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1989

## AICPA coordination handbook for state societies, 1989-1990

American Institute of Certified Public Accountants. State Society Relations Division

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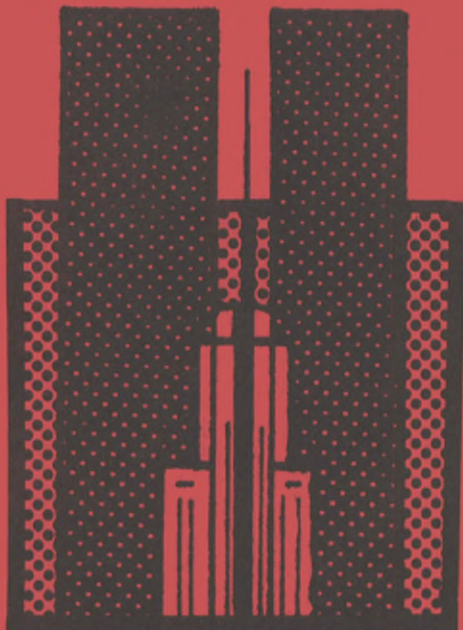
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# AICPA COORDINATION HANDBOOK FOR STATE SOCIETIES 1989-1990



**AICPA**

**American Institute of Certified Public Accountants**

1211 Avenue of the Americas  
New York, NY 10036-8775

# 1989-1990 AICPA Coordination Handbook for State Societies

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## **PREFACE**

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

It is designed to be particularly helpful to state society leaders and staff as they plan and implement programs for their members. The handbook 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 is updated annually. Comments or suggestions for future editions are welcome.

State Society Relations Division  
Fall 1989





# **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**

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

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

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

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

The Joint Trial Board provides for uniform enforcement of professional standards by adjudicating disciplinary charges against state society and AICPA members. Its decisions affect both AICPA and state society memberships.

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

The following committees and boards are designated senior by virtue of resolution of Council implementing the AICPA Bylaws:

- 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
- Personal Financial Planning Executive Committee
- Private Companies Practice Section Executive Committee
- Professional Ethics Executive Committee
- Quality Review Executive Committee
- SEC Practice Section Executive Committee



#### **IV. Senior Technical Committees and Boards**

The following senior technical committees and boards are authorized to make public statements—without clearance from Council or the Board of Directors—on matters relating to their area of practice:

- Accounting and Review Services Committee
- Accounting Standards Executive Committee
- Auditing Standards Board
- Federal Taxation Executive Committee
- Management Advisory Services Executive Committee
- Personal Financial Planning Executive Committee
- Professional Ethics Executive Committee
- Quality Review Executive Committee

#### **V. Membership Participation**

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

There are about 286,000 members: 45.8% in public practice, 39.9% in industry, 2.7% in education, 3.7% in government, and 7.9% miscellaneous or retired. (See page 9.)

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

About 1,800 members serve on approximately 135 boards, committees, and subcommittees.

#### **VI. Requirements for Membership**

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

- possess a valid and unrevoked CPA certificate issued by the legally constituted authorities of the states, the District of Columbia, territories, or territorial possessions of the United States;
- have passed an examination in accounting and other related subjects satisfactory to the AICPA Board of Directors, which the board has resolved is the Uniform CPA Examination;
- practice in a firm enrolled in Institute-approved practice monitoring programs *as long as* one is engaged in public accounting as a proprietor, partner, or shareholder, or as an employee who has been licensed as a CPA for more than two years;
- agree to abide by the AICPA Bylaws and the Code of Professional Conduct.

Effective January 1, 1990, in order to retain membership:

- a member in public practice for each three-year reporting period shall complete 120 hours of continuing professional education with a minimum of 20 hours each year;
- a member not engaged in public practice shall, during the three-year period following January 1, 1990, complete 60 hours of continuing professional education with a minimum of 10 hours in each year and shall, during subsequent three-year reporting periods, complete 90 hours with a minimum of 15 hours each year.

## **VII. AICPA Membership Materials**

All members of the AICPA, by virtue of their membership, receive the following:

- *Journal of Accountancy* (monthly)
- *The CPA Letter* (semimonthly except July and August when it is issued monthly)
- *The Practicing CPA* (monthly; sent automatically to each practice unit represented in the membership and to those members who specifically request it)
- *Statements on Auditing Standards* (when issued)
- *Statements on Responsibility in Tax Practice* (when issued)
- *Statements on Standards for Accounting and Review Services* (when issued)
- *Statements on MAS Standards* (when issued)

Upon request, a member will be placed on the distribution lists for exposure drafts of *Statements on Auditing Standards* and/or *International Accounting Standards*. In addition, a member may request single copies of individual exposure drafts by contacting the Accounting Standards, Auditing Standards, Management Advisory Services, and Professional Ethics divisions of the AICPA, as well as the State Legislation Department and the International Practice section of the Technical Information Division.

# 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>260</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:
  - consider consulting with present and past members of Council about their selections of nominees;
  - 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;
  - 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 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 is 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 committee year beginning with the Institute's annual meeting in the fall. 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 chairpersons, 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 (for which candidates are sought), 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 chairperson of the committee. A committee chairperson 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 be entirely or partially composed of members of the related committee or may be composed entirely of other persons.

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

## **VI. Expenses**

Council has adopted a policy that allows for 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 chairperson. Currently appointed special committees, objectives, and staff aides are as follows:

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

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

It is staffed by the director, Federal Government Relations Division.

### **B. 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, Planning & Research Division.

### **C. AICPA Governance and Structure Special Committee**

This committee recommends appropriate changes in the structure and governance of the AICPA and the profession to respond to present and future needs and expectations of AICPA members and the public.

It is staffed by the project director, Governance and Structure Committee.







## **AICPA STAFF BREAKDOWN**

**(as of July 31, 1989)**

**Total Staff:** 661, including 102 CPAs (328 exempt, 333 non-exempt)

**A. New York Office**

296 exempt

320 non-exempt

**B. Washington Office**

32 exempt

13 non-exempt

**AICPA MEMBERSHIP BREAKDOWN**  
(as of July 31, 1989)

	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>1980</u>
Total AICPA Membership	286,359	272,479	254,923	240,952	231,333	218,855	201,764	188,706	173,900	161,319
Public Accounting	45.8%	46.5%	47.6%	49.1%	51.0%	51.5%	53.0%	52.5%	53.3%	54.1%
Business & Industry	39.9%	39.6%	39.5%	39.5%	38.8%	38.4%	36.9%	37.6%	36.1%	35.5%
Education	2.7%	2.7%	2.8%	2.8%	2.7%	2.7%	2.7%	2.5%	2.8%	2.9%
Government	3.7%	3.6%	3.4%	3.2%	3.3%	3.3%	3.3%	3.2%	3.3%	3.3%
Retired & Miscellaneous	7.9%	7.6%	6.7%	5.4%	4.2%	4.1%	4.1%	4.2%	4.3%	4.2%
Membership in Public Practice	131,014	126,771	121,349	118,226	117,850	112,673	106,870	99,141	93,082	87,339
Firms with one member	23.6%	24.8%	25.6%	25.1%	23.9%	23.1%	22.6%	23.5%	21.8%	23.8%
Firms with two to nine members	34.0%	33.6%	34.0%	34.3%	33.7%	34.0%	34.0%	34.0%	34.5%	33.1%
Firms with 10 or more members, except the 25 largest firms	17.3%	16.4%	15.5%	15.0%	15.1%	15.1%	15.0%	14.5%	14.2%	13.0%
The 25 largest firms	25.1%	25.2%	24.9%	25.6%	27.3%	27.8%	28.4%	28.0%	29.5%	30.1%

**AICPA MEMBERS BY LOCATION**  
(as of August 1, 1989)

<u>STATE</u>	<u>TOTAL</u>	<u>STATE</u>	<u>TOTAL</u>
ALABAMA	2,907	NEBRASKA	1,572
ALASKA	608	NEVADA	1,136
ARIZONA	4,236	NEW HAMPSHIRE	961
ARKANSAS	2,085	NEW JERSEY	14,400
CALIFORNIA	28,766	NEW MEXICO	1,238
COLORADO	5,826	NEW YORK	23,367
CONNECTICUT	5,715	NORTH CAROLINA	6,338
DELAWARE	674	NORTH DAKOTA	624
DISTRICT OF COLUMBIA	1,184	OHIO	10,275
FLORIDA	15,011	OKLAHOMA	4,126
GEORGIA	6,945	OREGON	3,114
HAWAII	1,333	PENNSYLVANIA	12,769
IDAHO	1,012	RHODE ISLAND	1,018
ILLINOIS	18,511	SOUTH CAROLINA	2,266
INDIANA	4,687	SOUTH DAKOTA	508
IOWA	2,407	TENNESSEE	4,717
KANSAS	2,847	TEXAS	24,335
KENTUCKY	2,806	UTAH	1,904
LOUISIANA	4,523	VERMONT	487
MAINE	781	VIRGINIA	7,490
MARYLAND	7,366	WASHINGTON	5,362
MASSACHUSETTS	6,933	WEST VIRGINIA	1,056
MICHIGAN	9,012	WISCONSIN	4,528
MINNESOTA	5,714	WYOMING	397
MISSISSIPPI	1,781	U.S. (Other)	1,143
MISSOURI	5,183	CANADA	194
MONTANA	908	FOREIGNS	1,273
		<b>TOTAL</b>	<b><u>286,359</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

O. Ray Whittington, director, audit research, (212) 575-5510

Patrick L. McNamee, director, audit and accounting guides, (212) 575-3850

Mark S. Beasley, technical manager, (212) 575-5416

### **III. The Auditing Standards Board**

- 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 Bylaws and Code of Professional Conduct.
- B. The board is composed of 21 members, including representatives from international, national, regional, and local firms, as well as representatives from accounting education and state government.

### **IV. Audit Standards Planning Committee**

- A. The committee oversees the Auditing Standards Board agenda with both practitioner and public interest perspectives and participates in liaison programs with the Public Oversight Board, the Securities and Exchange Commission (SEC), the SECPS Quality Control Inquiry Committee, and other liaison groups.
- B. The committee has seven members comprised of the board chairman, three board members, and three members representing public interests.

### **V. Accounting and Review Services Committee**

- A. The committee is composed of seven members representing international, 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.

## VI. Publications

<u>Title</u>	<u>Audience/Purpose</u>
<i>Statements on Auditing Standards</i>	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 Code of Professional 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 are issued by the staff of the Auditing Standards Division and reviewed by the Auditing Standards Board to 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.
<i>In Our Opinion . . .</i>	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.

## VII. Other Documents

- A. Auditing Standards Board agenda material is available through the AICPA Meetings Subscription Service. The cost of the subscription service is \$150 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.

## VIII. 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.

## **IX. Committees**

In addition to staffing the Auditing Standards Board, the division staffs three committees, one subcommittee, and 13 task forces.

## **X. 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 chairpersons. Exposure periods generally range from three to six months.
- B. The division sponsors a visitation program in which Auditing Standards Board 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 board meetings and talk with board 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. Objectives

- A. To determine Institute technical policies regarding financial accounting and reporting standards, and generally to be the Institute's official spokesperson on these matters.
- B. To provide guidance to members of the Institute and influence their judgments on financial accounting or reporting issues not otherwise covered in authoritative literature.
- C. To influence the form and content of pronouncements of the Financial Accounting Standards Board (FASB), the Governmental Accounting Standards Board (GASB), and other bodies that have authority over financial accounting or reporting standards.

## II. Staff

Ten employees, including seven CPAs: director, six technical managers, and three support staff.

### Key Staff Contacts:

Paul Rosenfield, director, (212) 575-6368

Fred Gill, technical manager, (212) 575-5511

## 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

### Title

### Audience/Purpose

#### *Issues Papers*

These provide information on financial accounting and reporting issues the Institute believes the FASB or GASB should consider and provide guidance to resolve.

#### *Statements of Position*

These provide guidance on practice or industry financial accounting or reporting problems. They are also intended to influence the establishment of standards by the FASB and the GASB. They may update, revise, or clarify audit and accounting guides or provide freestanding guidance.

*Audit and Accounting Guides*

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

Practice Bulletins

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

Letters of Comment

These communicate the views of the Accounting Standards Executive Committee (AcSEC) on financial accounting and reporting proposals issued by groups outside the Institute.

**V. Committees**

The division staffs AcSEC, which is composed of 15 members drawn from a variety of CPA firms, industries, and universities. The division also staffs seven 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 chairpersons. Comment periods vary from 60 to 120 days.

## MANAGEMENT ADVISORY SERVICES DIVISION

### I. Objectives

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

### II. Staff

Six employees: director, two technical managers, coordinator-editor, and two secretaries.

#### Key Staff Contacts:

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

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

Steven Sacks, technical manager, (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</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	This provides technical standards for the conduct of management advisory services.
<i>MAS Small Business Consulting Practice Aids</i>	booklet	This is 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	This assists 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	This assists practitioners in management and administration of their firm's MAS practice.
<i>MAS Special Reports</i>	booklet	This includes special studies and new technical areas.
<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.
<i>CPA Management Advisor</i>	newsletter	This is a quarterly newsletter for division members.

## V. Other Division Activities

The division works with universities to enhance MAS education and to provide information to students about MAS. The division also provides a referral service for members of the Management Advisory Services Membership Division.

## VI. 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.

## VII. Membership Division for MAS

The Membership Division for MAS may be joined by members of the AICPA in public 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 5,000 members, and the membership fee is \$70 annually.

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

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

# FEDERAL TAXATION 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 assist CPAs in the area of tax practice management.
- G. To maintain and improve the quality of tax education for CPAs.
- H. To publish a sophisticated, useful, monthly tax magazine, as well as studies that contribute to the general body of tax knowledge.
- I. To hold semiannual division meetings to share the tax knowledge of practitioners.
- J. To maintain harmonious relations with state societies and other organizations in the area of taxes.
- K. To underscore the preeminent role of CPAs in taxes and heighten the reputation of the profession as a whole.
- L. 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.
- M. To motivate members to maintain a high level of performance in tax practice through increased association with their professional peers.

## II. Staff

Sixteen employees: vice president, two directors, eight technical managers, and five support staff.

