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## Public Relations Program of the American Institute of Accountants

American Institute of Accountants

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THE PUBLIC RELATIONS PROGRAM  
OF THE  
AMERICAN INSTITUTE OF ACCOUNTANTS

American Institute of Accountants

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THE PUBLIC RELATIONS PROGRAM  
OF THE  
AMERICAN INSTITUTE OF ACCOUNTANTS

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## F O R E W A R D

We know that the certified public accountant occupies a key position in the American economy. We know, too--from experience and from surveys--that the public, even the business public, is not sufficiently well-informed about the CPA and his many contributions to society.

As an integral part of the Institute's general operations therefore, this public relations program will reflect every phase of the Institute's work. By so doing, it will help to develop clear channels of communication to the public, particularly those key public groups whose attitudes can affect the profession's welfare.

Successful execution of the program, by the Institute, by state societies and their chapters, will help establish the functions of the accounting profession more clearly in the public mind. This in turn will help the profession to continue to develop as an increasingly important part of our modern business economy.

Four concepts are basic:

1. Public relations, in terms of this program, is defined as the art of deserving and achieving public understanding and support.
2. The program represents an extension of public relations work which has been carried on for more than ten years and is now being expanded to meet current needs and opportunities.
3. Execution of the program will be in keeping with the standards and ethics of the accounting profession, and in accordance with the policies governing all Institute activities.
4. The focal points of public relations are personal and local. The national program is therefore designed to serve the individual CPA, state societies and local chapters.

THE COMMITTEE ON PUBLIC RELATIONS:  
February, 1948

J. Harold Stewart, Chairman

William M. Black

John C. Martin

N. Loyall McLaren

George E. Perrin

## STATEMENT OF OBJECTIVES

The principal objective of this program may be defined as follows:

To establish, through the communication of facts and ideas, a broader public understanding of the functions and responsibilities of the certified public accountant and his role in our complex modern economy, thus creating a more favorable climate of public opinion for the profession; gaining wide public support for the maintenance of high ethical and professional standards; and assuring full opportunity for the CPA to render maximum service to society.

It appears that this objective may best be attained through the execution of a program designed:

1. To maintain continuing, effective channels of communication between certified public accountants and the public, including those key publics, such as members of Legislatures and members of other professional groups, whose attitudes affect the profession's future.
2. To develop, among accountants themselves, a broader understanding of the profession's public relations problems and opportunities, and the importance of both organized and individual efforts by CPAs to enhance the public standing of the profession.
3. To provide a continuing flow of informational and public relations material to state societies and their chapters, and to individual accountants and individual firms.
4. To attract qualified young men and women to the profession, especially through informational material directed to schools and colleges.

## A PORTRAIT OF THE ACCOUNTANT

### The Story We Have To Tell

The communication of facts and ideas is a technical process. Research has shown that "exposing" people to information is not the same thing as getting them to absorb and understand that information. Research has also shown that the transmission of information is facilitated when facts and ideas are grouped into logical categories. This makes it possible to project specific themes or "images" which can be readily grasped and retained.

In the present program, therefore, an effort will be made to emphasize the principal images that apply to certified public accountants. Together these images will help to establish a "portrait" of the accountant.

Among the principal themes to be stressed in communications to the public are the following:

#### 1. Accounting Is A Profession

The training, duties, functions and responsibilities of the certified public accountant are wholly professional in character. The Encyclopedia of the Social Sciences, for example, says: "The profession of accounting has become established on a par with law, medicine and other learned professions. The varied accounting activities involve public interests and require assured ability, training and reliability." Other authorities make it clear that a profession is a calling marked by public responsibility, the subordination of financial gain to the rendering of essential services, the licensing or regulation of membership, a code of ethics demanding high standards of integrity and independence, and the formal training of candidates in special skills and techniques. The certified public accountant, in the creative application of his skills to business and economic problems, meets all of these professional standards and requirements.

#### 2. The Accountant Serves The Public Interest

In addition to the service the accountant provides for his client, he performs a function of broad utility to the public and key public groups. This public responsibility and utility, as demonstrated

by his contributions to the validity and credibility of financial statements and reports of all kinds, is stressed in his professional training as well as in public laws and statutes. It is clear that the certified public accountant serves a broad public interest as well as the interest of a particular client or organization.

### 3. The Accountant Helps Management

Many technical and professional services are required today by both large and small business organizations. Tax accounting, cost and production control, budget estimates, the development and installation of accounting systems-- these are only a few of the fields in which the accountant plays an important role. Through these and such other essential services as the critical evaluation of net profit figures, the interpretation of facts and figures, in generally accepted form, and the general measurement and control of business activity, the accountant provides active assistance for management both in the determination of policy and in the conduct of day-to-day business affairs.

