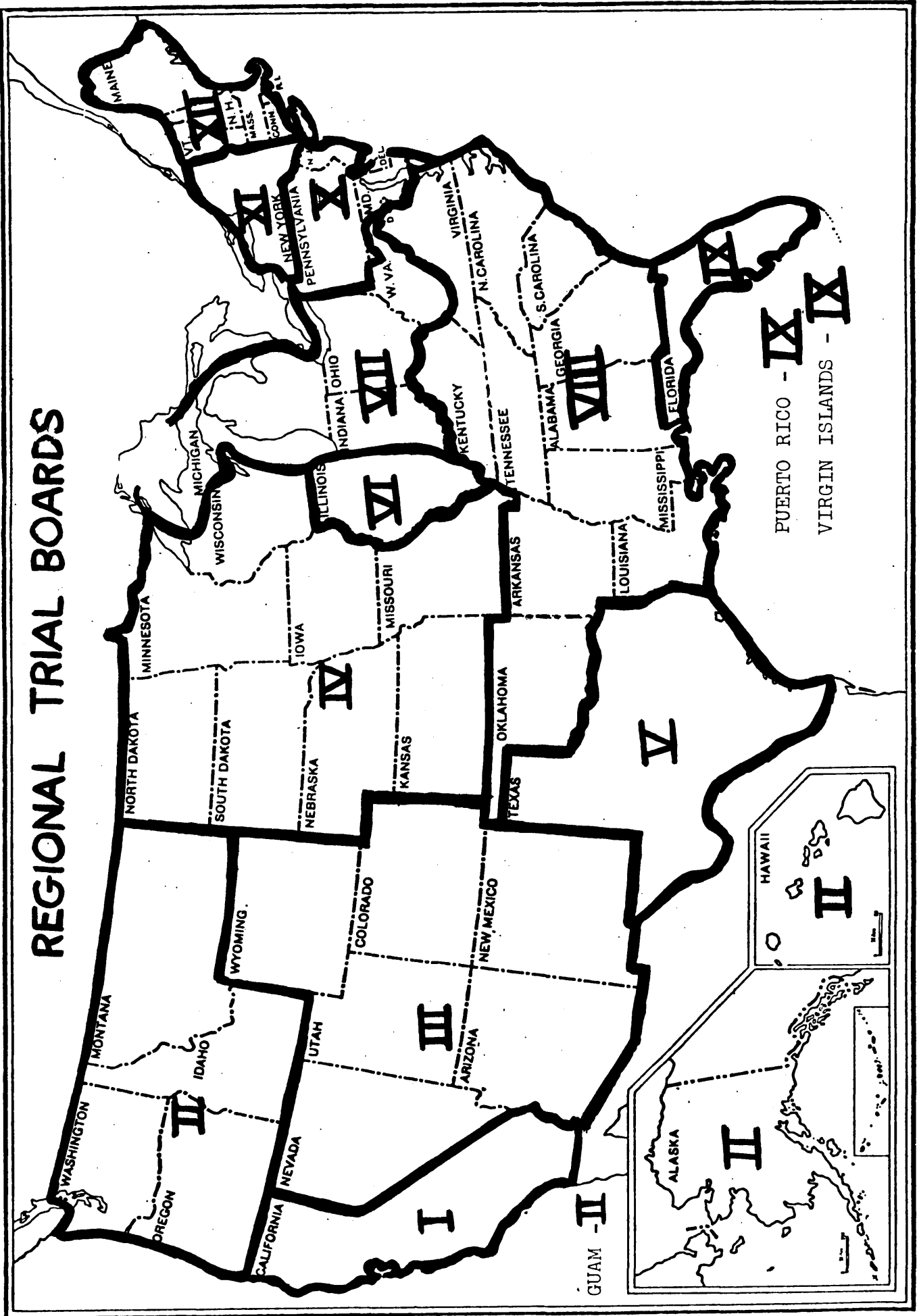
## **VI. Requirements for Service on Boards**

Regional trial board and National Review Board members must be members of the AICPA and of a state society in their region. The following persons are not eligible for membership on the National Review Board or any regional trial board:

- a member of the AICPA Professional Ethics Division;
- a member of a state society ethics committee having responsibility for investigating complaints or bringing disciplinary charges, or any other committee with similar responsibilities;
- a member of a state board of accountancy charged with regulating the profession of public accountancy or other state agency having similar responsibility.



# REGIONAL TRIAL BOARDS



## **DIVISION FOR CPA FIRMS**

### **I. Background**

The Division for CPA Firms is a voluntary organization within the AICPA. It was established in 1977 in response to:

- A. the profession's need, in the face of proposals for direct federal regulation, for an organizational structure with authority over firms as well as over individual CPAs;
- B. the need for CPAs in smaller firms to have a more effective voice in the profession's affairs.

The division consists of two sections: Private Companies Practice Section (PCPS) and SEC Practice Section (SECPS).

### **II. Objectives**

- A. To improve the quality of service provided by CPA firms by:
  - 1. requiring mandatory peer review;
  - 2. requiring maintenance of quality controls;
  - 3. providing other practice requirements, including continuing professional education requirements.
- B. To provide a better means for CPAs who serve private companies to make known their views on professional matters, including the establishment of technical standards.

### **III. Benefits of Membership**

- A. **Quality assurance**—Through peer review, member firms provide themselves with added assurance that they are providing quality services to their clients.
- B. **Demonstrated commitment**—Member firms want to be seen as part of a group committed to the highest levels of professional service.
- C. **Support of the profession**—The division's programs help blunt the push for intensified governmental control of the profession.
- D. **PCPS advocacy participation**—PCPS member firms, through the section's Technical Issues Committee, have a means for speaking out on behalf of CPAs who serve private companies.
- E. **Public information program**—Member firms benefit from the division's ongoing public relations campaign, designed to familiarize the financial community with CPAs' commitment to quality practice, and show how peer review demonstrates the commitment of individual CPA firms. The program is funded from the dues of member firms.

#### IV. Membership Requirements

- A. A majority of the firm's partners (or equivalent) must be CPAs, and all partners must be AICPA members if they are eligible.
- B. The firm must adhere to the Institute's quality control standards.
- C. Each professional in the firm, whether partner or staff, CPA or non-CPA, must have an average of 40 hours of CPE annually.
- D. The firm must have a peer review of its accounting and audit practice every three years; the results are available to the public.
- E. The firm must pay dues.
- F. Each firm must file an annual report providing certain nonfinancial information about the firm. This report is available to the public.
- G. The SECPS has some additional requirements that are applicable only to SEC audit clients, including rotation of audit partners (not applicable to firms with less than five SEC audit clients and less than 10 partners); preissuance "concurring review" of audit reports; certain limitations on MAS work; reporting certain matters to the client's audit committee or board of directors; and reporting to a special investigations committee any litigation involving audits of SEC clients.

#### V. Membership Statistics

- A. Membership peaked about the time of the first PCPS peer review deadline in June 1982. Subsequent attrition occurred mostly among firms with less than five AICPA members and with no SEC clients. However, membership has increased in response to the division's coordinated public information and advertising programs, which began in the Fall of 1985.

	<u>6/30/87</u>
PCPS only	1,315
SECPS only	10
Both sections	<u>385</u>
	1,710

- B. About 43 percent of the Institute's practicing members are with firms that are members of the division. This includes 77 percent of the practicing members with firms that have six or more Institute members, but less than five percent of those with fewer than six. The PCPS is taking steps to make membership more attractive to smaller firms. A new report review program has been instituted for firms with a compilation and review practice but no audit clients. An optional one-day consulting review provides "comfort" to firms that are preparing for peer review. The section also offers a variety of tax planning publications for distribution to clients.
- C. Division members audit almost 90 percent of the SEC registrants with annual sales of \$1 million or more, accounting for almost 99 percent of these registrants' aggregate sales volume. However, over 100 firms with SEC clients are members of the PCPS only.

## **VI. Staff**

A. Overall staff responsibility for the operations of the Division for CPA Firms is assigned to the group vice president—Professional. However, the Quality Control Review Division staff reports to the vice president—Review and Regulation.

### **B. Staff Levels:**

1. PCPS—three employees, including two CPAs: director, technical manager, and a secretary.
2. SECPS—five employees, including two CPAs: one CPA director, one CPA technical manager, and three support staff.
3. Quality Control Review Division—12 employees, including seven CPAs: director, six technical managers, and five support staff.

### **Key Staff Contacts:**

John Mitchell, director, Private Companies Practice Section, (212) 575-6359

Dale Rafal, director, Quality Control Review, (212) 575-6396

Art Renner, director, SEC Practice Section, (212) 575-6367

## **VII. Division Activities**

- A. The executive committees of both sections establish the general policies for each section, periodically amend membership requirements, set dues, authorize expenditures, and approve new programs.
- B. The Joint Coordinating Committee consists of equal numbers of representatives of both sections. Its objective is to harmonize and coordinate the activities and programs of both sections.
- C. Under the Joint Coordinating Committee's direction, the division conducts and funds an aggressive public information program with the direct participation of Hill and Knowlton, its public relations counsel.
- D. The PCPS Technical Issues Committee reviews and comments on proposals before other AICPA components, including those dealing with professional standards, from the perspective of CPAs who serve private companies.
- E. The SECPS Special Investigations Committee reviews litigation and SEC proceedings involving audits of public companies to determine whether the allegations indicate the need for corrective action by the firm involved or for consideration of changes in professional standards. The identity of specific cases on the committee's agenda is confidential. However, the section publishes a report on the committee's activities providing general information. The Public Oversight Board's annual report also discusses the committee's activities in considerable depth.

F. The peer review committees of both sections, assisted by the staff of the Quality Control Review Division, have overall responsibility for the peer review programs of their respective sections and publish the standards and procedures that govern the conduct of those reviews.

1. A summary of peer reviews to date is as follows:

	<u>Initial</u>	<u>Subsequent</u>	<u>Total</u>
Through 1983	1,373	227	1,600
During 1984	236	297	533
During 1985	137	324	461
During 1986	143	249	392
Expected during 1987	230	420	650

2. Peer review reports accepted by the Peer Review Committee to date are as follows:

	<u>Initial</u>	<u>Subsequent</u>	<u>Total</u>
Unqualified	87%	92%	89%
Qualified	11%	7%	10%
Adverse	2%	1%	1%

G. Both sections are authorized to administer sanctions following specified due process procedures. However, the objective of each section is to improve the quality of practice and that is best achieved by causing firms to undertake appropriate corrective action, not by imposing penalties, which is the responsibility of the courts and regulatory agencies. Accordingly, sanctions ordinarily are imposed only when a firm refuses to take necessary corrective action or otherwise fails to cooperate with the sections.

H. The PCPS administers a consulting review program to assist division members and nonmembers in improving the quality of their practices and in preparing for peer review and section membership. The consulting review is confidential and educational in nature, and is conducted on the reviewed firm's premises by an experienced reviewer selected by the Private Companies Practice Section Peer Review Committee. For firms with up to about 20 professionals, the review involves one reviewer for one day and costs \$500 plus expenses. With certain limitations, half the fee (but not more than \$250) will be applied to the firm's first peer review as a PCPS member.

I. The PCPS offers "giveaway" publications for its members to use in building good will and stimulating tax planning inquiries. Examples are a year-end tax planning guide and a series of single-subject leaflets.

## J. Publications

<u>Title</u>	<u>Form</u>	<u>Audience/Purpose</u>
<i>SECPS Peer Review Manual (1986)</i>	paperback*	These were developed for member firms and peer reviewers. The paperback volumes contain such matters pertaining to the respective sections as the organizational structure and functions document, peer review standards, and guidelines for involvement by state societies and firm associations. The looseleaf manuals also contain the peer review program's forms and checklists, and recent changes to the paperback volumes.
<i>SECPS Peer Review Manual (1986)</i>	looseleaf	
<i>PCPS Peer Review Manual (1986)</i>	paperback*	
<i>PCPS Peer Review Manual (1986)</i>	looseleaf	
<i>Directory of Member Firms (annually, every fall)</i>	paperback	This is distributed to SECPS and PCPS member firms, state society executive directors, members of the academic community, Robert Morris Associates, and others interested in self-regulation by the accounting profession. It lists names and offices (city and state) of member firms as of Sept. 1.
<i>PCPS Reporter (quarterly)</i>	newsletter	This is distributed to PCPS members to update them on section activities and to provide information that will help them in maintaining and improving the quality of their practice.
<i>What is Peer Review? (1984)</i>	brochure	This is for CPAs to distribute to clients, the business community, and the general public to explain quality control standards and peer review.
<i>Why You Should Join the Private Companies Practice Section (1985)</i>	brochure	This provides information to practicing CPAs about the benefits and requirements for membership.