### Key Staff Contacts:

Don Skadden, vice president, (202) 737-6600  
William Stromsem, director, (202) 737-6600  
Kenneth Thomas, director, (202) 737-6600  
Loretta Bonner, technical manager, (202) 737-6600  
James Clark, technical manager, (202) 737-6600  
Carol Ferguson, technical manager, (202) 737-6600  
Patricia Hale, technical manager, (202) 737-6600  
Edward Karl, technical manager, (202) 737-6600  
Carol Shaffer, technical manager, (202) 737-6600  
Lisa Winton, technical manager, (202) 737-6600  
James Woehlke, technical 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, 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*.
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 cost 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

Annual membership in the Tax Division covers the period August 1 through July 31. Annual dues for 1989-90 are \$85. This fee covers membership in the Tax Division, plus affiliation 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 Tax
- International Taxation
- Responsibilities in Tax Practice
- Tax Practice Management
- Small Business Taxation
- Tax Accounting
- Taxation of Corporations and Shareholders
- Liaison with State Society Tax Committees
- Tax Division Administrative
- Tax Division Communications
- Financial Services Industry Taxation
- Tax Practice and Procedure
- Individual Taxation
- Tax Education
- Tax Policy and Planning
- Partnership Taxation
- State and Local Taxation
- Fiduciary Income Tax
- Tax Forms
- Tax Computer
- Tax Practice Aids
- Tax Government Liaison
- "S" Corporation Taxation
- Tax Exempt Organizations
- Tax Simplification and Efficiency

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

- A. State societies are asked to submit issues and suggestions for agenda items for consideration by subcommittees.
- B. The division periodically sponsors meetings for state society representatives with IRS national office personnel.

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

- A. Exposure drafts of tax policy statements and responsibilities in tax practice are distributed to state society tax committee chairpersons, 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, practice aids, and software.
- D. To administer the Personal Financial Planning Division. (See the section on the Personal Financial Planning Division.)
- E. To administer the National Accounting Automated Research System (NAARS) and Total On-Line Tax and Accounting Library (TOTAL). (See the section on the Information Retrieval Department.)

### II. Staff

Twenty-eight employees: director, senior technical manager, 13 technical managers, manager, two senior technical advisors, three technical advisors, three coordinators, microcomputer support specialist, and three support staff.

#### Key Staff Contacts:

John Graves, director, (212) 575-6391

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

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

Hal Clark, manager, (212) 575-6393

### 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.
- G. It provides support to users of AICPA software products.

#### **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:

- for practitioners in all states, except New York, the number is (800) 223-4158;
- 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. (See the section on the Personal Financial Planning Division.)

#### **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, 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, 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. *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.

**X. **Software Support****

The division answers questions on the use of AICPA software. Members should call (212) 575-5412.

# 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 of corporations, governmental entities, and authoritative and semiauthoritative accounting and auditing promulgations of the FASB, AICPA, SEC, etc.
- B. To research technical problems for members of the profession, including other Institute divisions.
- C. To publicize, demonstrate, and market the NAARS database to prospective subscribers.
- D. To administer the Total On-Line Tax and Accounting Library (TOTAL), the AICPA member program for subscriptions to LEXIS/NEXIS/NAARS.

## II. Database

The accounting information database of NAARS contains:

### A. Corporate Annual Report Files

Each file consists of approximately 4,200 annual reports of corporations whose stock is traded on the New York and American Stock Exchanges and selected companies whose stock is traded Over-The-Counter. The files are made up on a fiscal-year basis containing balance sheet dates from July 1 through the following June 30. Included in each document are the financial statements, footnotes, auditor's report, and management responsibility letter. The five most recent file years are retained on-line, while older files (beginning with the 1972-1973 file) are retained on archival tapes which are brought on-line by request.

### B. Governmental Entity Annual Reports

Each file consists of approximately 500 annual reports of local governmental entities, subject to the Single Audit Act of 1984. The files are made up on a fiscal-year basis containing balance sheet dates from July 1 through the following June 30. The files include reports from counties, cities, townships, special districts, and school districts. Included in each document are the general purpose financial statements, footnotes, schedule of federal financial assistance, compliance findings, questioned costs, and the auditor's report on the general purpose financial statements, compliance, and internal control. The governmental entity files begin with the 1985-1986 file year and all are available on-line.

### C. Accounting Literature File

The Accounting Literature File includes the full text of current authoritative and semiauthoritative promulgations of the FASB, AICPA, GASB, SEC, OMB, GAO, IASC, and IFAC such as:

#### 1. Financial Accounting Standards Board

- *Statements of Financial Accounting Standards*
- *Interpretations*



- *Technical Bulletins*
- *Concepts Statements*
- *Issue Summaries of the FASB Emerging Issues Task Force*
- *Minutes of Meetings of the FASB Emerging Issues Task Force*

## **2. American Institute of Certified Public Accountants**

- *Statements on Auditing Standards*
- *Auditing Interpretations*
- *Accounting Principles Board Opinions*
- *Accounting Principles Board Statements*
- *Accounting Research Bulletins*
- *Accounting Terminology Bulletins*
- *Interpretations of APB Opinions*
- *Issues Papers*
- *Statements of Position*
- *Statements on Standards for Accounting and Review Services*
- *Statements on Standards for Accounting and Review Services Interpretations*
- *Statements on Standards for Accountants' Services on Prospective Financial Information*
- *Statements on Standards for Attestation Engagements*
- *Statements on Standards for Management Advisory Services*
- *Statements on Quality Control Standards*
- *Interpretations of Quality Control Standards*
- *Audit and Accounting Guides*
- *Industry Audit Guides*
- *Personal Financial Statements Guide*
- *Guide for Prospective Financial Statements*
- *Accounting Standards Executive Committee Practice Bulletins*
- *Technical Practice Aids of the Technical Services Division*
- *AICPA Code of Professional Conduct*

## **3. Governmental Accounting Standards Board**

- *Statements of The Governmental Accounting Standards Board*
- *Interpretations*
- *Technical Bulletins*
- *Concepts Statements*
- *Codification of GASB Statements*

## **4. Securities and Exchange Commission**

- *Regulation S-X*
- *Regulation S-K*

- *Staff Accounting Bulletins*
- *Accounting and Auditing Enforcement Releases*
- *Financial Reporting Releases*
- *Accounting Series Releases*

**5. Office of Management and Budget**

- *Office of Management and Budget Circulars*
- *Compliance Supplements for Single Audits of State and Local Governments*
- *State Network on Block Grants*

**6. General Accounting Office**

- *Standards for Audits of Governmental Organizations, Programs, Activities, and Functions*

**7. International**

- *Accounting Standards of the International Accounting Standards Committee*
- *Auditing Guidelines of the International Federation of Accountants*

**D. Superseded Accounting Literature**

The Superseded Literature File contains the full text of the above material which has been superseded by subsequent promulgations.

**E. *Journal of Accountancy***

The *Journal of Accountancy* File contains the full text of all articles published in the *Journal of Accountancy* from the January 1987 issue to present.

**F. *The Tax Adviser***

The *Tax Adviser* File contains the full text of all articles published in *The Tax Adviser* from the January 1987 issue to present.

**G. *The CPA Letter***

The *CPA Letter* File contains the full text of all of *The CPA Letter* newsletters published from the January 1987 issue to present.

**H. *Tax Division Newsletter***

The *Tax Division Newsletter* File contains the full text of all of the *Tax Division Newsletters* published from the January 1987 issue to present.

**III. Staff**

Six employees, including four CPAs: manager, research associates, and support staff. Four per diem CPAs and four 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 is stored in the computer.
- 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.
- 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. **Subscription Through TOTAL**—By subscribing through TOTAL, you are provided immediate access—through your computer—to all the information you need on taxes, accounting, auditing, financial reporting, governmental accounting, securities, federal and state laws, and other areas of professional concern. The initial fee is \$75, plus a \$10 monthly charge and the cost of using the system. Subscribers receive a user ID number, along with reference manuals, upon receipt of the executed contract for subscription.
- B. **Individual Inquiry**—Access to the NAARS service is available on an individual inquiry basis for those who do not have access through a subscription. 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, write or call:

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

## PERSONAL FINANCIAL PLANNING DIVISION

### I. Objective

To provide technical, practice management, and public relations support to AICPA members with a special interest in advising clients on the planning and management of their personal finances.

### II. Staff

Six employees: director, three technical managers, a public relations coordinator, and a division coordinator.

#### Key Staff Contacts:

John Hudson, director, (212) 575-3644

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

Jeffrey Rattiner, technical manager, (212) 575-3658

Bernice Sobel, technical manager, (212) 575-6402

Ilene Dorn Pollack, public relations coordinator, (212) 575-5417

### III. Division Activities

- A. The division develops materials on issues of concern to CPAs providing PFP services and distributes them through the division newsletter—*The Planner*, the *Personal Financial Planning Manual*, or as practice aids.
- B. It promotes CPAs as personal financial planners through press releases, media contacts and referrals, and advertisements.
- C. It interacts with the CPE Division in the development of courses to meet the needs of CPAs offering personal financial planning services.
- D. It works with the AICPA Washington office to monitor and influence proposed legislation that might affect or be detrimental to CPAs providing personal financial planning services.
- E. It works with the Examinations Division's Specialization Department on the Accredited Personal Financial Specialist program in personal financial planning.

### IV. PFP Division Membership

#### A. Establishment of Voluntary Membership

In 1986, AICPA Council authorized the establishment of a Personal Financial Planning Division for AICPA members with an interest in this activity. Membership is voluntary and is available only to AICPA members. The PFP Division has about 9,000 members.

## **B. Membership Benefits**

1. Members have the opportunity to increase their technical knowledge and professional competence in the area of PFP.
2. They can increase the profitability of their personal financial planning practice.
3. They are able to exchange personal financial planning experiences and ideas with professional colleagues.
4. They benefit from an intensive public awareness program that reinforces the image of CPAs as competent, objective, and trustworthy personal financial planning executives.
5. They receive technical practice aids such as the *Personal Financial Planning Manual*, a 700-page, two-volume looseleaf reference source that offers a wide range of practical information, suggestions, guidance, and advice for the efficient, competent, and successful delivery of personal financial planning services to clients. Members receive supplements to the *Manual* several times a year.
6. They receive a subscription to *The Planner*, a bimonthly newsletter that provides information on new developments in PFP, and covers such topics as practice management, accreditation, investment and insurance planning strategies, and regulatory concerns.

## **C. PFP Division Membership Dues**

Annual membership in the PFP Division covers the period August 1 through July 31. Annual dues are \$100.

## **V. Conference**

The PFP Division sponsors the PFP Technical Conference each year. The conference focuses on current developments in PFP, examines technical planning strategies being used by PFP professionals, and offers participants practical suggestions for improving PFP services and operating more efficiently.

## **VI. Personal Financial Planning Roundtable**

The division holds an annual roundtable meeting for the chairpersons of state societies' PFP committees. The meeting enables the chairpersons to learn about the activities of other societies' PFP committees—the success stories and the problems—as well as the activities of the AICPA PFP Division.

## **VII. Mailings to State Societies**

- A. *The Planner* is mailed to state societies.
- B. State societies may request copies of the *Personal Financial Planning Manual* and a subscription to receive all subsequent supplements.
- C. Position papers on state legislative issues are sent to state society executives.



# PROFESSIONAL ETHICS DIVISION

## I. Objectives

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

## II. Staff

Sixteen employees, including eight CPAs: director, two senior technical managers, seven technical managers, coordinator, and five support staff.

### Key Staff Contacts:

Herbert Finkston, director, (212) 575-6209

Kathleen A. Lewis, senior technical manager, Independence & Behavioral Standards, (212) 575-3841

Edith Breitner, senior 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 Conduct, including the Principles, Rules of Conduct, Interpretations of the Rules of Conduct, and Ethics Rulings.
<i>Joint Ethics Enforcement Program Manual of Procedures</i> (rev. ed. 1988)	This describes procedures to be followed by AICPA and state society ethics committees when conducting investigations of potential disciplinary matters.

## 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 Conduct 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 Conduct. The division is the only AICPA body granted this power under the Bylaws.
- D. It proposes amendments to the Code of Professional Conduct.

## **V. Code of Professional Conduct**

Members are required to comply with the Code of Professional Conduct.

## **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:

- to eliminate duplication of enforcement;
- to integrate the efforts of state societies and the AICPA with respect to ethics enforcement;
- to encourage greater uniformity in interpretation of ethical standards and disciplinary action;
- to encourage more aggressive disciplinary action;
- 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 conduct of either or both organizations. Currently, 51 state societies participate in JEEP.

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

1. Ordinarily, state societies conduct most 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 letter of required corrective action with directives when the matter is not serious enough for trial board consideration; or a 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 trial board to investigate the complaint. Complainants are notified of the conclusion of an investigation—but 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 chairpersons 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 task forces established as required.

B. Also, area planning meetings 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 areas 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

## 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 the Joint Trial Board.

## II. Staff

Three employees: general counsel and secretary, assistant general counsel, and director.

### Key Staff Contacts:

Donald J. Schneeman, general counsel and secretary, (212) 575-6469

Paul V. Geoghan, assistant general counsel, (212) 575-6385

William C. Tamulinas, director, (212) 575-3852.

## III. Joint Trial Board 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 and lists members of the Joint Trial Board. All members of the Joint Trial Board 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. Currently, 51 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

The Joint Trial Board is a hearing board of general jurisdiction. It consists of 36 members, nominated by the Nominations Committee from among former or present members of AICPA Council. The size of the trial board is determined by the Board of Directors.

### A. Hearing Panels

The Joint Trial Board does not sit in its entirety but conducts hearings of disciplinary charges under the ethics code of the AICPA and/or state societies through hearing panels. Hearing panels are composed of five members of the Joint Trial Board appointed by the trial board's chairperson.

## **B. Ad Hoc Committees**

Ad hoc committees of the Joint Trial Board, composed of five members of the Joint Trial Board, act on petitions for review of cases decided by hearing panels. The committees also act on petitions that those 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 or license to practice (7.3.2) not become operative.

## **C. Review Panels**

Review panels of the Joint Trial Board are composed of five members. They are the final appellate authority in matters heard and determined by the Joint Trial Board. Review panels may:

- hear cases for which a petition for review of a case decided by a hearing panel has been granted by an ad hoc committee;
- hear petitions for reinstatement of expelled members.