### 4. Accounting Is Creative

Large scale production--so essential in the world today--is made possible by accounting. The Encyclopedia of the Social Sciences remarks: "Progress in the science and techniques of accounting has made possible an increase in the size, complexity and territorial scope of business operations..... The kind of business that is possible depends upon the records that can be kept." It was the fundamental utility of the accounting concept which made it possible for business to outgrow the primitive form of enterprise. Accounting assists business in obtaining capital and paying its owners a fair return on their investment, and the special skills of accounting are useful not only in purely financial affairs but also in such basic categories of business as: research and planning; production; sales and distribution; and the measurement of progress and achievement.

### 5. Accounting Is Progressive

Accounting is never static: It is dynamic, progressive, changing to meet current needs and cir-

cumstances. Since accounting began in primitive form, centuries ago, the accountant has always explored frontiers to determine new, simpler and better ways of doing things. Accounting has thus kept step with business progress and often has played an important role in making that progress possible. The organized research program of the Institute is but one example. By serving as a technique for bringing business history into sharp focus, accounting provides a useful tool for students of the economy, promotes economic stability and helps in the formulation of plans for progress. Accounting looks ahead.

#### 6. Accounting Is A Language For Business

When relationships are too complex to be explained easily in words, different symbols and systems of notation are used. Thus mathematics is a language. Music is a language. In much the same sense, accounting is a special language peculiarly adapted to the need for a clear, standardized, universally understood method of explaining the basic facts about business operations. Its accuracy depends on judgment--in no sense on mere mechanical skill. Accounting serves to establish understanding--both internally, for management, and externally, for the public. Accounting provides a common ground on which sometimes divergent forces in business--lawyers, investors, directors, bankers, Government, managers, labor, vendors and suppliers--can meet. Accounting makes it possible for different kinds of information, of interest to all such groups, to be expressed and interpreted in common terms.

#### 7. The CPA Is Independent

The Auditor's Certificate is an expression of objective, expert opinion. The certified public accountant, guided by a code of ethics, is responsible not only to his professional societies and to his client, but also to the State; and he must stake his professional reputation and his career on each opinion he gives in the form of a certificate. Thus the certificate on a financial statement may be taken by the management executive, by the public, and by all other interested parties, as a wholly objective expression of expert opinion, based on an examination and evaluation of pertinent facts and information in accordance with generally accepted standards of accounting.



8. The Accountant Has A Code Of Ethics

Because the certified public accountant is a member of a well-disciplined profession, and because he has public responsibilities which transcend those to any one client, he must and does guide his conduct in accordance with a professional code of ethics. This code lays down the rules of professional conduct and delineates a behavior pattern for CPAs in the conduct of their business affairs and in their relationships to clients and other groups with which they have business connections. Observance of the code requires the certified public accountant to maintain his independence, integrity and impartiality and to act at all times in the best interests of society as a whole.

9. Accountancy Is An Expanding Profession

Leaders in the accounting profession are interested in (a) making more able young men aware of the career opportunities offered by accounting, (b) assisting colleges and universities to provide the best possible training for candidates, and (c) providing special assistance, including on-the-job training, for candidates who must be able to meet high CPA standards made necessary by the complex nature of modern business. The work of the Institute in developing aptitude tests for potential accountants is typical of the profession's interest in this field. And the expansion of the profession is evidenced by the increase in the number of CPAs in this country from about 17,000 to 28,000 (65 per cent) during the decade from 1937 to 1947. More certified public accountants are needed to meet today's demands; leaders of the profession are striving to see that this need is met.

10. The Accountant Is A Good Citizen

The professional training and duties of the accountant fit him for participation in public affairs. His daily activities keep him in constant touch with current facts and trends in connection with business and industry, taxation, government, and many other related matters. Public recognition of these attributes is found in widespread selection of accountants to serve local, state and federal agencies. In addition, the professional accountant participates extensively in community activities such as church, charity, school, and public service programs.

## SUMMARY

1. Accounting Is a Profession
2. The Accountant Serves the Public Interest
3. The Accountant Helps Management
4. Accounting Is Creative
5. Accounting Is Progressive
6. Accounting Is a Language for Business
7. The CPA Is Independent
8. The Accountant Has a Code of Ethics
9. Accountancy Is an Expanding Profession
10. The Accountant Is a Good Citizen

NOTE: Two comments may be made about the foregoing list of Central themes, or "images".