\* The paperback volumes are an integral part of the looseleaf peer review manuals.

## **K. Conferences**

A PCPS Conference is sponsored annually in the spring to provide PCPS members and others with information on professional and technical developments that directly relate to practices of local and regional accounting firms. The division usually sponsors a full-day course on conducting peer reviews immediately following the conference.

## **VIII. Assistance Available to State Societies**

- A. Staff and committee members are available to speak about the Division for CPA Firms and peer review at state society meetings.
- B. They provide guidelines on administering a Peer Review Program of the Division for CPA Firms.
- C. They distribute materials (speeches, articles, brochures, etc.) to help state societies promote membership in the division to its members.

## **IX. Guidelines for State Society Involvement in the Peer Review Program**

### **A. Objective**

To enable state societies to become involved in and/or cooperate in the administration of the peer review program of the AICPA Division for CPA Firms.

### **B. Limited Involvement**

Some state societies, because of their size, population, or other reasons, may not wish to become fully involved in administering the program. These states may wish to advance the program through other means, such as by:

1. sponsoring articles and speeches on quality control and the peer review program;
2. encouraging firms to participate in the program through promotional efforts;
3. offering CPE programs on the subject of quality control;
4. encouraging capable state society members to qualify as reviewers in the program;
5. suggesting qualified reviewers for use in the program.

### **C. Full Involvement**

State societies that wish to administer peer reviews should note the following requirements:

1. Prior to commencing peer reviews, a state must submit a "plan of administration" to the applicable section's peer review committee for approval. The plan should delineate the procedures that the state society will follow in administering the peer review program.
2. State society sponsored reviews must be conducted in accordance with the plan of administration approved by the committee and with the applicable section's "Standards for Performing and Reporting on Peer Reviews."

3. Triennially, the state society must submit its procedures for administering the peer review program to a review by an independent reviewer. The initial review should be performed during the third year that the state society is involved in the peer review program.

**D. Administration\***

A state society that wishes to administer peer review should establish a quality control review committee. The committee should be responsible for the following:

1. developing the plan of administration;
2. developing and maintaining the pool of reviewers;
3. scheduling the reviews and selecting the reviewers;
4. training and evaluating the reviewers;
5. determining that reviews are conducted in accordance with SECPS guidelines;
6. resolving disagreements that may arise between a reviewed firm and the state society reviewers, and reporting unresolved disputes to the section's peer review committee;
7. maintaining files containing information on peer reviews administered by the state society (such files would normally include data regarding the qualifications of reviewers, a list of firms reviewed, reviewers on each review, and dates of the reviews, and the review team working papers retained in accordance with the section's requirements);
8. coordinating the state society program with the section's peer review committee.

---

\* The preceding section has been excerpted from the *PCPS Peer Review Manual* and the *SECPS Manual* (1986 eds.).



## EXAMINATIONS DIVISION

### I. Objective

To prepare the Uniform CPA Examination and operate the Advisory Grading Service.

### II. Staff

Twenty employees: seven CPAs (director, assistant director, and five individuals engaged in test construction), psychometrician, systems and security coordinator, five permanent grading individuals engaged in supervising and supporting grading activities, and six individuals engaged in examination production and clerical support functions.

#### Key Staff Contacts:

James D. Blum, director, (212) 575-6495

Steven Rubin, assistant director, (212) 575-6499

### III. Assistance Available to State Societies

Elijah Watt Sells Awards are presented to those CPA candidates who take all four sections of the Uniform CPA Examination at one time and receive the highest grades. In February and August (following the November and May CPA Exams), the division notifies state society executive directors of the award winners in their states, and offers to send the societies the engraved certificates for the CPA candidates who are receiving awards. State societies interested in presenting the certificates during award ceremonies in their states should contact the Examinations Division within a month from the time they are notified.

### IV. Division Activities

- A. The division prepares content specifications, questions and answers, and grading guides for each examination. These are submitted to the board of examiners for approval.
- B. It maintains tight security during all phases of preparing, editing, reviewing, proof-reading, and storing of examination materials.
- C. It grades the Uniform CPA Examination for the 50 states, Guam, Puerto Rico, Virgin Islands, and District of Columbia. This licensing examination is administered every May and November.
- D. **Publications**
  1. *CPA Examinations*—Semiannual Volumes  
Each volume contains the complete text of the most recent CPA examination, along with unofficial answers and study references.
  2. *CPA Examination Questions and Unofficial Answers Indexed to Content Specification Outlines*—Annual Volume.  
Each annual volume contains the latest 10 examinations indexed to content specification outlines.

### 3. *Information for CPA Candidates*

This booklet is intended to help candidates prepare for and write the Uniform CPA Examination by explaining the examination's purpose, objectives, format, construction, and grading.

## V. **Relevant Statistics**

A. **Grading statistics**—Approximately 200 CPAs and attorneys are hired to grade the examination along with 140 clerical support staff. The grading process for each examination takes about 2½ months.

### B. **Candidate Statistics**—

	<u>Number of Candidates</u>	<u>Number of Papers</u>
November 1986	72,400	261,300
May 1986	67,300	240,900

# STATE LEGISLATION DEPARTMENT

## I. Objectives

To work closely with state societies on accountancy legislation that protects the interests of all practitioners and the general public, and to provide a national perspective on state legislative and regulatory matters.

## II. Staff

Four employees: technical manager, two technical advisors, and a secretary.

### Key Staff Contacts:

Ralph N. Villanova, technical manager, (212) 575-6210

Kenneth R. Jackson, technical advisor, (212) 575-6458

Juliette-Rose Garvey, secretary, (212) 575-3860

## III. Assistance Available to State Societies

- A. The department provides analysis of proposed legislation and rules and regulations.
- B. It conducts bill drafting and amendment services to accomplish legislative or regulatory objectives.
- C. It researches materials on subjects such as two-tier licensing, education, and experience requirements, continuing professional education requirements by state, etc.
- D. It holds legislative workshops and gives advice on conducting and planning campaign finance sessions.
- E. It provides advice and counsel on political action committees, legislative programs, key man programs, and sunset reviews of state accountancy laws.

## IV. Publications

### Title

### Audience/Purpose

*Legislative Report*

This newsletter keeps CPAs, state society executive directors, state board members, and others informed about events and trends in state regulation of the profession.

*The Key Man Program (1985)*

This tells how state society legislative committees and staff can form and operate Key Man legislator contact and grass roots programs.

*Political Action Committee Handbook* (1985)

This informs state society leaders, including society officers, executive directors, and appropriate committees, of the benefits of forming a Political Action Committee (PAC).

*Campaign Treasurer's Handbook* (1981)

This helps campaign treasurers and managers of state and local campaigns ensure that they are meeting state political financing laws.

*Manual for State Legislative Programs* (1982)

This provides basic information and suggestions for state legislation committees to use when forming and operating a state legislative program.

*AICPA/NASBA Digest of State Accountancy Laws and State Board Regulations* (1987)

This is for use by practitioners, accounting firm administrators, and accounting libraries. This book presents a synopsis of state accountancy laws and state board regulations on licensing requirements, reciprocity, and CPE requirements.

*Brief Questions and Answers About CPAs* (1985)

This is for distribution by state CPA societies to state legislators. The pamphlet describes the licensing procedures for CPAs and can be used to obtain legislators' support for the regulatory system espoused by the profession.

*AICPA/NASBA Model Public Accountancy Bill* (1984)

This serves as a guide for state societies and boards of accountancy in formulating accountancy legislation.

## **V. State Campaign Finance and Disclosure Sessions**

A suggested program and helpful ideas for holding state campaign financial disclosure sessions have been developed for presentation before audiences of candidates, campaign treasurers, and political action committees. The program package contains information on legally required reporting on campaign finances, and describes the accounting procedures and controls that could be of assistance in maintaining compliance with state campaign finance laws.

## **VI. Conferences**

A national conference on state regulation of the profession is held as needed, usually every other year. The three most recent conferences were jointly sponsored with the National Association of State Boards of Accountancy. State society executive directors and presidents, state board of accountancy members and staff, and others concerned about the regulation of the profession are encouraged to attend the conference.

## **VII. Committee and Area Planning Subcommittees**

- A. The State Legislation Committee serves the public interest by seeking consistency in state accountancy legislation and regulation. It identifies and studies the use of CPA services by state governments, and advises AICPA senior technical committees and state society legislation committees on relevant matters with the view of encouraging the most effective utilization of the capabilities of CPAs. It has 16 members and meets three or four times each year.
- B. Area planning subcommittees of the State Legislation Committee were formed to serve as a forum for the dissemination of legislative information and to foster cooperation among the state CPA societies and the AICPA State Legislation Committee. Approximately 150 people serve on the five subcommittees, which meet twice annually, usually in May and November. The subcommittees are as follows:
  - 1. Area I — Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.
  - 2. Area II — Alabama, Delaware, District of Columbia, Florida, Georgia, Kentucky, Maryland, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, Virgin Islands, Virginia, and West Virginia.
  - 3. Area III — Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.
  - 4. Area IV — Arkansas, Louisiana, New Mexico, Oklahoma, and Texas.
  - 5. Area V — Alaska, Arizona, California, Colorado, Guam, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming.

## **VIII. Requests for State Society Input**

- A. Letters are sent to state society presidents (copies to executive directors) in July requesting two nominations from each state to serve on a state legislation area planning subcommittee for the committee year which commences in October. Nominations should be received by the State Legislation Department by July 31.
- B. Monthly questionnaires are sent to state society executive directors and state society legislative committee representatives when the state's legislature is in session. The responses help the AICPA monitor state legislative developments and facilitate staff identification of national trends in accountancy-related legislation.
- C. At times survey forms concerning important aspects of regulation of the profession are mailed to state CPA societies. Responses are tabulated, interpreted, and become part of the State Legislation Department's issue files.



# **CONTINUING PROFESSIONAL EDUCATION DIVISION**

## **OVERVIEW**

### **I. Objectives**

- A. To assure the development and delivery of appropriate and timely programs of high quality and value to serve the ongoing education needs of the membership.
- B. To provide leadership in curriculum and program development.

### **II. Staff**

Approximately 83 individuals work in five departments of the CPE Division:

Administration

Course Development

Marketing

Operations

Accounting

## CONTINUING PROFESSIONAL EDUCATION DIVISION

### I. Administration

#### A. Objective

To administer comprehensive continuing professional education programs in a manner consistent with AICPA standards of quality and value.

#### B. Staff

Five employees: vice president, financial analyst, market trend research manager, executive secretary, and receptionist.

#### Key Staff Contacts:

Kenneth J. Kerin, group vice president, (212) 575-6471

Lorrin Philipson, market trend research manager, (212) 575-5402

#### C. Conferences

Annual CPE Conference held in July/August. (See page 55.)

#### D. Committees

1. The objective of the CPE Executive Committee is to establish policies for the constituent committees and the Continuing Professional Education Group. Composed of 12 members, the committee meets four times a year in March, June, September, and December. In addition, representatives of the Executive Committee meet throughout the year with members of Certified Public Accountants/Society Executives Association (CPA/SEA) in order to strengthen the service relationship between the division and the state societies.

2. The National Curriculum Subcommittee oversees the implementation and revision of a national curriculum.

#### E. Documents

The department provides various communications to state society leadership in respect to emerging issues and specific projects of the division (e.g., National Curriculum Project).

#### F. Requests for State Society Input

State societies are frequently called upon for input on division projects, such as the development of the CPE Mission Statement. In addition, at the July 1986 CPE Conference, state society leadership was asked for input on the implementation of the National Curriculum Project.

### II. Course Development

#### A. Objective

To develop quality continuing professional education programs and materials that members need in order to maintain and improve their professional skills.



## B. Staff

Twenty-three employees: two directors, five administrative managers, five project managers, five technical editors, two instructional designers, and four support staff.

### Key Staff Contacts:

Ronald Ledwith, director, Self-Study/Video/Conferences, (212) 575-5261

## C. Assistance Available to State Societies

1. The department gives guidance on the implementation of the *CPE Statement on Standards for Formal Group and Formal Self-Study Programs*.
2. The department provides the National Curriculum (1987) to state societies.