## **VI. Requirements for Service on the Joint Trial Board**

Board members must be former or present members of the AICPA Council. The following persons are not eligible for membership on the Joint Trial Board:

- a member of the AICPA Professional Ethics Division;
- a member of a state society ethics committee;
- a member of a state board of accountancy.

## 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:

- 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;
- 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 requiring mandatory peer review, requiring maintenance of quality controls, and 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 Executive Committee and 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.
- F. **Member services**—The PCPS offers a variety of services to its member firms such as marketing and public relations materials and tax planning publications for distribution to clients.

#### 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; direct notification to the SEC when the client-auditor relationship is terminated; and reporting to the Quality Control Inquiry Committee any litigation involving audits of SEC clients.

#### V. Membership Statistics

- A. 

<u>Type of Membership</u>	<u>8/11/89</u>
PCPS only	4,611
SECPS only	15
Both sections	<u>512</u>
	5,138
- B. 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, almost 200 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 Review Division staff reports to the vice president—Quality Review.
- B. **Staff Levels:**
  - 1. Quality Review Division—24 employees, including 10 CPAs: vice-president, three senior technical managers, six technical managers, and 14 support staff carry out the functions of the SECPS and the PCPS Peer Review committees and the Quality Review Executive Committee.

2. PCPS—three employees, including two CPAs: director, technical manager, and a secretary staff the PCPS Executive Committee.
3. SECPS—five employees: one CPA director, one technical manager, and three support staff carry out the functions of the SECPS Executive Committee and the Quality Control Inquiry Committee.

**Key Staff Contacts:**

Dale Rafal, vice president, Quality Review, (212) 575-5582

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

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. 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.
- D. The SECPS Quality Control Inquiry 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's annual report discusses the committee's activities in considerable depth.
- E. The peer review committees of both sections, assisted by the staff of the Quality 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 as of 7/31/89 is as follows:

	<u>Initial</u>	<u>Subsequent</u>	<u>Total</u>
Through 1983	1,374	227	1,601
During 1984	236	297	533
During 1985	139	322	461
During 1986	164	284	448
During 1987	225	426	651
During 1988	219	357	576
Expected during 1989	687	370	1,057

2. Peer review reports accepted by the peer review committees as of 7/31/89 are as follows:

	<u>Initial</u>	<u>Subsequent</u>	<u>Total</u>
Unqualified	86 %	92 %	89 %
Qualified	12 %	7 %	10 %
Adverse	2 %	1 %	1 %

- F. 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.
- G. The Quality Review Division administers a consulting review program to assist CPA firms in improving the quality of their practices and in preparing for review. The consulting review is confidential and educational in nature, and is conducted on the reviewed firm's premises by an experienced reviewer. 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 refunded if the firm joins PCPS and has its first review as a PCPS member.
- H. 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.

I. **Publications**

<u>Title</u>	<u>Form</u>	<u>Audience/Purpose</u>
<i>SECPS Peer Review Manual (1986)</i>	paperback* and looseleaf	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>PCPS Peer Review Manual (1986)</i>	paperback* and looseleaf	

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

<i>Firm-On-Firm Review Directory</i> (annually)	paperback	This is distributed to all CPA firms represented in the AICPA membership and to state societies. The directory lists firms that have expressed an interest in performing peer or quality reviews of other firms.
<i>Directory of Member Firms</i> (annually)	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 January 1.
<i>PCPS Advocate</i> (quarterly)	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?</i> (1984)	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</i> (1985)	brochure	This provides information to practicing CPAs about the benefits and requirements for membership.
<i>A Shared Commitment to Quality</i> (1988)	brochure	Designed for distribution by member firms, this describes the division and emphasizes how a firm's membership benefits its clients.

## J. Conferences

The 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 the Division for CPA Firms' peer review program.
- C. They distribute materials (speeches, brochures, etc.) to help state societies promote membership in the division to its members.

# QUALITY REVIEW PROGRAM

## I. Background

The Quality Review Program was established by the AICPA in response to a change in the Bylaws approved by the members in January 1988. The new Bylaws require all members of the AICPA who are engaged in the practice of public accounting to practice in firms that are enrolled in an approved practice-monitoring program. The new program is national in scope and is being carried out in cooperation with 48 state societies.

## II. Goal

The goal of the Quality Review Program is to raise the level of quality throughout the profession through educational and remedial actions.

## III. Statistics

As of August 30, 1989, there were 40,134 firms enrolled in the program.

## IV. Staff

The group vice president-Professional has overall responsibility for the Quality Review Program. The program's operations are carried out by the staff of the Quality Review Division. This division is discussed further under the Division for CPA Firms' section of this handbook.

## V. Activities of the Program

- A. The quality review program is governed by the Quality Review Executive Committee, which conducts the program in cooperation with state societies that elect to participate. As of August 30, 1989, 48 state societies had elected to be involved in the administration of the Quality Review Program.
- B. The Quality Review Executive Committee has issued the *Standards for Performing and Reporting on Quality Reviews*. These standards are applicable to enrolled firms, reviewers, state societies that participate in the administration of the program, associations of CPA firms that arrange quality reviews for their members, and to the AICPA Quality Review Division.
- C. The *Quality Review Program Manual* includes all of the checklists and programs needed for administering, arranging, or performing a quality review. This manual is available through a subscription service and is updated periodically to reflect changes in technical and professional standards. Gratis copies of the manual were sent to state societies and associations of CPA firms.
- D. The *State Society Quality Review Program Administrative Manual* was developed for state societies. It includes information that will enable a state society to administer its own quality review program. The manual will be updated periodically.

## EXAMINATIONS DIVISION

### I. Objectives

- A. To prepare the Uniform CPA Examination and operate the Advisory Grading Service under the direction of the Board of Examiners.
- B. To develop and manage the Accredited Specialist Designation Program and monitor the Accredited Personal Financial Specialist (APFS) Designation Program—the first specialist designation program.

### II. Staff

Twenty-one employees, including six CPAs: director, two senior technical managers, five technical managers, senior psychometrician, psychometrician, systems and security designer, three permanent grading individuals engaged in supervising and supporting grading activities, and seven individuals engaged in examination production and clerical support functions.

#### Key Staff Contacts:

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

Aubrey Kosson, senior technical manager (Uniform CPA Examination), (212) 575-6498

Charles A. Rhuda, senior technical manager (Accredited Specialist Designation Program), (212) 575-6497

### III. Assistance Available to State Societies

- A. **Uniform CPA Examination**—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 combined grades. In February and September (following the November and May Uniform 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 of notification.
- B. **Accredited Specialist Designation Program**—State societies interested in providing sites for the Accredited Personal Financial Specialist (APFS) Examination should contact the Examinations Division. State societies will provide the site and proctors. All of the administrative details involved in registering candidates for the APFS Examination will be handled by the Examinations Division.

The division notifies state society executive directors of the names of those in a state who pass the APFS Examination.

### IV. Division Activities Related to the Uniform CPA Examination

- A. The division maintains tight security during all phases of preparing, editing, reviewing, proofreading, and storing of examination materials. The Uniform CPA Examination is administered every May and November. In May 1989, approximately 67,000 candidates wrote approximately 237,000 papers and in November 1988, approximately 74,000 candidates wrote approximately 269,000 papers.

- B. The division grades the Uniform CPA Examination for the 50 states, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands. Approximately 200 CPAs and attorneys are hired to grade the Uniform CPA Examination, along with 140 clerical support staff. The grading process for each examination takes about 2½ months.

**C. Publications**

1. *Uniform CPA Examination Questions and Unofficial Answers—Semiannual Volumes*

Each volume contains the complete text of the most recent CPA examination, along with unofficial answers and study references.

2. *Uniform CPA Examination Selected Questions & Unofficial Answers Indexed to Content Specification Outlines—Annual Volume*

Each annual volume contains the nine Uniform CPA Examinations prior to the most recent one, along with unofficial answers indexed to the content specification outlines on which they are based. Each volume also contains the latest *Uniform CPA Examination Questions and Unofficial Answers* (semiannual volume).

3. *Unofficial Multiple Choice Early Answers—Semiannual*

The answers provide the correct letter response to the multiple-choice questions without narrative explanation and are intended to be used for self-grading purposes. They are mailed to those who order them beginning on June 1 for the May Uniform CPA Examination and on December 1 for the November Uniform CPA Examination.

4. *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. It contains the policies of the Board of Examiners related to the Uniform CPA Examination.

**V. Division Activities Related to the Accredited Specialist Designation Program**

- A. The division develops and manages the Accredited Specialist Designation Program. This process entails receiving, considering, and recommending action to the Board of Directors on applications for accreditation of specialties.
- B. The division administers the Accredited Personal Financial Specialist (APFS) Designation Program. The division processes applications to determine if candidates meet the requirements to sit for the APFS Examination. The division prepares and grades the APFS Examination, and then reports the grades to the candidates. In addition, the division administers the annual reaccreditation process for those CPAs who have passed the APFS Examination.



# CONTINUING PROFESSIONAL EDUCATION DIVISION

## OVERVIEW

### I. Mission Statement

The mission of the Continuing Professional Education (CPE) Division of the AICPA is to provide, at competitive prices to all segments of the membership, a broad range of high-quality educational offerings that members and their staffs need in order to maintain and improve their professional skills.

The business activities of the CPE Division will be sustained from its own revenues. Non-business CPE activities (e.g., National Curriculum, CPE standards) will be sustained from membership dues.

### II. Objectives

- A. To maintain a leadership position as a provider of CPE for the profession.
- B. To respond to members' CPE needs on a timely basis.
- C. To provide high-quality course offerings.
- D. To make CPE offerings widely available to the membership.
- E. To assure that the programs and activities of the CPE Division are compatible with and advance the overall mission of the AICPA.
- F. To improve the effectiveness and efficiency of internal operations.

### III. Staff

Approximately 100 individuals work in six departments of the CPE Division:

Administration

Program Development—Group Study

Program Development—Direct Study

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

Three employees: vice president, financial analyst, and administrative assistant.

#### Key Staff Contact:

Joseph T. Cote, vice president, (212) 575-5498

#### C. Committee

The objective of the CPE Executive Committee is to function in an oversight and advisory capacity to assist the CPE Division in achieving the division's general mission and objectives. Composed of 14 members, the committee meets three times a year in January, May, and October.

#### D. Documents

The department provides various communications to state society leadership in respect to emerging issues and specific projects of the division.

#### E. Requests for State Society Input

State societies are frequently called upon for input on division projects, such as the development of the CPE Business Plan.

### II. Program Development—Group Study

#### A. Objectives

1. To develop high quality seminar courses in response to member needs and the changing environment.
2. To improve the quality of all seminar course materials.
3. To increase market share.

#### B. Staff

Fourteen employees: one director, two administrative managers, eight project managers, one instructional designer, and one support staff.

#### Key Staff Contact:

Peg Fagan, director, (212) 575-3650

#### C. Assistance Available to State Societies

1. The department provides guidance on the implementation of the *CPE Statement on Standards for Formal Group and Formal Self-Study Programs* as it relates to group study programs.

2. It provides the *National CPE Curriculum* and related guidance to state societies.

**D. Publication**

**Title**

**Audience/Purpose**

*National Continuing  
Professional Education  
Curriculum—A Pathway  
to Excellence (1987)*

This is an organized framework for information which delineates suggested content of CPE programs for the accounting profession. It is primarily useful to the AICPA, state societies, course developers and sponsors, accounting firms, and educational units of various organizations.

**E. Subcommittee**

The National CPE Curriculum Subcommittee oversees the implementation and revision of the Curriculum. The subcommittee also promotes the various uses of the Curriculum.

**F. Documents**

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

**G. 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 such tasks as the development or assessment of course materials or the enhancement of the *National CPE Curriculum*.

With help from the state societies, these tasks can be accomplished effectively and efficiently using existing expertise.

**III. Program Development—Direct Study**

**A. Objective**

To develop quality continuing professional education programs and materials that members need in order to maintain and improve their professional skills. Instructional media includes self-study, audio only, video, computer-aided instruction (CAI), and national conferences/training schools.

**B. Staff**

Fifteen employees: one director, two administrative managers, five project managers, three technical editors, one instructional designer/manager of special projects, and three support staff.

**Key Staff Contact:**

Ronald Ledwith, director, (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* as it relates to non-group study programs.
2. It provides guidance on non-group study programs designed for members not in public practice.

### D. Publication

<u>Title</u>	<u>Audience/Purpose</u>
<i>Statement on Standards for Formal Group and Formal Self-Study Programs</i> (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. This statement is presently being revised by the CPE Standards Subcommittee.

### E. Subcommittees

1. The objective of the EDMAX (Educational Management Exchange) Subcommittee, composed of the training directors of selected firms and state societies, is to identify key CPE issues and the knowledge and skills required to resolve them; to share CPE information with the profession; and to advise the CPE Executive Committee on needs assessment, curriculum, standards, and other CPE-related matters. The subcommittee meets two times a year, usually in May and November.
2. The objective of the CPE Standards Subcommittee is to independently and objectively review the AICPA Policies and Standards on CPE and to facilitate harmonization with standards issued by other professional accounting bodies and with the AICPA's Plan to Restructure Professional Standards. The subcommittee will issue a report to the CPE Executive Committee, which will propose appropriate changes, if any, to the AICPA Policies and Standards on CPE. The subcommittee will also provide ongoing interpretation, modification, and guidelines regarding the CPE standards. The subcommittee has 12 members representing various constituencies (e.g., state societies, NASBA, Division for Firms) and meets about three times a year.

### F. Contracts/Agreements

- Cooperative Marketing Arrangement—CPE year 89–90
- CPE/State Society Conference Cosponsorship Agreement in pilot form (to be revised for implementation beginning CPE year 90–91).

### 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.

#### **IV. 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.

##### **B. Staff**

Thirteen employees: director, three managers, five coordinators, and four support staff.

