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1957

## Checklist of Responsibilities of State Society Officers and Key Committees; State Society Management Bulletin no. 2

American Institute of Accountants

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APR 8 1957



State Society Management  
Bulletin No. 2

CHECKLIST

OF

RESPONSIBILITIES OF STATE SOCIETY

OFFICERS AND KEY COMMITTEES

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Especially useful for state societies  
without full-time paid assistance

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## INTRODUCTION

Businessmen have proven that sound progress and achievement result from a carefully planned team approach. People must not only know their own jobs and why they do them, but also have a simple understanding of the "other fellow's" reason for being.

This pamphlet is just what its name implies. It lists the objectives and procedures of those officers and committees who are considered necessary to carry on the minimum work program of a professional state society of certified public accountants.

If a checklist such as this is read and used frequently by committee chairmen, it should eliminate most committee overlap and serve as an ever-ready gauge of group achievement. (Each committee section provides space for a check-off of completed projects.) A wide exposure of its provisions to the membership will result in enlightened group action.

Naturally, the suggestions do not apply to all state societies, for they represent a distillation of experience taken from the by-laws, constitutions, and manuals of representative state societies. The pamphlet can be used in its present form. (There is a space after each section to add committee objectives and activities peculiar to individual societies, as well as a place to list the names, addresses and telephone numbers of committee personnel.) Or the material may be adapted to guide state societies in the preparation of their own manual or checklist. As a suggestion, charges to officers and standing committees might be cut from copies of state society by-laws and constitutions and pasted in the available space.

This pamphlet, which was prepared by the American Institute of Accountants' state society services department and reviewed by the AIA Committee on Coordination of Activities of State and National Organizations, the State Society Executives Association, and the Institute staff, will have served its purpose if it encourages as many societies as possible to adopt this businesslike approach in the solution of their professional problems.

PRESIDENT

I. ANNUAL PROGRAM

1. Write, with assistance of executive secretary (if there is one) and possibly other officers, the year's program.
2. Submit program to directors for approval.
3. Send copies of approved program to officers, directors, committee chairmen.
4. Inform membership of program's provisions and objectives.
5. Keep annual program in motion.
6. Participate in AIA Council Activity Program.

II. COMMITTEES

1. Select -- in cooperation with advisory committee on appointments -- committee chairmen and committee members for the year. (Present chairmen may be consulted on committee personnel, but their suggestions need not be binding.)
2. Send out letters periodically, particularly prior to each directors meeting, requesting committee chairmen to submit reports. (Reports can be processed from time to time and sent to full membership if desired.)
3. Insist that each committee submit a proposed activity program early in the year and a progress report at the end of six months -- at the end of the year, an annual report.
4. Help committees whenever special need may arise and act as liaison between committees.

PRESIDENT - continued

5. Act as "ex-officio" member of all committees except nominating.
6. Designate "special" committees as needed to carry out society's objectives.
7. Preside at Executive Committee (if there is one) and membership business meetings.

III. BUDGET

1. Prepare and review proposed budget with committee on budget, executive secretary, and treasurer prior to submitting to board of directors for approval and adoption.
2. Serve as treasurer for fiscal year following presidency (as done in California Society of Certified Public Accountants).

IV. BOARD OF DIRECTORS

1. Call regular meetings of the board.
2. Preside over meetings of the board.



PRESIDENT - continued

3. Plan agenda with assistance of the executive secretary (if there is one) for board meetings.
4. Ask committee chairmen to make progress reports at board meetings.
5. Select legal counsel and public relations counsel with authority of the board. (Work with legal counsel.)
6. Serve as member of the board of directors for one or more fiscal years following presidency.

V. OTHER

1. Appoint voting tellers at annual election, if necessary, for election of officers.
2. Speak at chapter meetings and report on activities, trends, outlook, etc.

REFERENCES:

Roberts Rules of Order  
Publications and Reports of the American Institute of Accountants  
By-laws and constitution of state society and other societies of  
certified public accountants

VICE PRESIDENT

GENERAL DUTIES

1. Act in absence or disability of president.
2. Serve as member of the Executive Committee if by-laws provide for one.
3. May act as chairman of committee on meetings. (If vice president automatically becomes president, this gives him a good opportunity to become familiar with some of the executive problems of the group.)
4. Where there is more than one vice president, supervise a proportionate number of chapters or committees.
5. Participate in all preliminary discussions of important society matters in advance of directors meeting.

REFERENCES:

Roberts Rules of Order  
Publications and Reports of the American Institute of Accountants  
By-laws and constitution of state society and other societies of  
certified public accountants

BOARD OF DIRECTORS

I. APPOINT

1. Regular and honorary members.
2. Officers to fill vacancies resulting from death, resignation, etc.
3. "Acting" treasurer in event of vacancy or inability of treasurer to perform duties.
4. Special committees as needed to carry out society's objectives.
5. Auditor or firm of auditors to examine treasurer's report. (Alternate plan is for membership to elect auditor.)
6. Any member as delegate or representative to other organization.