## D. Publications

### Title

### Audience/Purpose

*Statement on Standards for Formal Group and Formal Self-Study Programs (1976)*

This is pertinent to those involved in CPE for CPAs. It's a statement of minimum standards to insure that CPAs receive quality CPE.

## E. Subcommittee

1. The objectives of the EDMAX (Educational Materials Exchange) Subcommittee are to study and promote the exchange of CPE materials and methodologies, and to recommend policy for the operation of the AICPA materials exchange library. In accordance with the "Principles of Operations," the composition of the subcommittee includes one representative from state societies that are members of EDMAX. The subcommittee meets two times a year, usually in June and November.

## F. Contracts/Agreements

- Brokering agreement for state society-developed, instructor-independent courses
- Cooperative Marketing Agreement—CPE Year 87-88

## G. Documents

The department provides various communications to state society staff on CPE committees with respect to issues on individual courses or course evaluation forms.

## H. Requests for State Society Input

Occasionally the CPE Division course development staff may call upon the state societies or a particular committee of the societies to assist with the assessment of course materials. This may be done to determine the appropriateness of materials for a special group, to determine accuracy of materials, to help isolate the best source for fulfilling a certain need, or when trying to meet a time constraint for review of voluminous materials.

Approximately 100 titles need reviews. To accomplish this through individual reviewers would be administratively time-consuming, and reviewer resources would be quickly depleted. With help from the state societies, the task can be accomplished effectively and efficiently using existing expertise.

## **I. Other Liaison Activities**

The department provides communication with state societies regarding seminars in which societies select discussion leaders who use AICPA-prepared course materials.

## **III. Marketing**

### **A. Objectives**

1. To provide state societies and members with course information.
2. To conduct market research in order to identify member needs.
3. To develop market strategies and promotional materials.
4. To act as a liaison with state society leadership in order to strengthen distribution of CPE courses.
5. To assure acceptance of the national curriculum.

### **B. Staff**

Nine employees: two managers, five coordinators, and two support staff.

#### **Key Staff Contacts:**

Nola Hague, manager, state society marketing, (212) 575-5582

Claudia Ascione, manager, direct mail marketing, (212) 575-6229

Vicky Fernandez, coordinator, (212) 575-5473

Wendy Rand, coordinator, (212) 575-6643

Gail Smolar, coordinator, (212) 575-3816

### **C. Assistance Available to State Societies**

1. The department provides direct and indirect marketing assistance.
2. It provides direct mail promotional materials, including mailing lists and catalogs.
3. It promotes seminars and conferences.
4. It provides a "Hot Line" for state society CPE staff and one for member leaders.

### **D. Contracts/Agreements**

- In-House Agreement governs the sale of AICPA CPE courses and materials through state societies to firms
- Various licensing agreements permit the nonexclusive distribution of state society-developed courses by the AICPA
- Cooperative Marketing Agreement—CPE Year 87-88

## E. Publications

### Title

### Audience/Purpose

#### *Seminar Catalog*

Published annually in April, this catalog aids members in selecting courses to meet continuing education requirements. It is distributed to selected practitioners, state society CPE administrators, and by individual request.

#### *Self-Study Video/Interactive CPE Catalog*

This lists and describes over 200 AICPA self-study video and computer interactive courses available to the profession. It is published annually in April and distributed to state society CPE administrators and firm users of self-study (sole practitioners, partners, and employees of firms in B states only), in addition to members in industry (president, vice president, assistant treasurers, and controllers), and educators (nonexclusive states only).

#### *Public Presentation Planning Handbook*

Published annually in July, the *Handbook* is a resource to be utilized in planning, administering, and promoting public presentation of group-study courses. Copies are sent to CPE administrators and are distributed to committee members and other staff involved in CPE planning.

## F. Conference

The annual CPE Conference is held in July or August. It is attended by state society executive directors, CPE administrators, and CPE committee members.

## G. Subcommittee

The objective of the CPE Marketing and Distribution Subcommittee is to recommend administrative policies and procedures for the promotion, scheduling, and distribution of CPE programs, and to suggest ways to strengthen the service relationship between the CPE Division and the state societies. Composed of 12 members including state society executive directors and CPE directors, the subcommittee meets three times a year in November, April, and September.

## H. Documents

1. The department provides various communications to state society executive directors relating to policies, pricing, promotional campaigns, and conference activities.
2. Minutes and agendas of Marketing and Distribution Subcommittee meetings are provided for state society executive directors, CPE administrators, and committee chairmen.

## **I. Requests for State Society Input**

1. During the fall planning cycle, requests are made for states to inform the department of course seminar listings for inclusion in CPE catalog and group-study promotional material.
2. Other issues of concern to state societies may be brought to the attention of the Marketing and Distribution Subcommittee.

## **J. Other State Liaison Activities**

1. The department visits state society offices to meet with CPE staff and various committee members to brief state society leadership on curriculum and objectives for new and existing courses.
2. The department participates in state and regional CPE planning sessions in order to provide assistance in planning course schedules and developing promotional material.

## **IV. Operations**

### **A. Objectives**

1. To maintain high standards of quality in production of programs.
2. To maintain high standards of service to members in order processing, fulfillment, faculty recruitment, evaluations processing, and the grading of self-study course tests.
3. To ensure proper monitoring of divisional budgets and financial analysis.

### **B. Staff**

Thirty-four employees: director, four managers, assistant manager, five supervisors, four coordinators, two production schedulers, six editorial production staff, three clerical support staff, and eight course assembly staff.

#### **Key Staff Contact:**

Mary Anne Tait, director, (212) 575-5660

### **C. Activities**

- Editorial production
- Materials management
- Inventory maintenance
- Production scheduling and shipping
- Faculty administration
- Course evaluations processing and analysis
- Grading of self-study product exams
- Course materials assembly

**D. Assistance Available to State Societies**

1. The department provides assistance in familiarizing new state society CPE personnel in course ordering procedures.
2. It provides guidance in selecting discussion leaders for seminars.
3. It maintains group course evaluation records and disseminates course quality ratings to state societies.

**V. Accounting**

**A. Objective**

To plan and account for all revenues and expenses of the division.

**B. Staff**

Nine employees: director, secretary, financial analyst, accounting supervisor, senior bookkeeper, accounts receivable clerk, program analyst, and two computer operators.

**Key Staff Contact:**

Robert Boos, director, (212) 575-6242

**C. Activities**

- Revenue and expense reports
- Product pricing
- Financial analysis
- Accounts payable/accounts receivable
- Inventory perpetual records
- Contract maintenance

**PUBLICATIONS DIVISION**

	<b>Page</b>
<i>Journal of Accountancy</i> .....	59
<i>The Tax Adviser</i> .....	61
Editorial—Newsletters .....	62
Production and Editorial Services Department .....	63
Promotion Department .....	64

# JOURNAL OF ACCOUNTANCY

## I. Objectives

- A. To keep members of the Institute and other readers, including business and governmental executives and academics, as well as accountants who are not members of the Institute, informed of the latest technical and professional developments that affect the accounting profession.
- B. To deal with materials at the cutting edge of current professional thought in accounting, auditing, taxation, MAS, and practice management, and to help readers sort out the confusing technical and theoretical issues and problems of the day.

## II. Staff

A director of publications has responsibility for the overall management of the *Journal of Accountancy*, *The Tax Adviser*, and other AICPA newsletters.

Twenty-four employees: editor, executive editor—news, four senior editors, technical editor, two assistant editors, two contributing editors, production manager, production supervisor, two production associates, art coordinator, word processing coordinator, advertising manager, advertising sales representative, advertising production coordinator, classified advertising correspondent, and three secretaries.

### Key Staff Contacts:

Robert P. Rainier, director, (212) 575-6264

Bill Liebttag, executive editor—news, (212) 575-6275

Alexandra D. Coclin, production manager, (212) 575-5518

Richard J. Flynn, advertising manager, (212) 575-6286

## III. Selection of Articles

- A. Close to 50 professional accountants assist the editors of the *Journal of Accountancy* in selecting material of high quality for publication. This group of editorial advisers includes accounting practitioners from firms of varying sizes, accountants in industry and education, and accountants with expertise in various accounting specialties.
- B. Manuscripts submitted to the *Journal* are acknowledged by the editors and forwarded to at least three reviewers.
- C. Major articles of the *Journal* should have broad appeal and should focus on practical applications. The elements considered in a reviewer's evaluation include readability, technical soundness, originality, and interest to readers.

#### **IV. Relevant Statistics**

- A. The *Journal* is published monthly.
- B. Its circulation is more than 286,000.
- C. Over 43 percent of the *Journal's* readers are in public practice and nearly 38 percent are in industry. The remainder consists of governmental executives and students.

#### **V. Mailings to State Societies**

State society executive directors and/or presidents are on the complimentary list for the *Journal*.



# THE TAX ADVISER

## I. Objectives

- A. To keep practitioners informed of the latest technical professional developments in federal taxation.
- B. To provide a practical and sophisticated approach in dealing with specific tax problems and planning opportunities.

## II. Staff

Four employees: editor, associate editor, managing editor, and support staff member.

### Key Staff Contacts:

Nicholas J. Fiore, Esq., editor, (212) 575-6314

Sandra K. Lewis, Esq., associate editor, (212) 575-6315

Debra Weingarten, managing editor, (212) 575-6313

## III. Selection of Articles

- A. More than 25 tax professionals assist the editors of *The Tax Adviser* in selecting material of high quality for publication. This group of editorial advisers includes tax accountants, lawyers, and professors, with both general and specialized tax knowledge and expertise.
- B. Manuscripts submitted to *The Tax Adviser* are acknowledged by the editors and reviewed by an editorial adviser.
- C. Major articles in *The Tax Adviser* should be fairly technical and should focus on practical applications. The elements considered in a reviewer's evaluation include technical accuracy, readability, originality, and interest to readers.

## IV. Relevant Statistics

- A. *The Tax Adviser* is published monthly.
- B. It has a circulation of approximately 25,000.
- C. Over 60 percent of *The Tax Adviser's* readers are in public accounting practice. The remainder are in law, industry, government, and education.

## **EDITORIAL—NEWSLETTERS**

### **I. Specific Activities**

The department is responsible for the design, preparation, and production of two newsletters:

#### **A. *CPA Client Bulletin***

This is a monthly four-page newsletter available in bulk to CPAs for distribution to their clients. It is directed to small business interests and individual clients, and includes items on management, government regulations, and taxes of particular interest to the smaller client. The cost is \$144 per year for a minimum order of 50 copies; \$36 per year for additional lots of 25. Imprinting of firm names is also available.

Circulation: 7,700 practice units that distribute nearly 1 million copies to small business clients.

#### **Key Staff Contact:**

Art Lodge, editor, (212) 575-6277

#### **B. *The Practicing CPA***

This is an eight-page monthly newsletter sent to all practice units represented in the AICPA and to individual members upon request. It deals primarily with practice management issues and practical applications of professional standards for local practitioners.

Circulation: 55,000 practice units and members.

#### **Key Staff Contact:**

Graham Goddard, editor, (212) 575-6278

### **II. Mailings to State Societies**

Both newsletters are sent to state society executive directors.

# **PRODUCTION AND EDITORIAL SERVICES DEPARTMENT**

## **I. Objective**

To oversee the production of audit guides, research monographs, special reports of committees and task forces, statements on standards, statements of position, directories, and other publications from manuscript to final (published) form.

## **II. Staff**

Eleven employees: administrator, production manager, senior production associate, editor, two assistant editors, four production associates, and secretary.

### **Key Staff Contacts:**

Katharine Coveleski, administrator, (212) 575-6260

Robert DiCorcia, production manager, (212) 575-6261

## **III. Activities**

- A. The department provides editorial and rewrite services for manuscripts in the preliminary draft stage. It also copyedits and designs formats for final manuscripts.
- B. It prepares basic manufacturing specifications for competitive bids on typesetting and printing, and suggests appropriate vendors.
- C. It schedules publications and handles trafficking of documents through various stages of the manufacturing process—typesetting, printing, binding, and delivery.
- D. It marks up manuscripts for typesetting, proofreads galleys and pages, does layouts, and checks blueprints.
- E. It monitors costs throughout processing and maintains quality control at all stages.
- F. It provides timely information to the promotion department, to the editors of newsletters and magazines, and to the purchasing, inventory control, customer service, and shipping departments.
- G. It develops and acquires publications that serve member needs.
- H. It administers AICPA rights and permission policies.