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

Matt Carr, director, (212) 575-6350

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

Nina Diamond, coordinator, (212) 575-5473

Bill Free, coordinator, (212) 575-6850

Lauren Moran, coordinator, (212) 575-6230

Diane Oxman, coordinator, (212) 575-6400

Wendy Rand, manager, Western states marketing, (212) 575-6643

##### **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—(800) 272-6584—and one for member leaders—(800) AICPA-NY.

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

- Various licensing agreements permit the nonexclusive distribution of state society-developed courses by the AICPA
- Cooperative Marketing Arrangement

## E. Publications

<u>Title</u>	<u>Audience/Purpose</u>
<i>Seminar Catalog</i>	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.
<i>Self-Study Video/Interactive CPE Catalog</i>	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).
<i>Public Presentation Planning Handbook</i>	Published annually in July, the <i>Handbook</i> 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 AICPA/State Society CPE Conference is held in July. It is attended by state society executive directors, CPE administrators, AICPA CPE staff, and CPE committee members.

## G. Subcommittee

The objective of the CPE Marketing and Distribution Subcommittee is to assist the CPE Executive Committee in defining CPE market needs and to recommend policies and procedures to improve CPE course quality, distribution methods, and marketing effectiveness of the CPE Division. The subcommittee's role is also to facilitate communications between the CPE Executive Committee and state society CPE leadership. Composed of 12 members, including state society executive directors and CPE directors, the subcommittee meets three times a year in April, September, and December.

## 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 chairpersons.

## **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.

## **V. 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, the grading of self-study course tests, and the administration of the CEA programs.
3. To ensure proper monitoring of divisional budgets and financial analysis.

### **B. Staff**

Forty-four employees: director, two administrators, two managers, 10 course assembly staff, 15 editorial production staff, six materials management staff, six educational support services staff, and two clerical support 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
- CEA programs 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 schedules discussion leaders for instructor-dependent group study courses.
4. It maintains group course evaluation records and disseminates course quality ratings to state societies.
5. It maintains all CEA program and participants' records, and provides assistance in familiarizing state society CPE personnel in CEA administration procedures.

### **VI. Accounting**

#### **A. Objective**

To plan and account for all revenues and expenses of the division and design appropriate financial reports.

#### **B. Staff**

Ten employees: director, administrative secretary, financial analyst, accounting supervisor, two senior bookkeepers, accounts receivable bookkeeper, programmer analyst, programmer, and EDP coordinator.

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

Robert Boos, director, (212) 575-6242

#### **C. Activities**

- Revenue and expense accounting and reporting
- Financial analysis and projection
- Accounts payable/accounts receivable
- Inventory perpetual records
- Royalty contract maintenance
- Invoice processing
- Discussion leaders' expense and honorarium reports
- Discount and revenue sharing accounting and reporting

## PUBLICATIONS DIVISION

### I. *Journal of Accountancy*

#### A. Objectives

1. To keep members of the Institute and other readers, including business and government executives and academia, as well as accountants who are not members of the Institute, informed of the latest technical and professional developments that affect the accounting profession.
2. 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.
3. To provide guidance to generalists such as sole practitioners on the practical application of new and/or complex accounting standards or methods in all areas of accounting.

#### B. Staff

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

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

#### Key Staff Contacts:

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

Colleen Katz, editor, (212) 575-6272

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

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

#### C. Selection of Articles

1. 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.
2. Manuscripts submitted to the *Journal* are acknowledged by the editors and forwarded to at least three reviewers.
3. 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.

#### **D. Relevant Statistics**

1. The *Journal* is published monthly.
2. Its circulation is more than 300,000.
3. Over 43 percent of the *Journal's* readers are in public practice and nearly 38 percent are in industry. The remainder consists of government executives and students.

#### **E. Mailings to State Societies**

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

### **II. *The Tax Adviser***

#### **A. Objectives**

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

#### **B. 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

#### **C. Selection of Articles**

1. 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.
2. Manuscripts submitted to *The Tax Adviser* are acknowledged by the editors and reviewed by an editorial adviser.
3. 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.

#### **D. Relevant Statistics**

1. *The Tax Adviser* is published monthly.
2. It has a circulation of approximately 30,000.
3. Over 60 percent of *The Tax Adviser's* readers are in public accounting practice. The remainder are in law, industry, government, and education.

### **III. Editorial—Newsletters**

#### **A. Activities**

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

##### **1. *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 owners and managers and individual clients, and includes items on management, government regulations, and taxes of particular interest to the client of a smaller CPA firm. The cost is \$174 per year for a minimum order of 50 copies; \$45 per year for additional lots of 25. Imprinting of firm names is also available.

Circulation: 6,000 practice units that distribute more than 800,000 copies to small business and individual clients.

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

Arthur Lodge, editor, (212) 575-6277

##### **2. *CPA Client Tax Letter***

This is a six-page quarterly newsletter that subscribing firms can distribute to clients interested solely in tax suggestions. The newsletter contains legislative and regulatory news, information on court decisions, and other tax developments of concern to typical clients. The newsletter is shipped in bulk to subscribers for distribution in August, November, January, and May. Fifty copies per quarter cost \$106 annually; each additional lot of 25 costs \$26.40 annually. Imprinting costs extra.

Circulation: 3,000 practice units that distribute more than 350,000 copies to tax clients.

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

Arthur Lodge, editor, (212) 575-6277

##### **3. *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: 60,000 practice units and members.

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

Graham Goddard, editor, (212) 575-6278

#### **B. Mailings to State Societies**

All three newsletters are sent to state society executive directors.



#### **IV. Production and Editorial Services Department**

##### **A. 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. Software products are also handled by this group.

##### **B. Staff**

Eleven employees: administrator, production manager, production supervisor, 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

Carrie Vaccaro, editor, (212) 575-6257

##### **C. Activities**

1. The department provides editorial and text design services for manuscripts that are ready for publication. It also provides copyediting and rewrite services for manuscripts in the preliminary draft stage.
2. It prepares basic manufacturing specifications for competitive bids on typesetting and printing and suggests appropriate vendors.
3. It schedules publications and handles trafficking of documents through various stages of the manufacturing process—typesetting, printing, binding, and delivery.
4. It marks up manuscripts for typesetting, proofreads galleys and pages, does layouts, and checks blueprints.
5. It monitors costs throughout processing and maintains quality control at all stages.
6. 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.
7. It designs formats for software products and arranges for the manufacturing of these items.
8. It develops and acquires publications that serve member needs.
9. It administers AICPA rights and permission policies.

##### **D. Relevant Statistics**

Between 90 and 100 new titles are produced each year, and there are between 70 and 80 reprints of inventory items.

## **V. Promotion Department**

### **A. Objectives**

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

### **B. Staff**

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

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

Julia Esposito, manager, (212) 575-6282

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

### **C. Activities**

1. 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.
2. It designs all of the above materials.
3. It plans and follows up on the production of the above materials.
4. It plans and supervises the distribution of the above materials.
5. It budgets and analyzes the effectiveness of specific promotion programs.
6. It manages and supervises mailing list rental activity.
7. It provides design and copywriting services for all AICPA divisions and departments.
8. It schedules and manages all AICPA bulk mailings.

# INDUSTRY AND PRACTICE MANAGEMENT DIVISION

## I. Staff

Eight employees: director, manager (MAP), technical manager, three MAP project administrators, and two support staff.

### Key Staff Contacts:

Nancy Myers, director, (212) 575-6436

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

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

Laura Inge, MAP project administrator, (212) 575-7062

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

Mark Murray, MAP project administrator, (212) 575-5526

## II. Practice Management

### A. Objectives

1. To assist practice units in providing high-quality service to the public by improving the management of their practices.
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 by helping firms to be well managed.

### 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 \$46 for the 1989 supplement.

<i>MAP Selected Readings</i> (1988 and 1989)	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 \$37.
<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> (1989)	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.
<i>Coping With Tax Reform</i> (1988)	guide	This discusses the impact of the Tax Reform Acts of 1986 and 1987 on CPA firms, and it offers advice on how to deal with the issues.

(Note: *Starting a CPA Practice* and *Practice Continuation Agreements* will be published in Fall 1989.)

#### D. Conferences and Seminars

1. The division sponsors the National Practice Management Conference, which is held over 2½ days twice a year.
2. The National Small Firm Conference is also 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.
3. The National Marketing Conference for marketing directors and practice development partners is held in June. The seminar offers marketing and practice growth topics.
4. An annual meeting with state society MAP committee chairpersons and executive directors is held in July or August. Information on current AICPA and state society activities is exchanged.
5. The division develops the management sessions for the AICPA Annual Meeting.

#### **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 responds to practice management inquiries from members.
2. Two task forces recommend services for small firms and larger local and regional firms.
3. The forms in the *MAP Handbook* are being published on diskette.
4. A survey on issues related to the increasing number of female professional staff is being mailed to members in Fall 1989.
5. The MAP Committee recommends to the board and other Institute committees positions and programs to benefit practitioners (e.g., a proposal that the AICPA take action to alleviate the shortage of qualified staff).

#### **G. Committee**

The AICPA MAP Committee assists members of the Institute in the effective operation of their professional firms to help firms maintain high standards of practice and meet their profitability objectives.

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

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

### **III. Industry**

#### **A. Objectives**

1. To provide input from an industry perspective and monitor the responsiveness of AICPA programs to the needs of industry members.
2. To identify for development additional programs designed to meet the needs of industry members.

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

The division provides counsel on initiating and planning programs for state society members employed in industry. This includes gathering and disseminating information about programs for industry members developed by the state societies.

#### **C. Publications**

<u>Title</u>	<u>Form</u>	<u>Audience/Purpose</u>
<i>AICPA Industry Member Forum Manual</i>	Six-page manual	This manual aids industry members in establishing and operating an Industry Member Forum Group. It covers administrative matters and suggests topics for roundtable discussions.

<u>Title</u>	<u>Form</u>	<u>Audience/Purpose</u>
<i>Industry Selected Readings</i>	Soft cover reprints—four volumes annually*	These article reprints are selected by the Industry Committee from leading business and financial journals. The two volumes, <i>Controllershship and Management and Administration</i> , are distributed twice annually and include recent articles of practical interest to members in industry.
<i>AICPA Services for Members in Industry</i>	brochure	This describes AICPA services offered to members which may be of particular interest to members in industry. It is distributed upon request to state societies and individual members.

(*Note:* A series of publications is being planned to provide members in industry with practical advice on various aspects of their jobs. The first, a guide to taking a private company public, is planned for February 1990.)

#### D. Conferences

1. The division sponsors the National Industry Conference. 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 held in late April or early May.
2. It also sponsors the annual Conference for State Society Industry Committee Chairmen. The conference is held in the spring, immediately prior to the National Industry Conference. It provides a forum for state industry committee chairpersons, executive directors, and other staff members to exchange information on current AICPA and state society activities for industry members.
3. The division develops the financial management sessions for the AICPA Annual Meeting and has cooperated in the planning of an operational auditing seminar for the MAS Conference.

#### E. Committee

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 provides assistance and advice to the CPE Division on CPE courses of interest to members in industry, and other CPE matters such as the proposal for the Certificate of Educational Achievement (CEA) program in financial management.

\* Volume 1 to be issued April 1990.

3. The Industry Committee comments on professional issues and proposed standards (e.g., the AICPA Plan to Restructure Professional Standards, the Treadway Commission report, and the International Federation of Accountants' (IFAC) exposure drafts.
4. Communications efforts on behalf of industry members include planned articles recognizing accomplished industry CPAs, letters to employers of active industry members thanking them for their support, an insert in *The CPA Letter*, and an article in the *Journal of Accountancy* on the new CPE requirements.

# LIBRARY SERVICES DIVISION

## I. Objectives

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

## II. Staff

Twenty-two employees: 11 professional librarians and 11 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

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

## IV. Telephone

United States: (800) 223-4155

New York State only: (800) 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' Database (1974 to current) is available for on-line searching through Orbit Search Service
- *AICPA Library Acquisitions List* (monthly)
- *AICPA Library Guide*, 1989 ed.
- *Accountants' Index Master List of Subject Headings*, 1988 ed.
- *AICPA Library Classification Schedule*, 1986 ed. (updated through April 1987)



## **VII. Relevant Statistics**

### **A. Collection Size**

- 72,000 catalogued pamphlets
- 24,000 books and bound journals
- 800 current periodical subscriptions
- 1,200 periodical titles
- 107,000 microfiche U.S. and international annual reports

**B.** The division has access to hundreds of databases on the Dialog, BRS, Global Report, Orbit Search Service, and Mead Data Central (LEXIS/NEXIS) 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 the *Accountants' Index* and the Accountants' Database are located in the AICPA library.

## **VIII. Fees**

A price schedule is available on request for the various services available from the division.

# 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 the 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.

### A. Available Plans Under the AICPA Insurance Trust

#### 1. 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.

#### 2. 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.

#### 3. 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.

#### 4. 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.

## B. 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) 973-6200

### **C. Underwriting Insurance Company**

The Prudential Insurance Company of America

## **II. 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 of more than \$2 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 an individual acting in the capacity of a professional accountant through:

- neglect, error, or omission;
- misrepresentation, dishonesty, or fraud, except if made with affirmative dishonesty or actual intent to deceive or defraud;\*
- 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.

## **III. Personal Liability Umbrella Security (PLUS) Plan**

Beginning November 1, 1988, AICPA members living in the 50 states and the District of Columbia became eligible for up to \$5 million of personal liability coverage under the AICPA PLUS Plan. The PLUS Plan—which protects insured members *and* their families—covers claims against individuals for personal or bodily injury and property damage which exceed their primary automobile, homeowners', or renters' coverage. Coverage amounts start at \$1 million and increase by \$1 million increments to a maximum of \$5 million. The Plan Administrator is Rollins Burdick Hunter Co.