First, the list is not definitive. Other images could readily be formulated. But the images listed are considered to be the most important.

Second, there is a slight overlap in some images, as in the case of "The CPA Is Independent" and "The Accountant Has a Code of Ethics". This is intentional, to give due emphasis to certain facts which, while capable of being grouped under other more general headings, will often require independent emphasis in the execution of public relations projects.

## THE AUDIENCES WE ADDRESS

People often speak loosely of something called "the public." It is more accurate to speak of "publics," or of specific public groups. For example, it is apparent that lawyers, as a group, are interested in the affairs of accountancy; it is apparent that labor leaders, as a group, are also interested. But it is obvious that the two kinds of interest are far apart; that what may be meaningful and significant for one group may be uninteresting to the other.

It is necessary, therefore, to specify the principal audiences for this public relations program. Sometimes these audiences overlap, but in each case there is enough homogeneity to make it possible to address the indicated group as a reasonably well-integrated audience.

The principal audiences include:

1. Business Management

Executives, policy-makers, and professional managers who direct and supervise the conduct of business affairs and thus have a natural interest in the functions of the CPA.

2. Business Owners

Stockholders, shareholders, investors, owner-managers and others, large and small, who own varying amounts of business, commercial and industrial firms, and who must rely on the opinions of the CPA.

3. The Financial Public

Banks and other credit grantors, investment analysts, investment bankers, stock exchanges, financial organizations. Generally, all those who are professional students of financial statements.

4. Employees

Employees of business and industrial clients, who have a natural interest in the financial affairs of their companies—as, for example, in the relationship between profits and wage levels.

5. Government

National, State and Local governments and governmental bodies, including especially financial and regulatory agencies in this field which need accounting information in order to fix taxes and rates, examine and register securities and regulate trade practices equitably.

6. Legislators and the Judiciary

Members of Congress, especially those concerned with relevant legislation; members of State

Legislatures and City Councils; court and legal officials. In general this category includes all those concerned with making, enforcing and interpreting laws having to do with matters of interest to the accounting profession generally or with the specific laws and regulations affecting the high standards and the ethical practice of accounting.

7. The Legal Profession

Lawyers, law students, law schools, legal associations and other related groups and individuals who are interested in the frequently close connection between the accounting profession and the legal profession.

8. The Academic World

Schools, colleges, universities, institutes and other academic institutions, especially those where business affairs are taught, where accounting training is offered, and where potential accountants may be found.

9. The Accountant

The accountant himself is one of the principal audiences for information about professional accountancy, its status, plans and progress. Part of the program, therefore, is especially designed to promote the wide dissemination of helpful public relations and informational material to individual accountants and to accounting organizations.

10. Media Executives

Executives who direct the great media of communication form an especially important public, for upon their general attitudes toward the profession will depend to a considerable extent their treatment of specific informational material directed to the other groups.

## THE USE OF MEDIA

Some media of communication lend themselves to particular audiences. A legal journal, for example, may be the best way to reach lawyers with information about a professional problem. But sometimes a general medium may achieve better coverage of such a particular audience than a medium designed expressly for that audience. For example, information of general news value, published in a newspaper, may be read by more lawyers than the same information in a law journal of delayed publication and limited circulation.

There is, in short, no rule of thumb, applicable in all cases, for adapting media to information or vice-versa. Local attitudes and local needs must always be considered in specific cases. It is important, however, to remember that:

- a. It is almost always possible to "tailor" the use of media with respect to some one well-defined project or program.
- b. Almost all separate public groups do have special media which can be used to reach them, in addition to general media.

These two principles will be observed at all times in the conduct of the public relations program. They may also prove useful to state societies and local chapters in working out their own programs.\*

In general the audiences listed previously will be reached through the use of:

General Media - such as daily newspapers, rural newspapers, wire services, financial and economic writers, columnists, journals of opinion, and radio.

Technical Media - such as professional journals, financial, trade and business magazines, daily financial papers.

Special Media - such as booklets and brochures, house organs, sponsored publications, and direct mail to special mailing lists.

Over-all coverage will always be a goal when this is possible, and special media will be used whenever appropriate. Mailing lists for these purposes are maintained by the Institute.

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\*The use of media is a detailed and complex problem. The information on this page, therefore, is of the most general nature. Those concerned with the mechanics of press publicity will be interested in a "how to do it" kit prepared by the American Institute of Accountants. This kit deals with the use of publicity in detail.

## SPECIAL PROJECTS

The public relations plan outlined here is conceived as a long-range program. It will be marked by a continuing effort to make more people aware of more things about certified public accountants and their activities.