## **IV. Relevant Statistics**

Between 60 and 70 new titles are produced each year, and there are between 80 to 90 reprints of inventory items.

## **PROMOTION DEPARTMENT**

### **I. Objectives**

- A. To plan and prepare programs and materials to promote the sale of all AICPA magazines, subscription services, and other publications.
- B. To promote attendance at AICPA and CPE conferences and seminars.
- C. To promote and control the commercial use through rental of AICPA mailing lists by companies and other organizations.
- D. To coordinate all bulk mailings made by the AICPA.

### **II. Staff**

Six employees: manager, supervisor, graphics designer, production associate, and two support staff.

#### **Key Staff Contacts:**

Julia Esposito, manager, (212) 575-6283

Mark A. Rescigno, list sales coordinator, (212) 575-3896

### **III. Activities**

- A. The department writes folders, brochures, self-mailers, booklets, letters, display advertisements, order forms, etc., for use in the promotion of AICPA products, services, and meetings.
- B. It designs all the above materials.
- C. It plans and follows up on the production of the above materials.
- D. It plans and supervises the distribution of the above materials.
- E. It budgets and analyzes the effectiveness of specific promotion programs.
- F. It manages and supervises mailing list rental activity.
- G. It provides design and copywriting services for all AICPA divisions and departments.
- H. It schedules and manages all AICPA bulk mailings.

# INDUSTRY AND PRACTICE MANAGEMENT DIVISION

## I. Staff

Seven employees: director, manager (MAP), technical manager, two MAP project administrators, and two support staff. In addition to programs on practice management and those for industry members, staff is also responsible for minority business development.

### Key Staff Contacts:

Nancy Myers, director, (212) 575-6436

Robert Gannon, manager (MAP), (212) 575-3826

Thomas Lemmon, technical manager, (212) 575-6439

Stephanie Weinstein, MAP project administrator, (212) 575-7062

Anita Meola, MAP project administrator, (212) 575-6437

## II. Practice Management

### A. Objectives

1. To assist practice units in providing high-quality service to the public.
2. To assist members in improving the operation of their practices, and achieving the profit objectives of their firms.
3. To encourage greater appreciation of the importance of management in achieving a firm's goals.
4. To promote a positive image of CPA firms among the business community and the general public.

### B. Assistance Available to State Societies

The division provides help in planning and administering MAP programs (i.e., MAP conferences and roundtables).

### C. Publications

<u>Title</u>	<u>Form</u>	<u>Audience/Purpose</u>
<i>Management of an Accounting Practice Handbook</i> (updated annually)	Three vols.; looseleaf subscription service	This offers CPA practitioners techniques, tested procedures, and expert advice that will help them operate their practices more effectively. Cost for members is \$155 for the complete handbook and \$44 for the 1987 supplement.

<i>MAP Selected Readings</i> (1985, 1986, and 1987)	Soft cover subscription service	These readings were selected from leading CPA periodicals and other professional, business, and international magazines. This companion book to the <i>MAP Handbook</i> includes articles on all aspects of practice management. The cost to members is \$35.
<i>MAP Roundtable Discussion Guidelines</i> (1980)	Six-page manual and discussion outlines	This manual aids practitioners in establishing and operating a MAP Discussion Group. It covers administrative matters and suggests topics for roundtable discussions. To guide the group in their discussions, outlines on over 20 MAP topics are available.
<i>Services for Local Practitioners</i> (1987)	brochure	This describes AICPA services offered to members. It is distributed to state societies and mailed to members on request.
<i>Choosing the CPA Firm That's Right for You</i> (1980)	brochure	Distributed to colleges, state societies and firms, this local firm recruiting brochure reminds professors and students that local firms offer interesting, challenging careers.

#### D. Conferences and Seminars

1. The division sponsors two annual three-day practice management conferences. State societies in states in which the conferences are being held have the option of cosponsoring the conference with the Institute.
2. A small firm conference is offered twice a year, in the summer and fall, at different sites. The conference program has the greatest appeal for sole practitioners and firms with two or three partners. This conference is also available for cosponsorship.
3. An annual meeting with state society MAP committee chairmen and executive directors is held in July. Information on current AICPA and state society activities is exchanged.
4. An annual seminar for marketing directors and practice development partners is held in June. The seminar offers marketing and practice growth topics.

#### E. Local Firm Management Consultation Program

This program offers firms consultation on ways to improve their practices. A confidential two-day consultation is conducted by two CPAs with firm management responsibility. Total cost for a consultation is \$1,700.

#### **F. Other Division Activities**

1. The division serves as a clearinghouse of information for firms looking for assistance on developing capability brochures, client newsletters, and other printed material.
2. It responds to practice management inquiries from members.
3. A task force recommends services for the special needs of minority-owned firms.
4. The division implements various other practice management aids. Two aids currently being developed are a publication on starting a practice, and a self-study program dealing with the impact of the 1986 Tax Reform Act on firm management. In addition, the division put together a registry this year for firms that want to participate in joint venture engagements. A book based on the Symposium on the Future for Firms will be published this year.

#### **G. Committee**

The AICPA MAP Committee assists members of the Institute in the effective operation of their professional firms and promotes high standards of practice management in CPA firms.

#### **H. Requests for State Society Input**

Members and staff of the AICPA MAP Committee request state society MAP committee chairmen to provide them with information on state society programs.

### **III. Industry**

#### **A. Objectives**

1. To help define the role of the AICPA in regard to members employed in industry.
2. To increase participation of industry members in AICPA affairs.
3. To help improve the technical and managerial skills of members in industry.
4. To promote an integrated profession.

#### **B. Assistance Available to State Societies**

The division provides counsel on initiating and planning programs for state society members employed in industry.

#### **C. Publication**

The *AICPA Industry Member Forum Manual* is sent periodically to state society executive directors and chairmen of industry committees. It describes a program designed to encourage better communication among members through local, informal discussion groups.

#### **D. Conferences**

1. The division sponsors the National Conference for CPAs in Industry. This two-day conference focuses on a wide range of technical, professional, and management subjects. The conference has been specially developed to help financial executives in industry achieve greater professional success in today's business environment. The conference is usually held in the spring.

2. It also sponsors an annual conference of state society industry committees. The conference is held in the spring, immediately prior to the National Industry Conference. It provides a forum for state industry committee chairmen, executive directors, and other staff members to exchange information on current AICPA and state society activities.

#### **E. Committees**

The Industry Committee advises other committees and boards of the interests and needs of industry members and implements programs for this segment of the membership. One state society executive director is appointed to serve on the Industry Committee as a consultant.

#### **F. Other Activities**

1. The division encourages the appointment of more industry members to Institute committees. It seeks to encourage more industry members to become involved in state society activities as well.
2. The division works with the CPE Division on developing more CPE courses of interest to members in industry.
3. The Industry Committee has commented on the AICPA Plan to Restructure Professional Standards and has contributed to the Institute's response to the recommendations of the National Commission on Fraudulent Financial Reporting.

### **IV. Upward Mobility of Women in Accounting Special Committee**

#### **A. Objective**

To recommend strategies to the AICPA board of directors to strengthen the upward mobility of women in the profession.

#### **B. Requests for State Society Input**

State societies will be asked for comments and recommendations on the issue.

#### **C. Committee Report**

This was submitted to the board of directors for consideration at its September 1987 meeting.

### **V. Minority Business Development**

#### **A. Objectives**

1. To promote the establishment and successful operation of minority-owned businesses.
2. To organize AICPA positions and activities relating to minority businesses.
3. To publicize AICPA minority business programs to the general public and business community.



## **B. Assistance Available to State Societies**

1. The division provides help in implementing a Minority Small Business Consultation Program on the state level, including guidelines on selecting minority business owners to participate in the program, and providing coordination between the state society and local Small Business Administration (SBA) office. A manual providing this information was developed for state societies and sent to them in August 1984.
2. It provides information and speakers on available federal minority business assistance programs.

## **C. Publications**

1. The *Business Information Guide* was developed in 1972 (updated in 1980 and 1984) to provide a set of guidelines to those who plan to start or already own a small business. Principal sections deal with starting a business, records, chart of accounts, business statements, taxes, using outside help, computers for small businesses, and business words.
2. The *MBE (Minority Business Enterprise)* newsletter is sent quarterly to minority business owners providing them with financial and management information to help them run their businesses successfully.

## **D. Committee**

The Minority Business Development Committee assists state societies and members in organizing and implementing programs to provide accounting assistance to minority business persons. Members of the committee are willing to address state society groups about federal minority business assistance programs.

## **E. Requests for State Society Input**

State societies that participate in the Minority Small Business Consultation Program will be asked to inform the Minority Business Development Committee of the results of their programs so that the AICPA can disseminate the results to all participating parties and modify the program as needed.

# LIBRARY SERVICES DIVISION

## I. Objectives

- A. To provide information service to AICPA members by lending material, such as books and journals, providing photocopies, preparing bibliographies on requested topics, and answering quick research requests.
- B. To support accounting research through compilation and production of the *Accountants' Index*.

## II. Staff

Twenty employees: 10 professional librarians and 10 support staff.

### Key Staff Contacts:

Karen Neloms, director, (212) 575-6319

Lillian Rosenfeld, librarian, (212) 575-6320

Linda Pierce, editor, *Accountants' Index*, (212) 575-6326

## III. Hours

9 a.m. to 5 p.m. Monday through Friday, except Tuesday, when library opens at 10 a.m.

## IV. Telephone

United States: (800) 223-4155

New York State only: (212) 522-5434

## V. Assistance Available to State Societies

The library extends to state society staff the same privileges as to AICPA members (i.e., lending, bibliographies, and quick research).

## VI. Publications

- *Accountants' Index* (quarterly with annual cumulations)—the *Accountants' Index* database (1974 to current) is available for on-line searching through SDC Information Services
- *AICPA Library Acquisitions List* (monthly)
- *AICPA Library Guide*, 1983 rev. ed.
- *Accountants' Index Master List of Subject Headings*, 1986 ed.
- *AICPA Library Classification Schedule*, 1986 ed. (plus 1987 revised pages)

## **VII. Relevant Statistics**

### **A. Collection Size**

- 69,000 catalogued pamphlets
- 23,000 books and bound journals
- 800 current periodical subscriptions
- 1,200 periodical titles
- 81,200 microfiche U.S. and international annual reports

**B.** The division has access to hundreds of databases on the Dialog, BRS, SDC Information Services, and Mead Data Central systems.

**C.** The division handles 100–120 telephone requests daily; assists 50–55 visitors to the library daily; and lends over 60 items per day.

**D.** All items listed in *Accountants' Index* are located in the AICPA library.

## **INSURANCE PLANS**

### **I. AICPA Insurance Trust**

The Insurance Trust was created by the American Institute of CPAs in 1947, and is operated under the direction of an Insurance Committee appointed by the Institute's board of directors. The trust makes available term life insurance, accidental death and dismemberment insurance, and long-term disability income.

### **II. Three Plans Are Available Under the Trust**

#### **A. CPA Plan**

This plan provides up to \$500,000 of term life insurance plus accidental death and dismemberment coverage for eligible state society members who are also members of the Institute. Members may begin or increase their participation in the CPA Plan on October 1 and April 1.

Fifty-four state societies currently sponsor the plan.

#### **B. Long-Term Disability Income Plan**

This plan provides insurance protection for individual members of the AICPA against what can be severe economic consequences of prolonged disablement. With a \$500 to \$5,000 range of monthly benefits, the Long-Term Disability Income Plan may be used by eligible members as either supplementary coverage to strengthen existing arrangements or as a basic plan of disability.

#### **C. Group Insurance Plan**

This plan provides up to \$200,000 of term life insurance plus accidental death and dismemberment benefits on an employee benefits program basis. Participants are public accounting firms that use the plan to cover proprietors, partners, firm members, and employees. Dependent coverage is also available on an optional basis, as well as provisions for payment of premiums on disability of the subscriber.

#### **D. Spouse Life Insurance**

This plan is available to CPA Plan participants. It provides the same benefits as the CPA Plan for the member's spouse.