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\* 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>Membership Category</u>	<u>Length of Time CPA Certificate Held</u>	<u>Dues Schedule</u>
1. <b>Partners and Practitioners</b> —Members at the beginning of the fiscal year who are engaged in a public accounting practice as partners or individual practitioners.	Three years or less	\$ 90
	Three to six years	\$120
	Six to 10 years	\$160
	Over 10 years	\$200
2. <b>Senior Staff Members and Staff Members</b> —Members at the beginning of the fiscal year who are engaged in a public accounting practice as senior staff members or staff members.	Three years or less	\$ 65
	Three to six years	\$ 70
	Six to 10 years	\$ 85
	Over 10 years	\$ 90
3. <b>Members in Industry, Students, and Practicing Lawyers</b> —Members at the beginning of the fiscal year who are employed in industry, are students, or are practicing lawyers.	Three years or less	\$ 65
	Three to six years	\$ 70
	Six to 10 years	\$ 85
	Over 10 years	\$ 90
4. <b>Education, Government, and Active Military Service</b> —Members whose principal occupation at the beginning of the fiscal year is employment by recognized colleges or universities, by government, or by the military.	Three years or less	\$ 65
	Over three years	\$ 70
5. <b>Other</b> —Members at the beginning of the fiscal year who are employed in other occupations not specified in sections 1, 2, 3, and 4.	Three years or less	\$ 65
	Three to six years	\$ 70
	Six to 10 years	\$ 85
	Over 10 years	\$ 90
6. <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 8/1/88 or after	\$ 30
	Retired 8/1/82 to 7/31/88	\$ 25
	Retired 8/1/75 to 7/31/82	\$ 20
	Retired 9/1/71 to 7/31/75	\$ 15
	Retired before 9/1/71	\$ 10
7. <b>International Associates</b>		\$ 90

(Note: Dues for each fiscal year include the cost of a subscription to *The Journal of Accountancy*, which is \$20 annually, and *The CPA Letter*, which is \$30 annually.)

**Membership Category**

**Dues  
Schedule**

**8. Division Dues (in addition to membership dues)**

Management Advisory Services  
Personal Financial Planning  
Tax

\$ 70  
\$100  
\$ 85\*

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\* Dues for each fiscal year include the cost of a subscription to *The Tax Adviser*, which is \$46 annually.







## **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**

Eight employees, including five CPAs: vice president, director, three technical managers, and three support staff.

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

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

Ian A. MacKay, director, (202) 737-6600

Stuart L. Graff, technical manager, (202) 737-6600

Robert E. Moran, technical manager, (202) 737-6600

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

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

- A. The division establishes and maintains contacts on behalf of members with federal departments and regulatory agency officials, as well as congressional staff aides and the General Accounting Office, on all accounting- and auditing-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 members of 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, SEC developments, savings and loan associations, credit unions, and governmental accounting and auditing.
- C. It publishes audit guides, statements of position, practice bulletins, 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 13 committees that hold about 50 meetings per year. The committees are:

- Banking
- Credit Unions
- Defense Contracting
- Employee Benefit Plans
- Government Accounting and Auditing
- Government Affairs
- Health Care
- Implementation Monitoring
- Members in Government
- Public Utilities
- Savings & Loan Association
- SEC Regulations
- Transportation

Also, there are approximately 12 task forces working within the division’s structure.

## STATE RELATIONS DIVISION

### I. Objectives

- A. To work closely with state societies on both federal and state legislation, and to promote and protect the interests of our members and the general public.
- B. To serve as an informational source to state societies on federal and state legislative and regulatory issues.
- C. 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.
- D. To develop and implement programs and activities relating to Washington activities to better serve state societies and members.
- E. To coordinate Washington-related programs and activities with the State Society Relations and Public Relations divisions, as appropriate.
- F. To oversee and maintain the administrative functions of the AICPA Washington office.

### II. Staff

Fourteen employees: director, three managers, one assistant manager, and nine support staff.

#### Key Staff Contact:

John M. Sharbaugh, director, (202) 737-6600

#### Communications, Congressional Breakfast, and Key Person Contacts:

Shirley H. Twillman, manager, (202) 737-6600

Jessica Sacco, assistant manager, (202) 737-6600

#### Office Administration Contacts:

Betty Rainwater, office manager, (202) 737-6600

Cris Ligon, assistant of office manager, (202) 737-6600

#### State Legislation Contacts:

Virgil Webb, technical manager, (202) 737-6600

Sophia Modi, technical advisor, (202) 737-6600

Eileen Poplaski, technical advisor, (202) 737-6600

### III. Assistance Available to State Societies

The division provides state societies with information on federal legislative and regulatory issues that have the potential to impact the profession. (See the following section on the State Legislation Department for information on additional assistance to state societies.)

### IV. Division Activities

- A. The division provides state societies with up-to-date information regarding Washington activities and programs.

- B. It publishes *AICPA Washington Report*, a weekly newsletter that alerts members of the profession to proposed legislation and regulations that have the potential to affect CPAs and their practices.
- C. It publishes *Digest of Washington Issues*, a bimonthly publication describing major issues of importance to the accountancy profession. Included in each section is information about the AICPA's position, as well as background material and information about recent developments.
- D. It directs the Federal Key Person Program. The Key Person Program is utilized when it becomes important to make Congress aware of the profession's position on legislative issues. Federal key person contacts are CPAs with close personal and/or professional relationships with elected members of Congress.
- E. 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.
- F. It serves as a public relations liaison with state societies and the media in cooperation with the New York office.

## **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 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 representatives in their offices.

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

When key CPA contacts could be helpful by writing elected officials in support of or in opposition to an issue, the state societies are notified 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.

State societies and federal key person coordinators are also contacted by members of the division for their insight on political campaigns and elections. This enables the AICPA to monitor the leadership and potential direction of the numerous congressional committees and subcommittees of importance to the profession.

# STATE LEGISLATION DEPARTMENT

## I. Objectives

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

## II. Key Staff Contacts:

Virgil Webb, technical manager, (202) 737-6600  
Sophia Modi, technical advisor, (202) 737-6600  
Eileen Poplaski, technical advisor, (202) 737-6600

## III. Assistance Available to State Societies

- A. The department prepares analysis of proposed legislation and regulations and provides briefing papers, talking points, testimony, and other support services to state societies.
- B. It identifies trends in state legislation, regulation, and litigation, and provides notification of such trends to state societies.
- C. It conducts research on subjects such as two-tier licensing, education and experience requirements, continuing professional education requirements by state, etc.
- D. It provides advice and counsel on state political action committees, legislative programs, key person programs, and sunset reviews of state accountancy laws.

## IV. Publications

<u>Title</u>	<u>Audience/Purpose</u>
<i>The Key Man Program</i> (1985)	This tells how state society legislative committees and staff can form and operate Key Man legislator contact and grass roots programs.
<i>The CPA Political Action Committee Handbook</i> (1987)	This informs state society leaders, including society officers, executive directors, and appropriate committees, of the benefits and responsibilities of forming a Political Action Committee (PAC).
<i>Campaign Treasurer's Handbook</i> (1981)	This provides guidance to campaign treasurers and managers of state and local campaigns to assist them in complying with 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 comprehensive state legislative program.

*AICPA/NASBA Digest of State Accountancy Laws and State Board Regulations (1987-1988)*

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 intended for distribution by state CPA societies to state legislators. The pamphlet describes the licensing procedures for CPAs and can be used to educate legislators about the state licensing of CPAs.

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

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

## **V. Conferences**

A national conference on state regulation of the profession is held as needed, usually every other year. The four 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 to hear presentations on emerging issues impacting the profession and to meet with others interested in these issues.

In addition, a conference on state legislative issues was held in October 1989. The conference was intended primarily for Area Planning Subcommittee members and state society executive directors. It covered key state legislative issues having the potential to impact the profession.

## **VI. 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 15 members and meets as needed, usually three 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 the spring and fall. 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.

## **VII. 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. The department, at times, will mail survey forms concerning important aspects of regulation or legislation affecting the profession to state CPA societies. An analysis of the responses is generally provided to the state societies as well as to AICPA committees who have an interest in the issues.

# CONGRESSIONAL BREAKFAST PROGRAM

## I. Objective

To favorably increase the awareness and visibility of the accounting profession in Congress, the AICPA brings together representatives of the state CPA societies with their senators, representatives, key congressional staff members, and Institute officials.

## II. Staff

The AICPA chairman of the board, president, deputy chairman—federal affairs, Washington vice presidents, and director of communications and state society relations participate in all breakfast meetings.

### Key Staff Contact:

Jessica Sacco, assistant manager, (202) 737-6600

## III. State Society Participation

- A. Eight to ten state societies are selected each year to participate in the Congressional Breakfast Program.
- B. Invited are the key CPA contacts for each representative and senator 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. CPAs selected to participate should have a close personal or professional relationship with their federal legislators. For example, the designated CPA may be the personal accountant or campaign treasurer for a senator or representative.
- B. Participation in the program by the president, executive director, and others from the society requires 1½ to 2 working days. Participants should plan a late afternoon arrival in Washington, D.C., the day prior to the breakfast. That evening 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 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, president, and deputy chairman—federal affairs. The society president is the spokesperson for the state society at the breakfast meeting with legislators. The AICPA Washington staff provides a speech outline in advance for the state society president.



D. After the breakfast, the state society president and executive director join key person contacts 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

Twenty employees: vice president, three directors, two managers, executive editor, three PR coordinators, video director, video assistant, three assistant coordinators, and five support staff.

### Key Staff Contacts:

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

Brian Feldman, director, (212) 575-3877

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

Janice Maiman, state society PR coordinator, (212) 575-6649

Carmela Chinnici, PR assistant coordinator, (212) 575-3656

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>Retirement Planning: Achieving Financial Security for Your Future (1989)</i>	This consumer guide focuses on planning and budgeting for your retirement years.

<u>Title</u>	<u>Audience/Purpose</u>
<i>Saving for College: Easing the Financial Burden</i> (1989)	This consumer guide focuses on investment options to consider when saving for a child's college education.
<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.
<i>Keeping Financial Records</i> (1989)	This offers guidelines on organizing your personal, consumer, and tax records.
<i>What Else Can Financial Statements Tell You?</i> (1989)	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>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 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 explains 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 describes 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.

**Title**

**Audience/Purpose**

*Take the CPA Challenge:  
Careers in Accounting  
(1988)*

This highlights career challenges in public accounting, business and industry, governmental and not-for-profit organizations, and education.

*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.

*Home Equity Loans (1988)*

This publication presents the pros and cons of home equity loans and guidelines for selecting a loan.

*Do I Need Financial Planning?  
(1988)*

This new brochure explains the basics of personal financial planning in an easy-to-understand question-and-answer format.

**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 \$60 per year (first class mail).

Circulation: about 290,000

**C. Other**

***Public Relations Guide for Small State CPA Societies (1988)***

This guide offers specific suggestions on how to launch an effective public relations program on a modest budget and details the information and support available from the AICPA.

***The Bottom Line: Inside Accounting Today (1987)***

This landmark book, written by nationally syndicated newspaper columnist Grace W. Weinstein, focuses on the accounting profession's role in the current business environment.

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

### **A. For General Audiences**

- “Your 1989 Federal Income Tax Return” (only available December to April 15)
- “Year-End Tax Planning” (available September to November)
- “Planning and Saving for Your Child’s College Years”
- “Achieving Financial Security for Your Retirement Years”
- “Financial Recordkeeping: Organizing Your Past to Plan Your Future”
- “Shaping Up Your Future With Personal Financial Planning”
- “Social Security: What You Should Know”
- “A Home Equity Loan: Is it Right for You?”
- “Estate Planning for Individuals”

### **B. For Business Audiences**

- “How to Get the Bank Loan You Need”
- “To Sell or Not to Sell: A Question for Business Owners”
- “How to Be Sure Your Business is Located in the Right Place”
- “How CPAs Solve the Problems of Local Business Owners”
- “Microcomputer Applications for Small Businesses”
- “Going Concerns: Keeping Your Business in Business”
- “Keeping it All in the Family: The Problem of Succession in Family Businesses”

## **VI. Slide Presentations**

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

“Financial Planning in a Complex World”: This 20-minute presentation is directed to a general audience and explains the basics of personal financial planning.

## **VII. Interview Guides**

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

Tax season: This short guide features 10 of the most frequently 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. Current titles include:

No. 53—“Report to the 1988 AICPA Annual Meeting”

No. 54—“Statements on Auditing Standards: Responding to the Public’s Expectations”

No. 55—“Report to the 1989 Spring Meeting of AICPA Council”

No. 56—“Update ’89: Report to the 102nd AICPA 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 annually 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 chairpersons, and executive directors and CPAs interested in improving their communications skills. The 1990 conference will be held September 12–14 in Orlando, Florida.

#### **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 the deadline for entries are announced each February. The awards are presented at the National Public Relations Conference for State Societies.

#### **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 other organizations such as the National Association of State Boards of Accountancy and CPA firm associations.

## II. Staff

Four employees: executive assistant to the president, editor, program coordinator, and administrative secretary.

### Key Staff Contacts:

Jay L. Rothberg, executive assistant to the president, (212) 575-6583

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

Michael P. Molaro, program coordinator, (212) 575-3695

Helen O'Shea, administrative secretary, (212) 575-6464

## III. State Society Relations

### A. Publications

<u>Title</u>	<u>Audience/Purpose</u>
<i>State Society Coordinator</i>	This newsletter keeps state society staff and officers and others informed of AICPA and state society activities; it is issued six times a year.
<i>President's Letter</i>	This news summary of AICPA board, committee, and staff actions is distributed to state society leaders, members of Council, and others approximately six 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 summer.



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 fall. 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. Periodically, the AICPA hosts an 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 Member Roundtables and President's Member Forums 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. The programs also enable the AICPA and state societies to better understand the needs and problems of their members.

Approximately 16 member roundtables are held each year in different states/jurisdictions so that each state society gets to host a roundtable about every four years. Three member forums are geared to local practitioners and are held in Denver, Chicago, and New York. In addition, a pilot program for industry members was held in Washington, D.C. in June. The program was very successful and will be expanded in 1990.

## **C. Other Activities**

1. 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.
2. 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. The lists include state society presidents, presidents-elect, other members of executive committees, and chairpersons for a number of committees. The division also issues state society staff lists three times a year. These lists include executive directors, CPE staff, public relations staff, legislative staff, and quality review contacts.
3. The Speakers Referral Service provides speakers (AICPA staff and committee members) for meetings of state societies and other professional groups.
4. 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, 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 the winter. The update is mailed to directors in the summer.
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.
4. Recommendations of individuals to participate in the President's Member Forums are requested from state society executive directors in February. The meetings are usually held in June.
5. Requests for recommended Member Roundtables participants are sent to state society executive directors during the summer and fall. The roundtables, which executive directors are also invited to attend, are held in the summer and fall.
6. In May, state society executive directors are requested to supply the division with the names of executive committee members and chairpersons of those committees that have AICPA counterparts. This information is available to state societies upon request.
7. Three times a year, state society executive directors are asked to submit updated information for the lists of executive directors, CPE staff, public relations staff, legislative staff, and quality review contacts. 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.
- C. An updated list of foreign accountancy institutes is maintained by the division.