II. APPROVE

1. The annual program submitted by president.
2. The annual budget submitted by president.
3. Committee reports before acceptance.
4. Pamphlets, booklets, etc., before publication by society.

BOARD OF DIRECTORS - continued

5. Payments made by treasurer. (In a larger society, it may be more practical to require only the signatures of two directors on invoices before payment.)

III. UPHOLD HIGH STANDARDS

1. Convene a trial board (or trial board may be elected from board) to adjudicate violations of by-laws or rules of professional conduct.
2. Decide on fitness of membership applications and take appropriate action.
3. Approve transfers, resignations, and act to drop members for non-payment of dues, or expel members, etc.
4. Review cases of expelled or suspended members.
5. Initiate amendments to by-laws.
6. Make policies of the society.
7. Engage executive employees, agents, and attorneys, as may be necessary.
8. Adopt rules and procedures for conduct of meetings, including provision for voting by proxy.
9. Attend chapter meetings and assist chapters in problems.

BOARD OF DIRECTORS - continued

IV. OTHER AUTHORITY

1. May call special meetings by vote of majority of board.
2. May act in lieu of chapter board of directors under certain conditions.
3. May designate site of society office.

REFERENCES:

Publications and Reports of the American Institute of Accountants  
By-laws and constitution of state society and other societies of  
certified public accountants

SECRETARY

GENERAL DUTIES

1. Answer all official correspondence not handled by president when there is no executive secretary.
2. Issue meeting notices.
3. Sign certificate of membership.
4. Be responsible for membership roster, seal, charter, and other official documents of the society. (In a society with an executive secretary, these duties are usually delegated to this office.)
5. Write minutes of business and board meetings. (In a society with an executive secretary, this is usually delegated to this office.)
6. In a society with no office, see that official files are passed on to the succeeding secretary. Otherwise, all official records are maintained in the society office.

REFERENCES:

Publications and Reports of the American Institute of Accountants

TREASURER

GENERAL DUTIES

1. In charge of society funds.
2. Sign checks. (Pay out only authorized funds.)
3. Furnish a bond at society expense in form and amount fixed by the board of directors.
4. Perform duties delegated by the board of directors.
5. Confer with executive secretary (if there is one) on state of-fice system of financial record keeping.
6. With assistance of president, executive secretary, and committee on budget, prepare annual budget and submit to board of directors.
7. Keep regular accounts of fiscal affairs and make periodic financial reports to board with assistance of executive secretary (if one exists).
8. Give auditors duplicate of annual report before annual meeting.

REFERENCES:

Publications and Reports of the American Institute of Accountants

COMMITTEE ON ACCOUNTING AND AUDITING PROCEDURE

Chairman:

Members:

OBJECTIVE: To consider and recommend programs to increase knowledge of and compliance with generally accepted accounting and auditing procedures.

PROCEDURES:

- (1) Arrange technical discussion on accounting and auditing procedures both for membership meetings and joint meetings with outside groups.
- (2) Report at meetings, or through publications, authoritative opinions on accounting and auditing problems of current interest. Encourage membership to submit articles of current interest on these subjects to state society publications and to The Journal of Accountancy.
- (3) Set up state society technical information service whereby committee will answer accounting and auditing questions submitted by members.
- (4) Review drafts of proposed bulletins of American Institute committee on accounting procedure and statements of the committee on auditing procedure. Advise AIA Research Department of suggestions or criticisms developed in such discussions.



COMMITTEE ON  
ACCOUNTING AND AUDITING PROCEDURE - continued

- (5) Encourage and promote membership compliance with Statement 23.
- (6) If there is no committee on governmental accounting and auditing:
  - Set up a sub-committee to aid in development of accounting and auditing standards for political subdivision engagements. (See also pages 24-25 for committee on governmental accounting and auditing.) Other sub-committees might be set up for specialized areas of local interest--mining, lumber, oil and gas, etc.
- (7) Encourage membership to submit questions and solutions for CPA Uniform Examination and relay such material to the AIA Education Department.

REFERENCES (AIA Publications):

- Auditing: Generally Accepted Auditing Standards  
Codification of Statements on Auditing Procedure  
Statements on Auditing Procedure  
Case Studies in Auditing Procedure  
Internal Control  
Case Studies in Internal Control  
Audits of Savings and Loan Associations  
Audits of Brokers or Dealers in Securities  
Audits by CPAs  
Long-Form Report Practice  
Case Study on Extent of Audit Samples
- Accounting: Accounting Research Bulletins  
Accounting Trends & Techniques  
Consolidated Financial Statement Practices  
Accounting Terminology Bulletins

CONTACT: Research Department of American Institute of Accountants

COMMITTEE ON ADMISSIONS

Chairman:

Members:

OBJECTIVE: To pass upon all applications for admission to membership in the state society (unless Board of Directors serves as admissions committee).