### **III. Plan Agent**

Rollins Burdick Hunter Co.  
605 Third Avenue, New York, NY 10158

For information, telephone:

CPA Plan (800) 223-7473  
Long-Term Disability Income Plan (800) 221-4722  
Group Insurance Plan (800) 221-3019  
New York State, call collect (212) 661-9000

#### **IV. Underwriting Insurance Company**

The Prudential Insurance Company of America

#### **V. Professional Liability Insurance Plan**

##### **A. Broker and Administrator**

Rollins Burdick Hunter Co. is both the insurance broker and administrator for the AICPA Professional Liability Insurance Plan.

##### **B. Underwriter**

Crum and Forster Insurance Companies, with assets over two billion dollars, is the underwriter and has made a long-term commitment to the AICPA to provide a stable market for professional liability insurance.

##### **C. Basic Protection**

The policy provides protection for compensatory damage arising from professional services performed for others by one acting in the capacity of a professional accountant through:

1. neglect, error or omission;
2. misrepresentation, dishonesty, or fraud, except if made with affirmative dishonesty or actual intent to deceive or defraud;\*
3. civil libel, slander, or defamation of character, except if committed in bad faith.

##### **D. State Society Involvement**

The Institute asks state societies to endorse the AICPA professional liability insurance plan. If a state society does so, the endorsement is mentioned in promotional material sent to AICPA members in that state. The AICPA promotes its insurance program to its members in all states.

---

\* As to these exceptions, defense coverage is provided to the point of legal judgment.

## **BENEVOLENT FUND**

### **I. Objective**

To help members, former members, and their immediate families through periods of financial difficulty by administering the donations received from AICPA members.

### **II. Requests for State Society Input**

If state society staff knows of an AICPA member, former member, or family in need of financial assistance (other than a scholarship or business loan or due strictly to unemployment), they should contact Steve Gutmore, director of Member Programs, at (212) 575-3659.

### **III. Reports**

A copy of the last annual report filed with the New York State Board of Social Welfare may be obtained upon request by writing to:

AICPA Benevolent Fund, Inc.  
1211 Avenue of the Americas  
New York, New York 10036

or

New York State Board of Social Welfare  
Office Tower, Empire State Plaza  
Albany, New York 12242

Information on fund procedures and operations may be obtained by writing or calling:

Director of Member Benefits  
AICPA Benevolent Fund, Inc.  
1211 Avenue of the Americas  
New York, New York 10036  
(212) 575-3659

## ANNUAL DUES

	<u>Length of Time CPA Certificate Held</u>	<u>Dues Schedule</u>
1. <b>Partners, Practitioners, and Shareholders/Officers</b> —Members at the beginning of the fiscal year who are engaged in public accounting practice as partners, individual practitioners, or shareholders/officers of professional corporations formed to practice public accounting.	Three years or less	\$ 70
	Three to six years	\$100
	Six to 10 years	\$130
	Over 10 years	\$170
2. <b>Educators and Government</b> —Members whose principal occupation at the beginning of the fiscal year is employment by recognized colleges or universities or by government.	Three years or less	\$ 50
	Over three years	\$ 55
3. <b>Other</b> —Members at the beginning of the fiscal year who are employed as staff accountants or in other occupations not specified in sections (1) and (2).	Three years or less	\$ 50
	Three to six years	\$ 55
	Six to 10 years	\$ 70
	Over 10 years	\$ 75
4. <b>Retired</b> —Members who at the beginning of the fiscal year will have retired from practice or other work and have notified the Institute of these facts.	Retired before 9/1/71	\$ 10
	Retired 9/1/71 to 7/31/75	\$ 15
	Retired 8/1/75 to 7/31/82	\$ 20
	Retired after 8/1/82	\$ 25
5. <b>International Associates</b>		\$ 70





## **FEDERAL GOVERNMENT RELATIONS DIVISION**

### **I. Objectives**

- A. To represent the accounting profession in Washington and assist in the development of a more effective working relationship with leaders in the legislative and executive branches of government.
- B. To provide a better understanding of the role of the public accounting profession in the economy and public affairs at all levels of society.
- C. To determine the appropriate Institute committee to represent the AICPA in specific matters relating to Washington activities.

### **II. Staff**

Six employees, including four CPAs: vice president, three technical managers, and two support staff.

#### **Key Staff Contacts:**

Joseph F. Moraglio, vice president, (202) 737-6600

Karla Chappelle, technical manager, (202) 737-6600

William Holmes, technical manager, (202) 737-6600

Myrna Parker, technical manager, (202) 737-6600

### **III. Assistance Available to State Societies**

- A. The division identifies and contacts on behalf of members federal department and regulatory agency officials, as well as congressional staff aides and the General Accounting Office, on all accounting-related matters except federal income taxes.
- B. It provides information on pending legislation and regulations.

### **IV. Division Activities**

- A. The division maintains a liaison with Congress and the executive branch, and provides technical advice and assistance on legislative and regulatory matters by personal contacts, comment letters, and testimony.
- B. It holds national conferences on banking, current SEC developments, savings and loan associations, credit unions, and federally assisted programs.
- C. It publishes audit guides, statements of position, and suggested guidelines.

## V. Publications

<u>Title</u>	<u>Audience/Purpose</u>
<i>Federal Financial Management: Accounting and Auditing Practices</i> (1976)	This is for use by CPAs performing accounting and auditing functions for government agencies. This study explains in detail how the government budgets, plans, accounts for, and audits federal funds.
<i>Contracting for Audit and Management Advisory Services with the Federal Government</i> (1981)	This is designed to help accounting firms take fuller advantage of this area of professional practice by emphasizing the "how to" aspect of providing audit and MAS services for federal agencies and federal grant recipients.
<i>Federal Grants-in-Aid: Accounting and Auditing Practices</i> (1983)	This explains the general accounting and auditing criteria that most government grantors require.
<i>Compliance with Federal Election Campaign Requirements: A Guide for Candidates</i> (1983)	This is directed to candidates for the U.S. Senate and House of Representatives and their campaign committees. The guide provides information that will help them ensure that their organizations are effectively complying with federal election campaign laws. It covers guidelines for the preparation of a candidate's personal financial statement and tax considerations for candidates and their political organizations.
<i>Federal Conflict of Interest Laws as Applied to Government Services by Partners and Employees of Accounting Firms</i> (1980)	This is a summary of laws and regulations that apply to partners and employees of accounting firms planning to enter public service in the federal government.

## VI. Committees

In addition to the AICPA staff, the Federal Government Relations Division consists of a total of 12 committees that hold about 50 meetings per year. In addition, there are six task forces.

## **COMMUNICATIONS AND STATE SOCIETY RELATIONS DIVISION— WASHINGTON**

### **I. Objectives**

- A. To enhance the working relationship and flow of information between the AICPA Washington office and state society executive directors, presidents, and key person coordinators, AICPA members, and the media.
- B. To develop and implement programs and activities relating to Washington activities to better serve state societies and members.
- C. To coordinate Washington-related programs and activities with the State Society Relations and Public Relations divisions, as appropriate.

### **II. Staff**

Two employees: director and secretary.

#### **Key Staff Contact:**

Jay L. Rothberg, director, (202) 737-6600

### **III. Division Activities**

- A. The division provides state societies with up-to-date information regarding Washington activities and programs.
- B. It works with the director, Political and Legislative Affairs, to contact state society executive directors and key person contacts in relation to the Federal Key Person Program.
- C. It prepares written materials relating to Washington activities for state society use. It also works on getting Washington activities and issues in publications, prepares brochures, and arranges speaking engagements.
- D. It serves as a public relations liaison with state societies and the media in cooperation with the New York office.

## POLITICAL AND LEGISLATIVE AFFAIRS DIVISION

### I. Objective

To monitor, track, and analyze all proposed federal laws, rules, regulations, and court decisions that have the potential to affect the accountancy profession.

### II. Staff

Six employees: director, two managers, assistant manager, staff assistant, and coordinator.

#### Key Staff Contacts:

Mary Frances Widner, director, (202) 737-6600

Shirley L. Hodgson, manager, (202) 737-6600

Joseph Petito, manager, (202) 737-6600

Gina M. Rosasco, assistant manager, (202) 737-6600

Melissa Thomsen, staff assistant, (202) 737-6600

Kimberly Matthews, coordinator, (202) 737-6600

### III. Assistance Available to State Societies

The division provides state societies with current information on the numerous Congressional and regulatory issues that have the potential to impact the profession.

### IV. Division Activities

- A. The division maintains an active liaison with members of the executive branch, Congress, and the independent regulatory agencies. This liaison encompasses attendance at numerous congressional hearings, both oversight and legislative.
- B. It publishes *AICPA Washington Report*, a weekly newsletter that alerts members of the profession and the AICPA professional staff to proposed laws, rules, and regulations that have the potential to affect CPAs and their practices.
- C. It publishes *Digest of Washington Issues*, a monthly publication describing major issues of importance to the accountancy profession. Included in each section is information about AICPA's position, as well as background material on each issue and information about recent developments.
- D. It coordinates activities of the Federal Key Person Program. Federal key person contacts are CPAs from each state with close personal and/or professional relationships with elected members of Congress. The Key Person Program is utilized when it becomes important for particular committees or the entire Congress to become aware of the profession's position on issues.

## **V. Conference**

Federal key person coordinators, state society presidents, and executive directors are invited to attend the annual Federal Key Person Coordinator Conference held in Washington, D.C. At this conference, participants receive the most current information on issues and activities of Congress and the federal independent regulatory agencies and, if appropriate, are alerted to the potential need for their assistance. It also affords participants the opportunity to personally visit with their elected senatorial and congressional representatives in their offices.

## **VI. Requests for State Society Input**

If it is determined that all or part of the Federal Key Person Program is vital to the promotion of a particular position or to a plan to oppose an issue vigorously, the state societies are contacted by the AICPA's Washington office. The federal key person coordinators then assume the primary responsibility for ensuring that the appropriate CPAs establish immediate contact with congressional members and their staff. The views of the profession are thereby transmitted to Congress.

More routinely, state societies and federal key person coordinators are contacted by the AICPA's Washington office for their insights into U.S. senatorial and congressional races. This enables the AICPA to monitor the leadership and potential direction of the numerous congressional committees and subcommittees of importance to the profession.

# LEGISLATIVE BREAKFAST PROGRAM

## I. Objective

To favorably increase the awareness and visibility of the accounting profession in Congress, the AICPA brings together representatives of the various state CPA societies with their senators, congressmen, key Capitol Hill staffers, and Institute officials.

## II. Staff

The vice president, Government Relations, and director, Political and Legislative Affairs, are responsible for the program. The AICPA chairman of the board and president also participate in all breakfast meetings.

### Key Staff Contacts:

Ted Barreaux, group vice president, (202) 737-6600

Mary Frances Widner, director, (202) 737-6600

## III. State Society Participation

- A. Six to eight state societies are selected each year to participate in the Legislative Breakfast Program.
- B. The number of participants invited from the state society is usually limited to the number of representatives and senators in the state's congressional delegation. Other participants in the breakfast program are the state society president, executive director, and federal key person coordinator.

## IV. Participation by State Society Executive Director and President

- A. The state society president and executive director, along with the federal key person coordinator, select participants from the CPA society. A CPA selected to participate should have close personal or professional relationships with a federal legislator. For example, the designated CPA may be the personal accountant or campaign treasurer for a senator or congressman.
- B. Participation in the program by the president, executive director, and others from the society requires one and one-half to two working days. Arrivals in Washington, D.C., should be planned for late afternoon. The evening prior to the breakfast a briefing dinner is held for the participants. Attendance is essential for a successful outcome to the next day's meetings with the congressional delegation. The briefing is conducted by the AICPA chairman of the board, president, and Washington staff.
- C. The breakfast meeting begins at 8:00 a.m. and adjourns one hour later. During the meeting, the state society president is asked to speak, following short presentations by the AICPA chairman and president. The society president is the spokesperson for the state society at the breakfast meeting with legislators. The AICPA Washington staff provides discussion points in advance for the state society president.

D. After the breakfast, the state society president and executive director take part in follow-up meetings in congressional offices, and attend a debriefing luncheon for all participants with the AICPA Washington staff.

**V. Expenses**

All costs of this program, including transportation and hotel accommodations, are assumed by the AICPA.

# PUBLIC RELATIONS AND COMMUNICATIONS DIVISION

## I. Objectives

- A. To promote to the general public a positive, professional image of CPAs serving the public interest and national welfare, with emphasis on independence, objectivity, competence, and standards of conduct.
- B. To reaffirm the Institute's role as the accepted authoritative voice of the profession, with emphasis on accurate information on current and future events.
- C. To promote a greater public awareness and understanding of the high quality of diverse services provided by CPAs, and continue to further the CPA's image as the chief advisor to the business community and individuals.