#### **V. Relations with Other Organizations**

- A. The division maintains an ongoing relationship with the National Association of State Boards of Accountancy.
- B. 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.
- C. An updated list of state boards of accountancy contacts and CPA firm associations is maintained by the division.

## 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

Six employees: vice president, director, manager, assistant manager, and two secretaries.

#### Key Staff Contacts:

Rick Elam, vice president, (212) 575-6233

Beatrice Sanders, director, (212) 575-6434

Mary McInnes, manager, (212) 575-5504

Marylou Walsh, assistant manager, (212) 575-6357

### III. Assistance Available to State Societies

- A. The division provides recruiting brochures and videos.
- B. It provides information on state society and AICPA education activities.
- C. It provides printed materials and video on the 150-hour education requirement (aimed at teachers, students, legislators, and practitioners) and suggested legislative programs for state societies.
- D. Members of the 150-Hour Education Requirement 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>Take the CPA Challenge: Careers in Accounting</i> (1988)	brochure	This is used for recruiting high school and college students.
"It All Adds Up" (1989)	½" VHS or ¾" U-matic videocassette; ½" BETA II	This is used in presentations before high school students to encourage their interest in the profession.

<u>Title</u>	<u>Form</u>	<u>Audience/Purpose</u>
<i>Programs for Students and Educators—A Compendium of Education Activities of State CPA Societies and AICPA</i> (rev. 1989)	looseleaf	This is for use by state society presidents, education committee chairpersons, executive directors, and other staff members involved in planning programs for students and educators.
“Which Way Is Up?” (1985)	½" VHS or ¾" U-matic videocassette	This is used in presentations before accounting majors to inform them about the alternative career paths in accounting.
<i>Postbaccalaureate Education—A Year That Lasts a Career</i> (1986)	brochure	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.
“Planning for the Education of Tomorrow’s CPAs” (1986)	article	This is useful for state society publications; it addresses the need for a 150-semester-hour education requirement for state society presidents.
“Educating Tomorrow’s CPAs” (1986)	20-minute speech	This is for use by state society leaders and state board members supporting the 150-semester-hour education requirement.
“What Graduate Education Means To You” (Fall 1987)	½" VHS or ¾" U-matic videocassette	This informs junior and senior accounting majors about the benefits of postbaccalaureate education in accounting.
<i>Why Graduate School for Careers in Professional Accounting</i> (1985)	brochure	This explains the benefits of obtaining a graduate education in accounting.
<i>Presentation Guide</i> (1986)	booklet	This assists members in preparing career presentations.
<i>The Supply of Accounting Graduates and the Demand for Public Accounting Recruits</i>	booklet	This is an annual survey of the number of accounting graduates and public accounting hires there are.
<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</i> (1980)	brochure	This focuses on the need for education beyond the bachelor’s degree.

<u>Title</u>	<u>Form</u>	<u>Audience/Purpose</u>
<i>Education Requirements for Entry Into the Accounting Profession</i> (rev. 1988)	booklet	This contains the AICPA's statements of education policy and an "illustrative" 150-semester-hour academic program to prepare students who will be entering professional accounting careers.
<i>Issue Brief: Implementation of the 150-Hour Education Requirement</i> (1989)	packet of materials	This is to assist state society leaders interested in pursuing legislation for a 150-hour education requirement.
"150-Hour Education Requirement: To Better Serve the Public"	video	This is to assist state society leaders in motivating their members to move forward with legislation for the 150-hour requirement.
<i>To Better Serve the Public: A 150-Hour Education Requirement for Prospective CPAs</i>	brochure	This is designed as a handout for legislators to inform them of the 150-hour education requirement.

## 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, and the next conference is tentatively planned for 1990. State society education committee chairpersons, 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, admission, 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 Personnel Testing Subcommittee, the Accounting Careers Subcommittee, the Accounting Educators Subcommittee, the Curriculum Subcommittee, the Financial Assistance Task Force, the Educators Award Task Force, and the Doctoral Grants-in-Aid Task Force.
- B. State society officers and executive directors, among others, have served on a number of these committees.
- C. The 150-Hour Education Requirement Committee was formed in 1984 to develop a program to achieve a 150-hour education requirement and to help key states in its implementation.

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

- A. During the past year, state societies have been contacted by members of the 150-Hour Education Requirement Committee to stay abreast of developments and offer assistance 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 Division contacts state societies' education committees to get updated on societies' activities.
- D. As part of an expanded recruitment effort, the division plans to hold periodic conferences to get input on recruitment programs.

# 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 traditionally minority institutions.

## II. Staff

Two employees: 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.

#### 1. Scholarships—Relevant Statistics

	Fiscal year			
	1988	1987	1986	1983
<b>December</b>				
Applications considered	289	307	238	362
Number of awards	85	105	81	116
Total amount of awards	\$ 32,500	\$ 40,125	\$ 33,750	\$ 35,750
Number of schools	53	68	51	67
<b>July</b>				
Applications considered	1,063	1,014	929	841
Number of awards	416	420	405	353
Total amount of awards	\$344,000	\$320,000	\$308,000	\$202,250
Number of schools	175	170	169	140

## 2. Fiscal 1988 Designated Scholarship Awards

<u>Name</u>	<u>Number of Awards</u>	<u>Amount</u>
Arthur Andersen—AICPA	26	\$20,000
International Paper—AICPA	1	500
Price Waterhouse—AICPA	6	5,000

## 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:

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

The committee distributed over 2,500 copies of its 1988 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**

- consider initiative, self-discipline, and environmental stresses as well as grade point average;
- develop meaningful minority involvement in the recruiting process;
- establish continuing relationships with faculty at traditionally minority schools.

#### **2. Assignments**

- provide more diversified and growth assignments;
- plan opportunities for performance on the same client at increasing levels of responsibility;
- dispel the myth of nonacceptability of Blacks by clients.

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

- conduct fair, honest, open, and objective evaluations;
- 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	9
Majority institutions	3
Completing dissertation and teaching in a minority institution	5
Teaching in a majority institution	2
Not renewed:	
Continuing in program	2
Not in program	2
Fellowships 1988–1989	<u>4</u>
	<u>27</u>

Arthur Young contributed \$7,500 a year for seven years to support an Arthur Young–AICPA Doctoral Fellowship.

### E. Faculty Summer Seminar

The 19th annual Faculty Summer Seminar for representatives of accounting faculty in the historically Black and minority colleges and universities was held May 28 through June 2, 1989, in Tampa, Florida. The program was attended by 75 individuals from 60 schools. The sessions were led by 24 discussion leaders, all with expertise in accounting, auditing, or minority education. A comprehensive participants' manual was provided and 27 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**

Sixty-six employees: director, four managers, four supervisors, and 58 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.

*(Note: An on-line order entry system became operable July 5. The system is enabling the AICPA to process members' orders more efficiently—with most orders being received by members within 7 to 10 days.)*

#### **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.

### **II. Staff**

Twenty employees.

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

Steve Gutmore, director, (212) 575-3659

Joan Deutschmeister, manager, (212) 575-6420

*(Note: State societies are requested to contact Membership Administration—not the Order Department—for membership applications.)*

## MEETINGS & TRAVEL DIVISION

### I. Objective

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

### II. Staff

Sixteen employees: director, manager, four meeting planners, three administrators, two coordinators, assistant, and four support staff.

#### Key Staff Contacts:

Marilyn Stoddard, director, (212) 575-5495

Linda Franco, manager, (212) 575-6640

### 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 five years in advance upon approval of the Board of Directors and attracts an attendance of 1,500. The Meetings & Travel Division staffs the Annual Meeting Hospitality Committee. This division 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 chairperson of the AICPA will appoint an Annual Meeting Hospitality Committee chairperson and vice chairperson 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 60 annual conferences ranging in attendance from 100 to 900. Each meeting planner is responsible for 8 to 15 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 130 AICPA standing committees and over 80 special committees and task forces. These meetings total about 1,600 over the year and 83 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 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. Staff

Thirty-two employees, including director and four managers.

### Key Staff Contact

Alan Frotman, director, (212) 575-6297

## III. Departments

### A. Data Entry

Using a Unisys 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 new subscription orders and payments, journal entries, and miscellaneous lists.

**Staff:** Eight

### B. Data Processing Operations

1. The Institute's computer facility consists of an IBM System/38, IBM AS/400, Wang VS 65, ALPHA Micro, and Unisys computers with the normal complement of tape drives, disk drives, and printers. 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, accounts receivable for miscellaneous publications and CPE course materials, magazine subscription fulfillment, labels, order entry, and dues billing.

2. Two Institute publications are computer typeset from files maintained on the system. They are *Index to Accounting and Auditing Technical Pronouncements* and *Accountants' Index*.

**Staff:** Eight

### 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:** Twelve



**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.

**Staff: Two**

**E. Office Automation**

This department provides the implementation of office automation throughout the Institute. It provides installation, training, troubleshooting, technical support, and user support for office applications.

**Staff: Two**

## **PLANNING & RESEARCH DIVISION**

### **I. Objectives**

- A. To direct the strategic planning function of the Institute.
- B. To operate the internal Trend Monitoring System, the purpose of which 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 and to conduct other research as needed.
- D. To assist state CPA societies, firms, and members in their issues-identification and strategic-planning processes.

### **II. Staff**

Five employees: director, research manager, issues analyst, research assistant, and administrative secretary.

#### **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 survey research.

### **V. Committees**

The Planning & Research Division staffs the Strategic Planning Committee, Future Issues Committee and its various subcommittees, as well as the Upward Mobility of Women Special Committee.

## **TEXT PROCESSING DIVISION**

### **I. Objective**

To provide essential support services to AICPA staff involving disk conversions, word processing, typesetting, and Western Union and facsimile communications.

### **II. Staff**

Thirteen employees: manager, input/output coordinator, typesetting supervisor, word processing coordinator, and a support staff.

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

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

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

Debra Carle, typesetting supervisor, (212) 575-6827

Angela Jarosz, word processing coordinator, (212) 575-3812

### **III. Activities**

The division produces reports, correspondence, graphics, brochures, manuals, forms, and transparencies. It is also responsible for list maintenance, label production, and transmission of facsimile and Western Union communications.

### **IV. Equipment**

#### **A. Word Processing**

- CPT 9000 & 8525 systems with laser, matrix, and rotary printers

#### **B. Typesetting**

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

#### **C. Miscellaneous Equipment**

- IBM PC
- COMPAQ PC
- Burroughs OFIS 1240 Optical Character Reader (OCR B, Letter Gothic, Courier, Prestige Elite)
- Multiple Disk Reader (MDR) equipped with approximately 50 programs on-line to CPT and Compugraphic hosts

**D. Communications**

- FAX: 212-575-3846 (FUJITSU 6500 and Panafax UF 620)
- Telex: 70 3396 (EasyLink electronic mailbox)

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





**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	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	MONTHLY	SEMI-MONTHLY	WEEKLY	AS PUB-LISHED
	Committee Handbook										✓					
CPA/SEA Management Information Profile Handbook						✓										
Coordination Handbook for State Societies										✓						
Digest of State Accountancy Laws and State Board Regulations																✓
Joint Trial Board Manual										✓						
AICPA Industry Member Forum Manual																✓
CPE Public Presentation Planning Handbook							✓									
CPE Seminar Catalog				✓												
Self-Study Video/Interactive CPE Catalog				✓												
Journal of Accountancy													✓			
The Tax Adviser													✓			
The CPA Letter																
CPA Client Bulletin																
CPA Client Tax Letter					✓						✓					
The Practicing CPA																
State Society Coordinator						✓										
President's Letter																
Digest of Washington Issues																
Washington Report																
State Legislation Matters																
Tax Division Newsletter																
PCPS Advocate																
The Planner																
CPA Management Advisor																
In Our Opinion . . .																
Money Management Columns																
Tabulation of CPAs																
Elijah Watt Sells Award—CPA Exam																
Honor Roll States—CPA Exam																
Directory for Member Firms (Division for CPA Firms)																
Firm-On-Firm Review Directory																
AICPA Staff Directory																
AICPA Conference Schedule																
Exposure drafts and final documents of various statements on standards and statements of position																







## GLOSSARY OF TERMS, ACRONYMS, AND ABBREVIATIONS

This glossary was developed to familiarize state society volunteer leaders and staff with technical and other often-used terms common to the CPA profession. Please feel free to make additional duplications of the glossary if needed. Also, we would appreciate any input you have for future updates of the glossary.

### A

<b>AICPA Board of Directors</b>	Executive committee of Council which directs Institute activities between Council meetings. It is comprised of 21 members: the AICPA chairman, vice-chairman, and immediate past chairman; three board vice presidents elected by Council; the treasurer; the AICPA president and secretary; nine present or former members of Council; and three representatives of the public.
<b>AICPA Council</b>	AICPA governing body which determines Institute procedures and policies. It is comprised of approximately 260 members, including: AICPA members directly elected by the membership in each state; state CPA society representatives; the AICPA Board of Directors; and all past AICPA chairmen and past presidents prior to 1974.
<b>AICPA Personal Liability Umbrella Security Plan (AICPA PLUS)</b>	AICPA insurance plan which provides up to \$5 million coverage for claims for personal liability, bodily injury, or property damage which exceed primary automobile and homeowners' coverage.
<b>Accountant's Business Manual (ABM)</b>	A looseleaf compendium of legal and general business information pertinent to CPAs.
<b>Accountants' Database</b>	On-line equivalent of the printed <i>Accountants' Index</i> , covering 1974 to the present. It is available through the ORBIT Search Service to anyone with a personal computer and communications modem.
<b><i>Accountants' Index</i></b>	Printed index of books and journal articles of interest to accountants. The index has been published by the AICPA Library Services Division since 1920.
<b>Accountants Trial Balance (ATB)</b>	Work paper and trial balance generator used for audit and accounting engagements.
<b>Accounting and Review Services Committee (ARSC)</b>	AICPA committee whose objective is to develop, on a continuing basis, procedures and standards of reporting by CPAs on the types of accounting and review services a CPA may render in connection with unaudited financial statements, as well as unaudited financial information of an entity that is not required to file financial statements with a regulatory agency in connection with the sale or trading of its securities in a public market.