However, special projects have particular utility: they can be used to meet problems that require immediate handling; and they can be used to give short-term emphasis to long-range themes.

This section, therefore, shows the major types of special projects which will be carried out:

1. Pattern Material. Pattern material is usually prepared so that it can be filled in with local names and other facts and be adapted to local needs. Such material often has high acceptance with local editors. A statement on tax simplification made by a national official of the Institute, for example, may not be printed at all in many local newspapers, but will be printed if the same information is adapted and issued by a local official. Such pattern material--speeches, statements, announcements, etc.--will be provided regularly by the Institute.
2. Kits of Material. Sometimes a program which must be carried out locally requires a number of different informational items, all relevant to the same project. Example: material useful in promoting helpful legislation, or in combating legislation contrary to the interests of accountants. Such kits will be prepared as required, for distribution to state societies and their chapters.
3. Special Booklets. From time to time special booklets will be prepared to meet particular needs.
4. Field Conferences. State, local and regional conferences have been held with considerable success in the past in connection with accounting matters of importance to the profession. The Institute is always ready to assist in preparation and publicity for such conferences.
5. Special Mailings. Sometimes announcements from the Institute have to do with problems of broad

public interest which call for attention from key public leaders. In such cases it is often useful to distribute informational material directly to them by mail.

6. Institutional Advertising. Proofs of advertisements in the institutional advertising program were distributed during 1947 to all state societies, for local and regional sponsorship when desirable. The Institute will continue to provide assistance to any state society which requests it in connection with the advertising program; and, if the need exists, will make revisions in the series of messages from time to time.
7. Committee Activities. The activities of all Institute committees affect public relations and in many cases should be more widely publicized. Conspicuous examples are the bulletins issued by the Committees on Accounting Procedure and Auditing Procedure and the testing program developed under the Committee on Selection of Personnel.
8. Speakers. Officials of the Institute and outstanding members of the profession are often asked to make important policy speeches before public groups. The Institute will, on a limited basis, prepare or assist in the preparation of such addresses. It is desirable to encourage public speaking by Institute members and by accountants generally, especially when the subject matter is of broad general interest and when the address will help to implement the policy objectives of the public relations program.
9. Attitude Polls. Polls have been taken in the past to determine the attitudes of key business executives toward certified public accountants. The findings have been useful in planning public relations activities. It is expected that additional polls may be taken from time to time, to see whether, and to what extent, opinion may have changed.
10. Special Campaigns. When and if a particular, well-defined problem requires such action, a special campaign, tailored to fit the need, will be planned and conducted.

NOTE: The Institute is staffed to plan and execute other special projects of the types indicated when occasion requires. It is also ready to offer counsel and assistance to state societies and local chapters and, within reasonable limits, to prepare special material adapted to local needs.

## RELATIONSHIP WITH STATE SOCIETIES AND LOCAL CHAPTERS

Public opinion, like the tariff, is often a local matter.

It is therefore of particular importance that this program be carried out in such a way as to provide direct and useful assistance to state societies and their chapters.

In this connection, the following points will be stressed in the execution of this program:

1. The Institute, subject to natural limitations of staff and budget, will make every effort to help state groups handle public relations problems and programs.
2. Efforts will be made to achieve efficiency through the national planning of basic material for local use and through the coordinating facilities of the Institute.
3. State societies and their chapters will be encouraged to carry on their own public relations programs; such state programs, insofar as possible, should be consistent with the national program and policy as expressed in this pamphlet.
4. Educational and informational material about public relations, designed especially for internal use, will be prepared for individual accountants and for state groups.



## STATEMENT OF POLICY

Organized public relations programs may take many different forms. This program is especially designed to benefit certified public accountants. Thus the program is conceived in professional terms and has the following special characteristics:

1. The public relations program must stress the need for establishing communications between accountants and their publics; thus the informational and educational approaches will be emphasized in the preparation of public relations material; the so-called "promotional" approach will be avoided. The program will have a professional tone, and must in all ways be consistent with professional dignity and ethics.
2. A sound public relations program must be integrated with the over-all program of the organization it is designed to help; thus the present program must at all times be an intimate part of, and accurately reflect, the program and needs of the American Institute of Accountants and the profession generally.
3. The operations phase of the program will have two major points of emphasis--national and local. With respect to the national program, an effort will be made to deal in broad terms with the problems and opportunities of the profession. The other part of the program will emphasize the need for concrete and practicable assistance for certified public accountants organized in state societies and local chapters.