## II. Staff

Seventeen employees: vice president, director, two managers, executive editor, four PR coordinators, video director, video assistant, two assistant coordinators, and four support staff.

### Key Staff Contacts:

Helene Kennedy, manager (primary contact with state societies), (212) 575-3880

Dave DeMala, director, (212) 575-3877

Teresa Zimmerer, manager, video and public service, (212) 575-5573

Robert Thibault, state society PR coordinator, (212) 575-6649

Sheila Dolan, PR assistant, (212) 575-5574

William Corbett, vice president, (212) 575-7089

## III. Assistance Available to State Societies

- A. Brochures, speeches, interview guides, slide presentations, public service radio and TV announcements, newspaper columns, seminar materials, basic and special news releases, and video programs are developed to help societies in their PR efforts.
- B. The division provides guidance on how to obtain maximum use of AICPA public relations materials and general public relations assistance.
- C. It consults on specific programs and problems.

## IV. Publications

### A. Brochures

<u>Title</u>	<u>Audience/Purpose</u>
<i>What Does a CPA Do?</i> (1987)	This educates students, clients, the media, and general and business audiences on the various roles of the CPA.



<u>Title</u>	<u>Audience/Purpose</u>
<i>What Else Can Financial Statements Tell You?</i> (1978)	This is for distribution to business owners, clients, the media, and the general public to make them aware of how to use a company's financial data to answer a wide range of non-financial questions.
<i>How to Choose and Use a CPA</i> (1982)	This provides guidance to business owners, taxpayers, the media, and the general public on how to select a CPA, and how to get the most value from a CPA's services.
<i>Public Service and the CPA</i> (1982)	This explains how CPAs can select a public service assignment and offers examples of how CPAs are involved in their communities.
<i>Public Service Awards Brochure</i> (annual; available for the CPA Annual Meeting)	This identifies state society public service award winners and is used by state societies and CPAs to promote the fact that CPAs are active in public service.
<i>Public Relations Guide for CPAs</i> (1984)	This helps practitioners plan a public relations program. It includes step-by-step procedures for conducting press interviews, issuing news releases, appearing on radio and TV talk shows, and addressing groups.
<i>Understanding and Using CPA Services</i>	This helps the public and potential users of CPA services better understand the CPA's role, and how to find a CPA.
<i>The CPA as Management Consultant</i>	This explains how CPAs use their management skills to assist businesses and increase their efficiency.
<i>The CPA as Personal Financial Planner</i>	This explains the CPA's role as personal financial planner. It describes how businesses and individuals can benefit from personal financial planning advice of CPAs, and discusses how to tell when you need a financial planner.
<i>The CPA as Estate Planner</i>	This describes how CPAs can assist individuals with their estate plan, and the qualifications of CPAs.
<i>The CPA as Tax Advisor</i>	This advises CPAs on how they can assist individuals and businesses on tax matters.
<i>The CPA as Advisor to Small Businesses</i>	This describes the various services CPAs can provide to small businesses.

*Planning for the Future: Your  
Social Security Benefits*

This addresses the 15 most commonly asked questions about Social Security. Produced for National Consumers Week, but usable all during the year, the brochure explores many areas of importance, particularly Medicare, disability, taxable benefits, eligibility status for benefits, and how an individual's retirement benefits are calculated.

*Americans and Their CPAs:  
A Report on the Status of  
the CPA Profession (1987)*

This highlights the results of the 1986 Lou Harris survey of perceptions, knowledge, and attitudes toward CPAs and the accounting profession. It emphasizes the public's high opinion of the CPA profession. In doing so, it also clarifies auditors' responsibilities, explains CPAs' qualifications, discusses the profession's self-regulatory program, and highlights the nonaudit services provided by CPAs.

**B. Newsletter**

*The CPA Letter*

This is a semimonthly newsletter automatically sent to all members. It carries brief reports on current technical and professional developments. Nonmembers (about 1,000) can subscribe at a cost of \$45 per year (first class mail).

Circulation: 255,000

**V. Speeches (20-minute talks)**

**A. For General Audiences**

1. "Your 1987 Federal Income Tax Return" (only available December to April 15)
2. "Year-End Tax Planning" (available September to November)
3. "Social Security: What You Should Know"

**B. For Business Audiences**

1. "How to Get the Bank Loan You Need"
2. "To Sell or Not to Sell: A Question for Business Owners"
3. "How to Be Sure Your Business is Located in the Right Place"
4. "How CPAs Solve the Problems of Local Business Owners"
5. "Microcomputer Applications for Small Businesses"

## **VI. Slide Presentations**

**Year-end:** This 20-minute presentation for general audiences includes a script and colored slides offering money-saving tax planning tips. (Only available September to December.)

**Tax season:** This 20-minute presentation for general audiences includes a script and colored slides offering last-minute tax advice ranging from how to complete returns to the most forgotten deductions. (Only available December to April 15.)

## **VII. Interview Guides**

**Year-end:** This contains 10 of the most asked tax planning questions and answers in an easy-to-follow format.

**Tax Season:** This short guide features 10 of the most often asked tax season questions and suggested answers.

## **VIII. T.V. and Radio Public Service Announcements**

Six television public service announcements and six prerecorded radio spots are made available to state societies in December for use during tax season. Scripts for radio PSAs on financial and year-end tax planning topics are provided to state societies in September.

## **IX. Money Management Columns**

This weekly column of ideas and advice on all areas of personal finance is developed for state societies to distribute to editors of local newspapers. A complete set of columns for the following month is sent to state society executive directors and public relations directors about a month before publication date.

## **X. Financial Management Seminar for Nonprofit Organizations**

This full-day seminar is designed for CPAs to present to representatives of nonprofit organizations to increase their understanding of basic accounting and financial concepts, and increase their awareness of the services CPAs can provide to nonprofit groups.

## **XI. Financial Writers Seminar**

This full-day seminar is designed to educate news reporters on the financial and business issues associated with the accounting profession. The package, containing guidelines, promotional materials, speeches, and brochures, concentrates on governmental reporting, small businesses and their taxes, auditing, and financial statements. It provides an excellent opportunity to establish your state society as a source of information for future business stories.

## **XII. Video (tapes are available in all cassette formats)**

### **“CPA VIDEO JOURNAL”**

This series of video programs keeps CPAs up-to-date on professional developments, conferences, and controversial issues, and provides new ideas for practice management. Some programs qualify for one hour of CPE credit. Current titles include:

- “The Road to Growth and Profit for CPA Firms”
- “Marketing CPA Services to Clients”
- “White House Conference on Small Businesses”
- “Lou Harris Public Opinion Poll”
- “Spring 1987 AICPA Update”

Additional programs available in 1987 will focus on the Centennial and the AICPA 100th Annual Meeting.

### **“SERVING AMERICA: A TRADITION OF EXCELLENCE”**

This 10-minute video presents a historical look at the importance of the CPA's role in the American economy. The program shows how CPAs have helped the economy grow, from the Industrial Revolution at the turn of the century to the current Information Age, and takes a look at the various services provided by CPAs.

## **XIII. Conference**

The National Public Relations Conference for state societies is held each July in a different part of the country. It is primarily an information exchange and instructional seminar for state society public relations managers, public relations committee chairmen, and executive directors and CPAs interested in improving their communications skills.

## **XIV. State Society Regional Meetings**

Three regional meetings are held annually in December and January for state society staff members primarily responsible for managing the society's public relations effort. The meetings are designed to provide a forum for state societies to voice their needs and concerns and to discuss important professional issues.

## **XV. AICPA Communication Awards of Excellence**

This is an annual competition designed to encourage and recognize outstanding state society publications and communications programs. Awards criteria and deadlines for entries are announced each February. The awards are presented at the AICPA Public Relations Conference held in July.

## **XVI. Requests for State Society Input**

The Public Relations Division welcomes suggestions for additional brochures, speeches, video programs, and other materials.

## STATE SOCIETY RELATIONS DIVISION

### I. Objectives

- A. To provide a liaison between the AICPA and state societies, foster coordination of AICPA and state society programs, and serve as a clearinghouse of information on state society operations and activities.
- B. To maintain communication with international and foreign accountancy bodies and foreign accountants via correspondence and meetings.
- C. To provide an exchange of information between AICPA and CPA firm associations.

### II. Staff

Four employees: director, editor, program coordinator, and administrative secretary.

#### Key Staff Contacts:

James F. Flynn, director, (212) 575-3882

John L. Daidone, editor, (212) 575-3885

Melisa A. Palacio, program coordinator, (212) 575-3695

### III. State Society Relations

#### A. Publications

<u>Title</u>	<u>Audience/Purpose</u>
<i>State Society Coordinator</i>	This newsletter keeps state societies, AICPA leaders, and others informed of AICPA and state society activities; it is issued eight times a year.
<i>State Society Digest</i>	This news summary of AICPA board, committee, and staff actions is distributed to state society presidents and executive directors after each AICPA board meeting (five times a year).
<i>CPA/SEA Management Information Profile (MIP) Handbook</i>	This publication provides state society executive directors with a variety of information on society operations and activities. It is updated annually in the spring.

This publication for state society presidents-elect and executive directors outlines AICPA's organization, identifies Institute assistance available to state societies, and indicates where state societies' input is requested. It is also designed to help AICPA staff provide information and answer questions about the AICPA when making presentations before state societies and other groups. It is updated annually in the fall.

## **B. Conferences and Meetings**

1. The National Planning Conference for State Societies is held each November. The conference is intended to help presidents-elect prepare for their term as presidents, effectively plan and implement programs as professional leaders, and become more aware of the AICPA and its assistance available to state societies.
2. AICPA hosts the Orientation Program for New Executive Directors at its New York office. The purpose of the program is to help new executive directors gain a better understanding of the organization and operations of the AICPA, and to encourage improved communication between the AICPA and state society staff.
3. The annual series of Local Practitioners Seminars and Member Roundtables are organized and administered with assistance from state societies. The two programs provide an opportunity for AICPA and state society members to meet with the Institute's executive staff and discuss topics of professional and technical interest, and enable AICPA and state societies to better understand the needs and problems of their members.

## **C. Other Activities**

1. The division is responsible for maintaining and further developing the "CPA Link" electronic communications network. The system provides numerous communications advantages, including: an immediate distribution of (or access to) up-to-date information on professional issues and activities; the ability to transmit a message to numerous locations immediately and simultaneously; and faster message-turnaround time. The network is currently available to state societies and will be expanded to include other professional groups and AICPA members.
2. The Speakers Referral Service provides speakers (AICPA staff and committee members) for meetings of state societies and other professional groups.
3. The division annually compiles the Tabulation of CPAs, which shows the number of AICPA and state society members by state. It is distributed to state society executive directors and members of the AICPA council.
4. The division annually updates a set of state society mailing lists that provides a direct line of communication between AICPA staff and state society leaders. Lists are compiled for state society presidents, presidents-elect, other members of executive committees, and chairmen of a number of committees. The division also issues state society staff lists twice a year. These lists include executive directors, CPE staff, and public relations staff.
5. An important function of the division is answering state society inquiries about AICPA programs and services.

#### **D. Committee**

The Relations with State Societies Executive Committee is composed of AICPA members who are former state society presidents and several state society executive directors. It is responsible for fostering coordination of AICPA and state society programs, acting as an advisory group on AICPA-state society relations as needed, and planning and conducting the National Planning Conference for State Societies.

#### **E. Requests for State Society Input**

1. State society officers, executive directors, PR and CPE staff, and committee members are encouraged to suggest articles and to submit information on their societies' programs and services for inclusion in the *State Society Coordinator*.
2. Updated information for the *MIP Handbook* is requested from state society executive directors in October. The update is mailed to directors the following April.
3. Statistics for the annual Tabulation of CPAs is requested from state society executive directors in August. The tabulation is mailed to them in October, and is reprinted in the *State Society Coordinator*.
4. Recommendations of individuals to participate in the Local Practitioners Seminars are requested from state society executive directors in February. The meetings are held in May or June.
5. Requests for recommended Member Roundtables participants are sent to state society executives in August. The roundtables, which executive directors are also invited to attend, are held October through December.
6. In May, state society executive directors are requested to supply the division with the names of executive committee members and chairmen of those committees that have AICPA counterparts. This information is available to state societies upon request.
7. Twice a year, state society executive directors are asked to submit updated information for the lists of executive directors, CPE staff, and public relations staff. The revised lists are then issued to state societies.