<b>Accounting Principles Board (APB)</b>	Standards-setting body for accounting principles from September 1959 to June 1973.
<b>Accounting Standards Executive Committee (AcSEC)</b>	AICPA committee whose objective is to determine Institute technical policies regarding financial accounting and reporting standards. As a senior technical committee, it is the AICPA's official spokesperson on these matters.
<b>Accredited Personal Financial Specialist (APFS)</b>	AICPA member who has satisfied the requirements of the Accredited Personal Financial Specialist Designation Program.
<b>Advance Reading (AR)</b>	Packet of study materials sent to an individual for review prior to participating in a CPE program.
<b>Adverse Opinion</b>	Auditor's opinion which states that financial statements do not fairly present the financial position, results of operations, or cash flows in conformity with generally accepted accounting principles.
<b>American Accounting Association (AAA)</b>	National professional association for those involved in accounting education at the college level.
<b>American Assembly of Collegiate Schools of Business (AACSB)</b>	Recognized agency that accredits programs in accounting and business administration.
<b>American Society of Association Executives (ASAE)</b>	National organization of managers of all types of trade and professional associations.
<b>American Tort Reform Association (ATRA)</b>	Coalition of associations, nonprofit organizations, consumer advocates, businesses, and professionals whose purpose is to restore fairness, balance, and predictability to the nation's civil justice system.
<b>Analytical Procedures</b>	Comparisons of recorded amounts—or ratios developed from recorded amounts—to expectations developed by the auditor.
<b>Association of Government Accountants (AGA)</b>	National organization of CPAs and others involved in governmental accounting and auditing at all levels.
<b><i>Audit and Accounting Guides</i></b>	AICPA publications which provide guidance for reporting on entities in specialized industries and procedures for auditing them.
<b>Audit Program Generator (APG)</b>	Software program that allows you to easily manipulate and tailor audit programs and other checklists.
<b>Audit Risk</b>	The risk taken when an auditor unknowingly fails to appropriately modify his (her) opinion on financial statements that are materially misstated.

<b>Audit Sampling</b>	The application of an audit procedure to less than 100 percent of the items within an account balance or class of transactions for the purpose of evaluating some characteristic of the balance or class.
<b><i>Auditing Procedure Studies (APS)</i></b>	Studies which inform practitioners of developments and advances in auditing procedures to provide practical assistance regarding auditing procedures.
<b>Auditing Standards Board (ASB)</b>	Board authorized by the AICPA to promulgate auditing and attest standards, procedures, and implementation guidance for AICPA members performing such services. It is comprised of 21 members.

## C

<b>Certificate of Educational Achievement (CEA)</b>	Series of demanding, integrated courses in a specific practice area. The AICPA presently offers a CEA program for Personal Financial Planning and Governmental Accounting and Auditing.
<b>Certified Internal Auditor (CIA)</b>	Title bestowed by the Institute of Internal Auditors on persons meeting certain requirements, including an examination.
<b>Certified Management Accountant (CMA)</b>	Title bestowed by the National Association of Accountants on persons meeting certain basic requirements, principally an examination covering economic theory, financial management, cost accounting, etc.
<b>Certified Public Accountants' Society Executives Association (CPA/SEA)</b>	Independent organization of state CPA society executive directors.
<b>Chartered Accountant (CA)</b>	Canadian/British equivalent of a CPA.
<b>Clusters</b>	CPE group study courses that are grouped together because they cover related topics.
<b>Committee-Appointed Review Team (CART)</b>	Peer review scheduled and administered by the AICPA or state society staff.
<b>Computerized Accounting Tool Series (CATS)</b>	Software tool for CPAs so they can efficiently and effectively provide accounting and auditing services to clients.
<b>Congressional Budget Office (CBO)</b>	Federal government agency responsible for providing Congress with basic budget data and with analyses of alternative fiscal, budgetary, and programmatic policy issues. It was established by the Congressional Budget Act of 1974.
<b>Congressional Record (Cong. Rec.)</b>	The written record of the daily proceedings of the U.S. Senate and House of Representatives. It is published whenever either house of Congress is in session, and it includes the debates in both houses on legislation before those bodies, a list of bills introduced and any comments regarding those measures, and a list of committee hearings.

<b>Congressional Research Service (CRS)</b>	The research branch of Congress, working out of the Library of Congress.
<b>Consulting Reviews</b>	Originally conceived and developed by the AICPA's Private Companies Practice Section, the purpose of this program is to help, in particular, small firms and sole practitioners evaluate and improve their quality controls, as well as help them prepare for an independent peer review or quality review.
<b>Continuing Professional Education (CPE)</b>	AICPA division which provides a broad range of high-quality educational offerings that members and their staffs need in order to maintain and improve their professional accounting skills.
<b>Cost Accounting Standards Board (CASB)</b>	The five-member federal government body responsible for setting cost accounting standards for all government contractors from 1970 to 1980.

## D

<b>Disclaimer of Opinion</b>	Auditor's statement in which he (she) does not express an opinion on financial statements.
<b>Disclosure</b>	The act of presenting in notes to the financial statements information that amplifies or explains information recognized in the financial statements, as well as information that supplements information in the financial statements or notes, including information that may be relevant but does not meet all recognition criteria.
<b>Discussion Leader's Guide (DLG)</b>	For use by CPE instructors, this guide provides the necessary written information for a successful presentation and may also include solutions to problems.
<b>Discussion Memorandum (DM)</b>	Document sometimes issued for public comment to assist an authoritative body in formulating an exposure draft.
<b>Division for CPA Firms</b>	AICPA division established in 1977 in response to the profession's need for an organizational structure with authority over firms and CPAs. The division is comprised of the Private Companies Practice Section (PCPS) and the Securities and Exchange Commission Practice Section (SECPS).

## E

<b>Educational Management Exchange (EDMAX)</b>	Consortium of the AICPA, state societies, Association of CPA Firms, and CPA firms in which CPE courses and information are shared.
<b>Elijah Watt Sells Award</b>	Award presented to those CPA candidates who take all four sections of the Uniform CPA Examination at one time and receive the highest combined grades.



<b>Generally Accepted Auditing Standards (GAAS)</b>	Standards governing the conduct of external audits by CPAs, as approved and adopted by the Auditing Standards Board.
<b>Government Accounting and Auditing Committee (GAAC)</b>	AICPA committee whose objective is to provide advice and counsel on the establishment of generally accepted accounting principles and generally accepted auditing standards as they apply to governmental entities.
<b><i>Government Auditing Standards</i></b>	Publication commonly known as the “Yellow Book,” it contains standards for audits of government organizations, programs, activities, and functions, and of governmental funds received by contractors, nonprofit organizations, and other nongovernment organizations. Revisions are issued as required by the Comptroller General of the U.S. (the most recent was July 1988).
<b>Government Finance Officers Association (GFOA)</b>	Private, nonprofit organization which has actively supported the advancement of governmental accounting, auditing, and financial reporting since 1906.
<b>Governmental Accounting Standards Board (GASB)</b>	Independent, non-government group authorized by the accounting profession to issue officially established accounting principles applicable to state and local governmental entities.
<b>Governmental Accounting Standards Board Statements (GASBS)</b>	Officially established accounting principles issued by the Governmental Accounting Standards Board which are applicable to state and local governmental entities for both governmental-type and business-type activities.

## H

<b>Honor Roll States</b>	States where CPA candidates have passed all sections of the Uniform CPA Examination at or above the national passing rate.
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## I

<b>Inspectors General (IGs)</b>	Individuals charged with conducting and supervising audits and investigations relating to the programs and operations of their department or agency, and reporting on these semiannually to Congress and the chief executive of their department or agency. Such offices were established in most federal cabinet-level departments and larger agencies by the Inspector General Act of 1978.
<b>Institute for Certified Financial Planners (ICFP)</b>	Professional association of individuals who have obtained the Certified Financial Planner (CFP) designation. More than 70 colleges and universities provide programs resulting in the CFP designation.
<b>Institute of Internal Auditors (IIA)</b>	National organization of CPAs and others involved in operations and financial review <i>within</i> a given organization.

<b>Instructor Dependent (ID)</b>	CPE group study courses led by faculty scheduled by the AICPA.
<b>Instructor Dependent Plus Expenses (IE)</b>	CPE group study courses led by faculty scheduled by the AICPA. The AICPA is responsible for payment of the honorarium while the state society is responsible for payment of faculty expenses.
<b>Interactive Data Extraction and Analysis (IDEA)</b>	EDP audit tool that allows you to transfer and analyze information from other computers.
<b><i>Internal Revenue Bulletin (IRB)</i></b>	Authoritative instrument of the Commissioner of Internal Revenue for announcing official rulings and procedures of the IRS, and for publishing Treasury Decisions, Executive Orders, Tax Conventions, legislation, court decisions, and other items of general interest. It is published weekly.
<b>International Accounting Standards Committee (IASC)</b>	A London-based organization of international professional accountancy bodies, including the AICPA, which works to formulate, publish, and win acceptance for worldwide standards for the presentation of audited financial statements.
<b>International Association for Financial Planning (IAFP)</b>	Trade association for financial planners and product sponsors.
<b>International Board of Standards and Practices for Certified Financial Planners (IBCFP)</b>	Board which grants the right to use the Certified Financial Planner (CFP) designation. It is responsible for administering the CFP exam and for maintaining and enforcing educational and ethical standards for CFPs.
<b>International Federation of Accountants (IFAC)</b>	Organization whose broad objective is the development and enhancement of a coordinated worldwide accountancy profession with harmonized standards.
<b><i>Issues Papers</i></b>	Discussion papers prepared by the AICPA in order to assist the Financial Accounting Standards Board or the Governmental Accounting Standards Board in providing guidance on the issues discussed.
<b>J</b>	
<b>Joint Ethics Enforcement Program (JEEP)</b>	Program of cooperation between the AICPA and the state societies in the enforcement and interpretation of the Code of Professional Conduct.
<b>Joint Trial Board</b>	Board which provides for uniform enforcement of professional standards by adjudicating disciplinary charges against AICPA and state society members. It is comprised of at least 36 members.
<b><i>Journal of Accountancy (JOA)</i></b>	The flagship publication of the AICPA and the leading magazine in the accounting profession.



## L

<b>Letters of Comment (LOC)</b>	Materials communicating the views of the Accounting Standards Executive Committee on financial accounting and reporting proposals issued by groups outside the Institute.
<b>Letters of Response (LOR)</b>	Materials sent by firms to the peer review committee in response to the findings and recommendations included in the Letters of Comment they receive.
<b>LEXIS</b>	Computer-assisted legal research service which offers access to several other services, including the National Accounting Automated Research System and NEXIS.

## M

<b>Management Advisory Services (MAS)</b>	Management consulting services provided by CPA firms in addition to the traditional audit, accounting, and tax services (e.g., systems work, production planning). The AICPA MAS Division assists firms in providing these services.
<b>Management of an Accounting Practice (MAP)</b>	Function which examines ways of improving the management and administration of public accounting firms. The AICPA MAP Division addresses this need through CPE courses, conferences, and other support services.

## N

<b>National Accounting Automated Research System (NAARS)</b>	Computerized database for researching annual reports of corporations and governmental entities, and authoritative and semiauthoritative accounting and auditing promulgations of the AICPA, Financial Accounting Standards Board, Securities and Exchange Commission, etc.
<b>National Association of Accountants (NAA)</b>	National organization of accountants and others involved in accounting/financial/data processing work for industry, commerce, government, etc.
<b>National Association of State Boards of Accountancy (NASBA)</b>	National organization representing the various state licensing boards/agencies which regulate the CPA profession.
<b>National Council on Governmental Accounting (NCGA)</b>	Private sector standard-setting body for governmental accounting, auditing, and financial reporting from 1968 until 1984, when the Governmental Accounting Standards Board was established.
<b>National CPE Curriculum</b>	Program implemented by the AICPA's CPE Division which provides accounting professionals with assistance in meeting their CPE needs through the use of a framework of specified knowledge and skills, and supplies course developers with a guide to aid them in the development of CPE programs.

<b>Negative Assurance</b>	An accountant's statement which says that as a result of specified procedures, nothing came to his (her) attention that caused him (her) to believe that specified matters did not meet a specified standard.
<b>NEXIS</b>	Full-text research and information service with a database of more than 160 U.S. and overseas general, business, and news information sources.
<b>North American Securities Administrators Association (NASAA)</b>	National association of individuals who administer securities laws of the states and the Canadian provinces.

## O

<b>Office of Management and Budget (OMB)</b>	Federal government agency responsible for assisting the president in preparing the budget and formulating the fiscal program of the U.S. government, among other things.
<b>Office of the Comptroller of the Currency (OCC)</b>	A bureau of the U.S. Treasury Department designed to safeguard bank operations and the public interest through its general supervision over the operations of national banks.
<b>Other Comprehensive Bases of Accounting (OCBOA)</b>	Financial statements prepared on a basis other than generally accepted accounting principles.

## P

<b><i>Participant's Manual (PM)</i></b>	Manual which contains study and work materials essential to a CPE course.
<b>Peer Review Committee (PRC)</b>	AICPA committees (both the Private Companies Practice Section and the Securities and Exchange Commission Practice Section have this committee) responsible for making sure that member firms of the Division for CPA Firms maintain their practices in conformity with quality control standards of the AICPA and comply with Division membership requirements.
<b>Peer Review Program</b>	Practice monitoring program of the AICPA Division for CPA Firms. Peer reviews are conducted in conformity with standards promulgated by the peer review committees of the Private Companies Practice Section and the Securities and Exchange Commission Practice Section. In simple terms, a peer review is a review of a CPA firm's system of quality control for its accounting and auditing practice and of its compliance with the membership requirements of the section to which the firm belongs.
<b>Personal Financial Planning (PFP)</b>	Process of addressing a client's financial concerns in the context of his (her) overall financial situation. The AICPA PFP Division provides support to members with a special interest in advising clients on the planning and management of their personal finances.