#### **IV. International Relations**

- A. The division arranges meetings for foreign delegations and interacts with international accountancy bodies.
- B. On a daily basis, staff responds to inquiries about the practice of public accounting in the United States.

#### **V. Relations with Firm Associations**

- A. An annual meeting of AICPA staff and chief staff executives of major CPA firm associations is held in July or August to provide a forum for discussing issues of common interest.
- B. An updated list of CPA firm associations for AICPA staff is maintained by this division.
- C. The *State Society Coordinator* and *State Society Digest* are distributed to CPA firm associations to keep them up-to-date on AICPA and state society programs and activities.

## RELATIONS WITH EDUCATORS DIVISION

### I. Objectives

- A. To address, formulate, and recommend policy on, and to take action upon, all matters that concern the quality of education of entrants into the profession.
- B. To maintain cooperative relationships between the practicing and academic segments of the accounting profession.

### II. Staff

Four employees: director, manager, coordinator, and secretary.

#### Key Staff Contacts:

Beatrice Sanders, manager, (212) 575-6434

Mary McInnes, coordinator, (212) 575-5504

### III. Assistance Available to State Societies

- A. The division provides recruiting brochures, films, and videos.
- B. It provides information on state society and AICPA education activities.
- C. It provides printed materials and video on the postbaccalaureate education requirement (aimed at teachers, students, legislators, and practitioners) and suggested legislative programs for state societies.
- D. Members of the Postbaccalaureate Education Requirement Special Committee give presentations and offer assistance in developing a program of legislative implementation.
- E. The division provides accounting aptitude and achievement tests to evaluate and select students for scholarships and awards.

### IV. Publications/Video

<u>Title</u>	<u>Form</u>	<u>Audience/Purpose</u>
<i>Accounting Education Update</i>	newsletter	This focuses on current developments in accounting education. It is issued several times a year as news warrants to state society presidents, executive directors, public relations staff, education committee chairmen, and others.
<i>Careers in Accounting</i> (1981)	brochure	This is used for recruiting high school and college students.



<p>“The Profession of Accounting Is . . .” (1981)</p>	<p>16mm film, ¾" video-cassette</p>	<p>This is used in presentations before late high school and early college students to encourage their interest in the profession.</p>
<p><i>Accounting: It Figures in Your Future</i> (1981)</p>	<p>handout</p>	<p>This is for high school and college students; it contains a coupon for <i>Careers in Accounting</i>.</p>
<p><i>Programs for Students and Educators—A Compendium of Education Activities of State CPA Societies and AICPA</i> (rev. 1983)</p>	<p>looseleaf</p>	<p>This is for use by state society presidents, education committee chairmen, executive directors, and other staff members involved in planning programs for students and educators.</p>
<p>“Which Way Is Up?” (1985)</p>	<p>½" VHS or ¾" U-matic video-cassette</p>	<p>This is used in presentations before accounting majors to inform them about the alternative career paths in accounting.</p>
<p><i>Postbaccalaureate Education—A Year That Lasts a Career</i> (1986)</p>	<p>brochure</p>	<p>This is for use by practitioners; it provides answers to frequently asked questions about the reasons for, content of, and implementation of a 150-semester-hour education requirement.</p>
<p>“Planning for the Education of Tomorrow’s CPAs” (1986)</p>	<p>article</p>	<p>This is useful for state society publications; it addresses the need for a 150-semester-hour education requirement for state society presidents.</p>
<p>“Educating Tomorrow’s CPAs” (1986)</p>	<p>20-minute speech</p>	<p>This is for use by state society leaders and state board members supporting the 150-semester-hour education requirement.</p>
<p>“What Graduate Education Means To You” (Fall 1987)</p>	<p>½" VHS or ¾" U-matic video-cassette</p>	<p>This informs junior and senior accounting majors about the benefits of postbaccalaureate education in accounting.</p>
<p><i>Why Graduate School for Careers in Professional Accounting</i> (1985)</p>	<p>brochure</p>	<p>This explains the benefits of obtaining a graduate education in accounting.</p>
<p><i>Presentation Guide</i> (1986)</p>	<p>booklet</p>	<p>This assists members in preparing career presentations.</p>
<p><i>The Supply of Accounting Graduates and the Demand for Public Accounting Recruits</i></p>	<p>booklet</p>	<p>This is an annual survey of the numbers of accounting graduates and public accounting hires there are.</p>

<i>AICPA Accounting Testing Program</i>	brochure	This describes the AICPA orientation, aptitude, and achievement testing program.
<i>A Proposal to Increase the Education Requirement to Sit for the CPA Examination (1980)</i>	brochure	This focuses on the need for education beyond the bachelor's degree.

## V. Conference

The State Society Conference on Education Activities provides a forum for exchanging information on state society programs for educators and students. It is held every few years, usually in the fall. State society education committee chairmen, executive directors, and other staff involved in the society's education activities are invited to attend.

## VI. Other Division Activities

- A. The division communicates and works with students, faculty, academic administrators, practitioners, and other committees and divisions of the AICPA insofar as their activities relate to pre-entry education. This is done both on an individual basis and with organizations such as the American Accounting Association, the American Assembly of Collegiate Schools of Business, the Federation of Schools of Accountancy, Beta Alpha Psi, the state CPA societies, colleges, and universities.
- B. It develops, administers, and revises aptitude, orientation, and achievement tests for use by colleges and firms.
- C. It develops a recruiting policy, selects media, and develops, produces, distributes, and revises recruiting materials.
- D. It administers grants, awards, and scholarships as follows: financial assistance program for those entering doctoral programs in accounting; grants-in-aid program for doctoral candidates in the dissertation stage; outstanding accounting educator awards; John L. Carey scholarships; and accounting literature awards in participation with the American Accounting Association.
- E. It is responsible for research and surveys, including *The Supply of Accounting Graduates and the Demand for Public Accounting Recruits* (annual), statistical survey on accounting education (every five years), and market surveys on the testing program.
- F. It implements AICPA pre-entry education policies through, for example, writing and distributing brochures and other materials, planning campaigns, giving speeches and other presentations, and developing materials for standardized speeches.
- G. It participates in the accreditation of accounting programs in schools and colleges, including the development and monitoring of the standards and their implementation.

## **VII. Committees**

- A. In addition to AICPA staff, the division consists of the Education Executive Committee, the Accounting Literature Awards Committee, the Subcommittee on Personnel Testing, the Subcommittee on Relations with Educators and Students, the Financial Assistance Task Force, the Educators Award Task Force, the Doctoral Grants-in-Aid Task Force, and the task force to write achievement test questions.
- B. State society officers and executive directors, among others, have served on a number of these committees.
- C. The Postbaccalaureate Education Requirement Committee was formed in 1984 to develop a program to achieve a postbaccalaureate education requirement and to help key states in its implementation.

## **VIII. Requests for State Society Input**

- A. During the past year, state societies were contacted by the chairman of the Postbaccalaureate Education Requirement Committee to find out the current status of activity and opinion on legislation for a 150-semester-hour education requirement.
- B. Each year, the state societies are invited to submit nominations for the AICPA Outstanding Accounting Educator Award. The AICPA also offers to participate in a joint outstanding educator award on the state level.
- C. Periodically, the Relations with Educators and Students Subcommittee contacts state societies' education committees to be updated on societies' activities.

# MINORITY RECRUITMENT AND EQUAL OPPORTUNITY DEPARTMENT

## I. Committees and Objectives

### A. Minority Recruitment and Equal Opportunity Committee

This committee is responsible for implementing the 1969 resolution of council, which calls for integrating the profession by encouraging and assisting young men and women from minority groups to prepare themselves for professional careers in accounting. The committee also encourages public accounting firms and other business organizations to take special affirmative action to recruit and promote qualified members of minority groups.

### B. Minority Doctoral Fellows Committee

This committee awards doctoral fellowships to minority professors from historically minority institutions.

## II. Staff

Two employees: CPA manager and support staff member.

### Key Staff Contact:

Sharon L. Donahue, manager, (212) 575-7641

## III. Activities

### A. Scholarship Program

The AICPA scholarship program continues to be nationally recognized, as evidenced by both the increasing number of application requests from schools, organizations, and individuals, and the widening geographical distribution of applications received.

The number of applications received in July 1981 increased significantly and that increase was maintained in July 1982 and 1983. The decreases in federal grants and loans and increases in college costs have encouraged more students to apply. The numbers of applications received in July 1984 and 1985 decreased; however, for the July 1986 awards, a record number of applications was received. The implementation of the postbaccalaureate education requirement by states will also increase the demand for scholarships.

#### 1. Scholarships—Relevant Statistics

	Fiscal year				
	1982	1983	1984	1985	1986
<b>December</b>					
Applications considered	274	362	210	250	238
Number of awards	86	116	64	92	81
Total amount of awards	\$28,250	\$35,750	\$19,250	\$34,750	\$ 33,750
Number of schools	54	67	48	59	51
<b>July</b>					
Applications considered	866	841	726	701	929
Number of awards	343	353	301	317	405
Total amount of awards	\$174,500	\$202,250	\$184,750	\$247,250	\$308,000
Number of schools	137	140	145	134	169

## 2. Fiscal 1986 Designated Scholarship Awards

<u>Name</u>	<u>Number of Awards</u>	<u>Amount</u>
Arthur Andersen—AICPA	17	\$13,000
General Mills—AICPA	10	5,000
RCA—AICPA	13	7,500

Contributions have been received from General Mills and RCA for fiscal 1987 and we believe that Arthur Andersen plans to continue its support.

## 3. Monitoring of Scholarship Recipients

The Minority Recruitment and Equal Opportunity Committee shares the concern of the trustees of the AICPA Foundation that we try to identify and communicate with all students who have received financial aid through grants or scholarships to learn whether they have become professional accountants and what their experiences have been. The first report on these students was issued in August 1979 and was updated in August 1982. Almost all of the students who received AICPA scholarships have completed college and become professional accountants.

### B. Minority Recruitment and Equal Opportunity Annual Report

The committee issues an annual report that covers the following:

1. results of the survey of minority employment in major accounting firms (requests are mailed to all firms who have 25 or more AICPA members);
2. results of the survey of minority employment in minority accounting firms (requests are mailed to Asian, Black, and Hispanic firms);
3. results of the survey of historically minority schools showing the number of accounting majors, number of accounting majors graduated, and placement of graduates;
4. students receiving AICPA scholarships in July and December showing name, school, and expected graduation date.

The committee distributed over 2,500 copies of its 1986 annual report. State society presidents and executive directors receive copies of the report.

### C. Career Development Seminars

The committee determined a forum was needed to learn from minorities in the profession what their employment experiences had been and what they viewed as problems relating to upward mobility and retention. In 1978, a career development seminar was held for black professionals; in 1979, a similar seminar was held for Hispanic professionals, and in 1983 a seminar was held for Asian professionals.

The results of the follow-up with participants in the 1978 seminar and review of the AICPA surveys of minority employment indicated that the situation for black professionals had shown little change. In April 1983, a seminar was held for black partners in large national firms. Invitations were extended to 20 individuals, most of whom attended the 1978 seminar as managers and seniors, and 14 attended. Representatives

of 11 firms, primarily national personnel partners, attended the Thursday evening and Friday sessions. Major sections of the program were devoted to small group discussion experiences and suggested solutions. The program was enthusiastically received and positive ideas were developed.

A sample of the ideas developed includes the following:

### **1. Recruiting**

- a) Consider initiative, self-discipline, and environmental stresses as well as grade point average.
- b) Develop meaningful minority involvement in the recruiting process.
- c) Establish continuing relationships with faculty at traditionally minority schools.

### **2. Assignments**

- a) Provide more diversified and growth assignments.
- b) Plan opportunities for performance on the same client at increasing levels of responsibility.
- c) Dispel the myth of nonacceptability of Blacks by clients.

### **3. Evaluation and Counseling**

- a) Conduct fair, honest, open, and objective evaluations.
- b) Assign counselors who are especially sensitive to the problems facing minorities, and effectively monitor career development.

## **D. Doctoral Fellowships**

### **1. Objectives**

The long-range objectives of this program are to increase the number of minority Ph.D.s in accounting, and to improve the research and teaching competencies of faculty members in the traditionally minority colleges and universities. The doctoral fellowships provide the financial assistance necessary for minority faculty members to pursue doctoral study. Because doctoral programs extend over at least three years, a doctoral fellowship grant entails a moral obligation to renew the grant, assuming that the recipient is making satisfactory academic progress and has financial need.

## 2. Relevant Statistics

The status of individuals who have received fellowships is as follows:

Received terminal degree and teaching:	
Minority institutions	7
Majority institutions	3
Completing dissertation and teaching in a minority institution	4
Teaching in a majority institution	1
Not renewed:	
Continuing in program	3
Not in program	2
Fellowships 1986-1987	<u>4</u>
	<u>24</u>

Arthur Young has contributed \$7,500 for six years to support an Arthur Young-AICPA Doctoral Fellowship.

### E. Faculty Summer Seminar

The 17th annual Faculty Summer Seminar for representatives of accounting faculty in the traditionally black and minority colleges and universities was held May 24 through May 29, 1987, in New Orleans, Louisiana. The program was attended by 78 individuals from 61 schools. The sessions were led by 23 discussion leaders, all with expertise in accounting, auditing, or minority education. A comprehensive participants' manual was provided and 26 hours of CPE credit was recommended. There is a strong consensus among participants, discussion leaders, and committee members that the effect on accounting education in the schools represented is both positive and significant.

State societies are invited to contribute toward the cost of this program as a cosponsor when the seminar is held in their states.





## **FULFILLMENT DIVISION**

### **I. Objectives**

- A. To provide services to members who want to purchase or subscribe to AICPA publications and self-study materials.
- B. To take responsibility for collecting membership dues.

### **II. Staff**

Forty-eight employees: director, four managers, three supervisors, and 40 support staff.

#### **Key Staff Contact:**

Charles Hynek, director, (212) 575-6481

### **III. Activities**

#### **A. Circulation**

The department processes orders and maintains records for a variety of subscription services. It collects and maintains records of AICPA and ARA (Accounting Research Association) membership dues.

#### **B. Order Department**

The department receives and processes all orders for AICPA publications and self-study materials. State societies wishing to order publications or CPE self-study materials should call (800) 334-6961 (in New York State call (800) 248-0445). CPE group-study materials should be ordered by calling CPE Marketing (212) 575-3817.

#### **C. Credit and Collections**

The department approves credit orders for the above materials and does a follow-up on outstanding receivable accounts.

#### **D. Customer Service**

The department handles problems and questions related to activities and products mentioned above, excluding dues. State societies should call (212) 575-6428.

## MEMBERSHIP ADMINISTRATION DIVISION

### I. Objectives

- A. To process 1,800-2,000 applications monthly from CPAs for placement on a monthly ballot for admission to the Institute. State societies receive copies of the monthly ballots that list CPAs who are employed in their states and have applied for membership in the AICPA. They are requested to notify the Institute if they know of any reason why an individual should not be admitted to membership.
- B. To generate all reports and handle all questions and problems related to admissions.
- C. To maintain up-to-date records for each Institute member, as well as a file of firms and practitioners.
- D. To take responsibility for production of the *Accounting Firms and Practitioners* directory, published in odd-numbered years. The publication is sent to state society executive directors.

### II. Staff

Twenty employees.

#### Key Staff Contacts:

Steve Gutmore, director, (212) 575-3659

Joan Deutschmeister, manager, (212) 575-6420

## MEETINGS & TRAVEL DIVISION

### I. Objective

To provide professional and cost-effective management of Institute meetings, conferences, and travel.

### II. Staff

Fifteen employees: director, manager, four conference managers, three administrators, two coordinators, assistant, and three support staff.

#### Key Staff Contacts:

Charles McGrath, director, (212) 575-6444

Marilyn Stoddard, manager, (212) 575-5495

### III. Assistance Available to State Societies

A conference schedule listing AICPA conferences to be held during the next five years is sent monthly to state society executive directors so that they can avoid conflicts when planning society conferences.

### IV. AICPA Annual Meeting

#### A. Staff and Committee Activities

This meeting is scheduled 10 years in advance upon approval of the board of directors and attracts an attendance of 2,500. The Meetings & Travel Division staffs the Annual Meeting Hospitality Committee. This department controls the following activities in relation to this meeting:

- Budget
- Promotion
- Printing
- Registration Process
- Spouse Activities
- Program Format
- Site Selection
- International Guest Activities
- Board of Directors Activities
- Optional Events
- Social Activities
- Transportation
- On-Site Facility Management
- Exhibition Show Liaison

#### B. State Society Input

Approximately 16 months prior to the date of the annual meeting, the chairman of the AICPA will appoint an Annual Meeting Hospitality Committee chairman and vice chairman from state society members in the host city as recommended by the executive director of that society. This enables members in the host city to participate in the planning and development of social activities.

## **V. Conferences**

This division plans and directs 50 annual conferences ranging in attendance from 125 to 900. Each meeting planner is responsible for eight to 10 conferences and performs the activities as noted for the Annual Meeting that relate to each particular conference. These conferences provide education in tax, industry, private companies, estate planning, microcomputers, banking, SEC, and numerous other topics of interest to the profession.

## **VI. Committees**

This division also schedules all meetings of the 120 AICPA standing committees and over 70 special committees and task forces. These meetings total 1,100 over the year and 50 percent are held in the AICPA facilities in New York and Washington, D.C.

## **VII. Travel**

In an effort to obtain the lowest possible airfares for traveling staff personnel, the AICPA now has an in-house American Airlines Sabre System. This gives the AICPA the opportunity to control costs in a centralized area.

The centralization of the Meetings & Travel Division controls the ever rising costs of travel and gives the AICPA a negotiating edge in the hospitality industry.

# MANAGEMENT INFORMATION SYSTEMS DIVISION

## I. Objective

To support the business and financial operations of the Institute by developing and implementing computer systems and applications.

## II. Departments

### A. Data Entry

Using a Sperry Univac key-to-disk system, this group keys data from source documents onto machine-readable media for processing by the computer. Typically, these source documents are orders for publications and CPE materials, new subscription orders and payments, journal entries, and address changes.

**Staff:** Eleven

**Key Staff Contact:**

Alan Frotman, director, (212) 575-6297

### B. Data Processing Operations

1. The Institute's computer facility consists of two Burroughs medium computers and an IBM System/38 with the normal complement of tape drives, disk drives, and printers. Twenty-five CRT terminals are on-line to the computers to support the various applications. Some of the major applications are financial reporting, membership records, invoicing, inventory, and accounts receivable for miscellaneous publications and CPE course materials, magazine subscription fulfillment, labels, order entry, and dues billing.
2. Several Institute publications are computer typeset from files maintained on the system. They are *Index to Accounting and Auditing Technical Pronouncements*, *Accounting Firms and Practitioners*, *List of Members*, *Committee Handbook*, and *Accountants' Index*.

**Staff:** Six

**Key Staff Contact:**

Alan Frotman, director, (212) 575-6297

### C. Programming and Systems

The staff of this department provides technical support and program maintenance to users of current EDP applications. They also develop new systems and programs to meet the changing requirements of the Institute.

**Staff:** Nine

**Key Staff Contact:**

Alan Frotman, director, (212) 575-6297

#### **D. Microcomputer Services**

1. This department supports microcomputer use throughout the Institute. The staff is responsible for hardware and software selection, training, troubleshooting, and consulting with users on applications.
2. Microcomputer applications are developed, such as systems for the Meetings & Travel Division, databases for CPE to track payments for course instructors, and orders for courses from state societies.
3. Every two years this department conducts a survey of the membership on use of EDP hardware and software. The results are distributed as needed to members, who can also call for assistance in locating software products for their own applications.

**Staff:** Two

**Key Staff Contact:**

Robin Hoffman, microcomputer services manager, (212) 575-6294

#### **III. Membership Statistics (See page 9.)**

# TEXT PROCESSING DIVISION

## I. Objective

To provide essential support services to AICPA staff (79 cost centers) involving text editing (word processing), typesetting, communications (Western Union), scanning (OCR), reader (MDR), and facsimile.

## II. Staff

Nine employees: manager, supervisor, editorial assistant/proofreader, lead typesetting operator, two typesetters, two word processing operators, and input/output coordinator.

### Key Staff Contacts:

Irene K. Rhubright, manager, (212) 575-6336

Louise Birk, input/output coordinator, (212) 575-6339

## III. Activities

Text (reports, correspondence, list maintenance, graphics, brochures, manuals, forms, transparencies, etc.) is input, revised, manipulated, and retrieved in preparation for draft or final camera-ready copy.

## IV. Equipment

### A. Word Processing

- CPT 8100 & 8525 standalone systems
- Letter quality printer
- Matrix printer

### B. Typesetting

- Compugraphic network system with PowerView 10 terminals, 8400 typesetter, EP308 laser printer, and 4000 Z processor
- IBM PC

### C. Scanner

Burroughs OFIS 1240 Optical Character Reader (OCR B, Letter Gothic, Courier, Prestige Elite)

### D. Reader

Multiple Disk Reader (MDR) equipped with approximately 50 programs on-line to CPT and Compugraphic hosts

### E. Communications

- FUJITSU dex Express 6500 telecopier (facsimile) automatic receiving: (212) 575-3846
- Burroughs Dex 2100 telecopier (facsimile) automatic receiving: (212) 575-3821
- EasyLink (Western Union electronic mailbox) telegrams, mailgrams, cablegrams—transmitted and received
- Telex: 70 3396

*Our thanks to the Text Processing Center for typesetting this handbook.*





## **PLANNING AND RESEARCH DIVISION**

### **I. Objectives**

- A. To provide the strategic planning function of the Institute.
- B. To operate the internal Trend Monitoring System, whose purpose is to identify and manage emerging issues and trends with potential impact on the Institute and the profession.
- C. To provide the Institute with an internal survey capability in order to identify the needs and opinions of the various membership segments.
- D. To assist State CPA Societies, firms, and members in their issues-identification and strategic-planning processes.

### **II. Staff**

Four employees: director, issues analyst, research analyst, and one support staff.

#### **Key Staff Contact:**

Frank Katusak, director, (212) 575-5267

### **III. Assistance Available to State Societies**

- A. The division offers consulting advice to the societies on establishing and operating a strategic-planning process.
- B. Information, in varying forms, on previously identified issues and emerging issues is available.
- C. Speakers on future issues are selected from the members of the Future Issues Committee.
- D. Information on the data gathered via Institute surveys, as well as consulting advice on member surveys, is provided.

### **IV. Division Activities**

- A. The division is responsible for the Institute's strategic-planning process.
- B. It manages the Institute's Trend Monitoring System and issue management process.
- C. The division also performs research, primarily through surveys.

### **V. Committees**

The Planning & Research Division staffs the Strategic Planning Committee and Future Issues Committee and their various subcommittees, as well as the Special Committee on AICPA Governance and Structure.

**MAILINGS TO STATE SOCIETIES**

The items listed below are sent to state societies on a regular basis, as close as possible to the month or frequency indicated on the chart. In addition to these items, state societies also receive copies of newly developed brochures, pamphlets, and other materials that are suitable for distribution to CPAs, their clients, students, or the general public. Special projects, such as manuals developed or updated periodically for state societies, are not listed here.

Publications and Other Documents	January	February	March	April	May	June	July	August	September	October	November	December	Monthly	Semiannually	Weekly	As Published	On Request	
Committee Handbook																		
Exposure drafts and final documents of the following: SAS																		
SOP on Auditing Standards																		
SOP on Accounting Standards																		
SSARS																		
Statements on Tax Policy																		
Statements on Responsibilities in Tax Practice																		
MAS Standards																		
Tax Division Newsletter																		
Tax Division Position Papers																		
The Planner																		
CPA Management Advisor																		
Joint Trial Board Division Manual																		
PCPS Reporter																		
Directory for Member Firms (Division for CPA Firms)																		
Legislative Report																		
Washington Report																		
CPE Catalog																		
Self-Study CPE Catalog																		
In-House CPE Catalog																		
CPE Professional Planning Handbook																		
Journal of Accountancy																		
The Tax Adviser																		
The CPA Letter																		
CPA Client Bulletin																		
The Practicing CPA																		
Public Service Awards Brochure																		
Money Management Columns																		
State Society Coordinator																		
State Society Digest																		
Tabulation of CPAs																		
Accounting Education Update																		
AICPA Conference Schedule																		
AICPA Staff Directory																		
Elijah Watt Sells Award																		
MBE Newsletter																		
In Our Opinion																		