<b>Political Action Committee (PAC)</b>	Group of individuals with common interests and political goals that is organized to provide information and financial support to candidates for elective offices.
<b>Practice Bulletin</b>	Information communicating the views of the Accounting Standards Executive Committee on narrow accounting and reporting problems that have not been considered by the Financial Accounting Standards Board or the Governmental Accounting Standards Board.
<b>Practitioners Publishing Company—CPE (PPC-CPE)</b>	An AICPA vendor contracted to supply CPE courses.
<b>Private Companies Practice Section (PCPS)</b>	One of two sections of the AICPA Division for CPA Firms which primarily serves CPA firms with non-public clients.
<b>Professional Development Institute (PDI)</b>	An AICPA vendor contracted to supply CPE courses.
<b>Public Accountant (PA)</b>	Generic term for persons/firms which practice public accounting but are <i>not</i> CPAs.
<b>Public Entity</b>	Any entity that: (a) trades securities in a public market either on a stock exchange or in the over-the-counter market; (b) makes a filing with a regulatory agency in preparation for the sale of any class of its securities in a public market; (c) is a subsidiary, corporate joint venture, or other entity controlled by either (a) or (b).
<b>Public Oversight Board (POB)</b>	Independent organization which monitors and evaluates the activities of the SEC Practice Section.

## Q

<b>Qualified Opinion</b>	Auditor's opinion which states that, except for the effects of the matter to which a qualification relates, the financial statements fairly present financial position, results of operations, and changes in financial position (or cash flows) in conformity with generally accepted accounting principles consistently applied.
<b>Quality Control Inquiry Committee (QCIC)</b>	AICPA committee whose objective is to assist in providing reasonable assurance to the public and profession that member firms are complying with professional standards in the conduct of their practice before the Securities and Exchange Commission by identifying corrective measures, if any, that should be taken by a member firm involved in a specific alleged audit failure.
<b>Quality Review Executive Committee (QREC)</b>	AICPA committee whose objective is to enhance the quality of practice by CPA firms by establishing and conducting, in cooperation with the state CPA societies, a quality review program for AICPA and state society members engaged in the practice of public accounting. The committee is a senior technical committee.

**Quality Review Program  
(QR)**

New AICPA practice monitoring program resulting from membership vote on the Plan to Restructure Professional Standards. Quality reviews are performed in accordance with standards established by the Quality Review Executive Committee. In simple terms, a quality review is a review of a firm's system of quality control for its accounting and auditing practice.

**R**

**Racketeer Influenced  
Corrupt Organizations  
Act (RICO)**

Congressional statute enacted in 1970 to deal with organized crime infiltration of legitimate business. (The AICPA believes the statute has been utilized beyond its original intent and is pursuing reform of the statute with Congress.)

**Registered Investment  
Adviser (RIA)**

An individual registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940, who, for compensation, engages in the business of advising others as to the value of securities or as to the advisability of investing in, purchasing, or selling securities.

**Regulatory Accounting  
Principles (RAP)**

Uniform minimum standards of and guidelines to financial accounting and reporting as established by the regulatory agency for a particular industry.

**Report Acceptance Body  
(RAB)**

A committee or committee-designated task force that considers the results of reviews administered by the AICPA and state societies.

**Revenue Procedure  
(Rev. Proc.)**

An Internal Revenue Service statement on the rights and duties of taxpayers under the tax law.

**Revenue Ruling  
(Rev. Rul.)**

An Internal Revenue Service interpretation of the tax law as it applies to a specific factual situation.

**S**

**Securities and Exchange  
Commission (SEC)**

Agency of the federal government which regulates the public trading of securities and investment advisors.

**Securities and Exchange  
Commission Practice  
Section (SECPS)**

One of two sections of the AICPA Division for CPA Firms which primarily serves CPA firms with publicly held clients.

**Seminar (S)**

CPE group study format in which the state society selects the faculty with appropriate subject experience to lead the discussion.

**Senior Technical  
Committee**

Any AICPA committee authorized to make public statements on matters relating to its area of practice without having to get clearance from AICPA Council or the Board of Directors.

<b>State Board of Accountancy</b>	Public authority established by state accountancy laws to prescribe and assess the qualification of CPAs.
<b><i>Statements of Financial Accounting Standards (SFAS)</i></b>	Officially established accounting principles issued by the Financial Accounting Standards Board.
<b><i>Statements of Position (SOP)</i></b>	Freestanding statements or updates to audit and accounting guides which explore reporting problems and present the conclusions and recommendations of the Accounting Standards Executive Committee.
<b><i>Statements of Tax Policy</i></b>	Statements which present the thinking of the AICPA's Tax Division on questions of broad tax policy and are designed to aid in the development of federal tax legislation.
<b><i>Statements on Auditing Standards (SAS)</i></b>	Statements issued by the Auditing Standards Board to provide CPAs with guidance regarding the application of generally accepted auditing standards.
<b><i>Statements on Responsibilities in Tax Practice</i></b>	Statements 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.
<b><i>Statements on Standards for Accountants' Services on Prospective Financial Information (SSASPFI)</i></b>	Statements 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.
<b><i>Statements on Standards for Accounting and Review Services (SSARS)</i></b>	Statements 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.
<b><i>Statements on Standards for Attestation Engagements (SSAE)</i></b>	Statements issued by the Auditing Standards Board, Accounting and Review Services Committee, or the Management Advisory Services Executive Committee to provide guidance to CPAs engaged to perform attest services.
<b><i>Statements on Standards for Management Advisory Services (SSMAS)</i></b>	Statements which provide technical standards for the conduct of management advisory services.
<b>State Society Relations (SSR)</b>	AICPA division which serves as a liaison between the Institute and the state CPA societies.
<b>Successor Auditor</b>	An auditor who has accepted an engagement or an auditor who has been invited to make a proposal for an engagement.
<b>Summary Review Memorandum (SRM)</b>	Memorandum prepared at the conclusion of a peer review or quality review which documents the planning, scope of work performed, and the findings and conclusions that support the report and letter of comments issued on the review.

## T

<b>Team Captain (TC)</b>	Individual responsible for organizing and conducting a peer review or quality review, supervising other reviewers, communicating review findings to the reviewed firm and to the entity administering the review, and preparing the report, and, if applicable, the letter of comments on the review.
<b>Team Member (TM)</b>	A member of a peer review or quality review team other than the team captain.
<b>Technical Bulletin (TB)</b>	Information issued by the Financial Accounting Standards Board which provides timely guidance on certain financial accounting and reporting problems.
<b>Technical Hotline</b>	Toll-free number for answering questions on the application of accounting and auditing standards.
<b><i>Technical Information for Practitioners Series (TIPS)</i></b>	Nonauthoritative practice aids provided for CPAs.
<b>Technical Issues Committee (TIC)</b>	AICPA committee whose objective is to monitor technical developments that could have a significant effect on private companies and the CPA firms that serve them and, when necessary, submit comments and recommendations in support of the interests of these firms.
<b>The Psychological Corporation (TPC)</b>	Organization which administers the AICPA-sponsored Accounting Program Admission Test. The test provides accounting educators with an objective measure of student achievement in elementary accounting.
<b><i>The Tax Adviser (TTA)</i></b>	The leading AICPA magazine on tax matters.
<b>Total On-Line Tax and Accounting Library (TOTAL)</b>	The AICPA member program for subscriptions to LEXIS/NEXIS/NAARS.
<b>Transaction Trail</b>	A chain of evidence provided through coding, cross references, and documentation connecting account balances and other summary results with original transactions and calculations.
<b>Trend Monitoring System</b>	Operation of the AICPA Planning and Research Division which identifies emerging issues and trends with potential impact on the Institute and the profession.

## U

<b>Unqualified Opinion</b>	An auditor's opinion which states that the financial statements fairly present financial position, results of operations, and changes in financial position (or cash flows) in conformity with generally accepted accounting principles consistently applied.
<b>Usage Report</b>	A monthly listing of outstanding CPE course materials from which the state society fills out and reports on usage.

## QUICK REFERENCE OF ACRONYMS AND ABBREVIATIONS

### A

<b>AAA</b>	American Accounting Association
<b>AACSB</b>	American Assembly of Collegiate Schools of Business
<b>AAER</b>	Accounting and Auditing Enforcement Releases (SEC)
<b>ABM</b>	Accountant's Business Manual
<b>AcSEC</b>	Accounting Standards Executive Committee
<b>AGA</b>	Association of Government Accountants
<b>AICPA PLUS</b>	AICPA Personal Liability Umbrella Security Plan
<b>APB</b>	Accounting Principles Board
<b>APFS</b>	Accredited Personal Financial Specialist
<b>APG</b>	Audit Program Generator
<b>APS</b>	<i>Auditing Procedure Studies</i>
<b>AR</b>	Advance Reading
<b>ARSC</b>	Accounting and Review Services Committee
<b>ASAE</b>	American Society of Association Executives
<b>ASB</b>	Auditing Standards Board
<b>ASR</b>	Accounting Series Release (SEC)
<b>ATB</b>	Accountants Trial Balance
<b>ATRA</b>	American Tort Reform Association

### C

<b>CA</b>	Chartered Accountant
<b>CAI</b>	Computer-Assisted Instruction
<b>CART</b>	Committee-Appointed Review Team
<b>CASB</b>	Cost Accounting Standards Board
<b>CATS</b>	Computerized Accounting Tool Series
<b>CBO</b>	Congressional Budget Office
<b>CEA</b>	Certificate of Educational Achievement
<b>CIA</b>	Certified Internal Auditor
<b>CMA</b>	Certified Management Accountant
<b>CPA/SEA</b>	Certified Public Accountants' Society Executives Association
<b>CPE</b>	Continuing Professional Education
<b>CRS</b>	Congressional Research Service

## D

<b>DLG</b>	<b>Discussion Leader's Guide</b>
<b>DM</b>	<b>Discussion Memorandum</b>

## E

<b>ED</b>	<b>Exposure Draft</b>
<b>EDMAX</b>	<b>Educational Management Exchange</b>

## F

<b>FAF</b>	<b>Financial Accounting Foundation</b>
<b>FASB</b>	<b>Financial Accounting Standards Board</b>
<b>FEI</b>	<b>Financial Executives Institute</b>
<b>FOF</b>	<b>Firm-on-Firm Review</b>
<b><i>F.R.</i></b>	<b><i>Federal Register</i></b>
<b>FRR</b>	<b>Financial Reporting Release (SEC)</b>
<b>FSA</b>	<b>Federation of Schools of Accountancy</b>

## G

<b>GAAC</b>	<b>Government Accounting and Auditing Committee</b>
<b>GAAP</b>	<b>Generally Accepted Accounting Principles</b>
<b>GAAS</b>	<b>Generally Accepted Auditing Standards</b>
<b>GAO</b>	<b>General Accounting Office</b>
<b>GASB</b>	<b>Governmental Accounting Standards Board</b>
<b>GASBS</b>	<b>Governmental Accounting Standards Board Statements</b>
<b>GFOA</b>	<b>Government Finance Officers Association</b>

## I

<b>IAFP</b>	<b>International Association for Financial Planning</b>
<b>IASC</b>	<b>International Accounting Standards Committee</b>
<b>IBCFP</b>	<b>International Board of Standards and Practices for Certified Financial Planners</b>
<b>ICFP</b>	<b>Institute for Certified Financial Planners</b>
<b>ID</b>	<b>Instructor Dependent</b>
<b>IDEA</b>	<b>Interactive Data Extraction and Analysis</b>
<b>IE</b>	<b>Instructor Dependent Plus Expenses</b>
<b>IFAC</b>	<b>International Federation of Accountants</b>
<b>IGs</b>	<b>Inspectors General</b>
<b>IIA</b>	<b>Institute of Internal Auditors</b>
<b><i>IRB</i></b>	<b><i>Internal Revenue Bulletin</i></b>



**J**

**JEEP** Joint Ethics Enforcement Program  
**JOA** *Journal of Accountancy*

**L**

**LOC** Letters of Comment  
**LOR** Letters of Response

**M**

**MAP** Management of an Accounting Practice  
**MAS** Management Advisory Services

**N**

**NAA** National Association of Accountants  
**NAARS** National Accounting Automated Research System  
**NASAA** North American Securities Administrators Association  
**NASBA** National Association of State Boards of Accountancy  
**NCGA** National Council on Governmental Accounting

**O**

**OCBOA** Other Comprehensive Bases of Accounting  
**OCC** Office of the Comptroller of the Currency  
**OMB** Office of Management and Budget

**P**

**PA** Public Accountant  
**PAC** Political Action Committee  
**PCPS** Private Companies Practice Section  
**PDI** Professional Development Institute  
**PFPP** Personal Financial Planning  
**PM** *Participant's Manual*  
**POB** Public Oversight Board  
**PPC-CPE** Practitioners Publishing Company—CPE  
**PRC** Peer Review Committee

## Q

QCIC	Quality Control Inquiry Committee
QR	Quality Review Program
QREC	Quality Review Executive Committee

## R

RAB	Report Acceptance Body
RAP	Regulatory Accounting Principles
RFP	Request for Proposal
RIA	Registered Investment Adviser
RICO	Racketeer Influenced Corrupt Organizations Act

## S

S	Seminar
SAB	Staff Accounting Bulletin (SEC)
SAS	<i>Statements on Auditing Standards</i>
SEC	Securities and Exchange Commission
SECPS	Securities and Exchange Commission Practice Section
SFAS	<i>Statements of Financial Accounting Standards</i>
SOP	<i>Statements of Position</i>
SRM	Summary Review Memorandum
SSAE	<i>Statements on Standards for Attestation Engagements</i>
SSARS	<i>Statements on Standards for Accounting and Review Services</i>
SSASPF1	<i>Statements on Standards for Accountants' Services on Prospective Financial Information</i>
SSMAS	<i>Statements on Standards for Management Advisory Services</i>
SSR	State Society Relations

## T

TB	Technical Bulletin
TC	Team Captain
TIC	Technical Issues Committee
TIPS	<i>Technical Information for Practitioners Series</i>
TM	Team Member
TOTAL	Total On-Line Tax and Accounting Library
TPC	The Psychological Corporation
TTA	<i>The Tax Adviser</i>

## V

VAI	Video-Assisted Instruction
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