PROCEDURES:

- (1) Analyze all applications for membership to determine whether requirements of by-laws have been fulfilled.
- (2) In some state societies this committee interviews all applicants.

REFERENCES:

By-laws of state society

COMMITTEE ON BY-LAWS AND RESOLUTIONS

Chairman:

Members:

OBJECTIVE: To propose desirable changes in the by-laws and constitution; frame resolutions of the state society.

PROCEDURES:

- (1) Study all proposals for by-law changes.
- (2) Clear recommendations for changes in by-laws with legal counsel and submit them to Board of Directors.
- (3) Deliver formal report to Secretary well in advance so it can be included in the call to the annual meeting.
- (4) Present recommendations to members at annual meeting.
- (5) Prepare, from time to time, such official resolutions as may be necessary.

REFERENCES:

By-laws and constitution of state society and other societies of certified public accountants

COMMITTEE ON  
COOPERATION WITH BANKERS AND OTHER CREDIT GRANTORS

Chairman:

Members:

**OBJECTIVE:** To increase mutual understanding and co-operation between the accounting profession and bankers and credit men.

**PROCEDURES:**

(1) Internal

- (a) Educate membership on importance of adhering to Statement 23.
- (b) Sponsor courses and publications on requirements for bank audit engagements.
- (c) Exchange speakers with credit grantor groups; arrange seminars, skits, meetings on mutual problems.

COMMITTEE ON COOPERATION  
WITH BANKERS AND OTHER CREDIT GRANTORS - continued

(2) External

- (a) Promote better understanding of CPAs and the value of their work to credit grantors; request that cooperating committees be appointed (if none exist) in local associations of credit grantors (Robert Morris Associates, National Association of Credit Men, National Association of Bank Auditors and Controllers, savings and loan groups, state banking associations, etc.).
- (b) Educate credit grantors on the importance of Statement 23.
- (c) Encourage preparation of articles by CPAs for publication in magazines and bulletins of credit granting groups.
- (d) With public relations committee send out membership directory annually to banks and other credit grantors.
- (e) Help organize, and encourage participation in estate planning councils.

COMMITTEE ON COOPERATION  
WITH BANKERS AND OTHER CREDIT GRANTORS - continued

REFERENCES:

From the American Institute of Accountants

Audits by Certified Public Accountants -- Their Nature and  
Significance

Figures for the Small Businessman

Financial Statements for Bank Credit Purposes (Robert Morris  
Associates)

Survey of Audit Reports Submitted to Banks

Forty Questions and Answers About Audit Reports

From banking and credit granting groups

Publications of American Banking Association, National Association of Credit Men, National Association of Bank Auditors and Controllers, Robert Morris Associates, U.S. Savings & Loan League, etc.

CONTACT: State society executive secretary (if there is one)  
AIA State Society Services Department--for program ideas  
AIA Research Department--for technical developments  
AIA Taxation Department--for questions about estate  
planning activity

COMMITTEE ON EDUCATION AND PERSONNEL\*

Chairman:

Members:

OBJECTIVE: Recruitment of more and better-qualified personnel for the profession; greater emphasis on and high standards for accounting curricula in schools and colleges; provisions for continued education of members of the profession.

PROCEDURES:

(1) Internal

- (a) Cooperate with AIA Education Department and AIA committee on accounting personnel to promote common objectives at local level.
- (b) Consider and seek to improve educational standards for CPA certificate.
- (c) Coordinate chapter education committee work with program of state committee

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\*This committee may be composed of three sub-committees: cooperation with educational institutions; professional development or continuing education, and selection of accounting personnel (recruitment). Some societies prefer to maintain separate committees on education and on personnel recruiting.

COMMITTEE ON EDUCATION AND PERSONNEL - continued

(2) External

- (a) Regularly survey the level of accounting jobs and qualified people to fill them.
- (b) Use the manuals prepared by the American Institute to interest more qualified young people in entering the profession.
- (c) Promote the American Institute testing program.
- (d) Sponsor continuing education program for the profession. (Details from the AIA Education Department.)
- (e) Encourage establishment of CPA coaching courses. Assist CPA candidates with details about the examination.
- (f) Encourage college faculty members to obtain practical experience.
- (g) Develop better understanding between the profession and guidance counselors and teachers through personal contact and literature.
- (h) Encourage the development and strengthening of accounting curricula in schools and colleges.
- (i) Make arrangements for speakers, film showings, and distribution of literature to accounting classes and general student audiences.
- (j) Promote career days. (If they are already in operation, see that accounting is represented.)
- (k) Help sponsor and aid accounting clubs in educational institutions.
- (l) Help plan accounting conferences at colleges and universities.
- (m) Establish internship programs in cooperation with colleges and universities through local and member firms. Encourage member firms to offer scholarships.



COMMITTEE ON EDUCATION AND PERSONNEL - continued

REFERENCES (From the American Institute of Accountants):

Film: "Accounting--the Language of Business"

Pamphlets: Professional Help Wanted  
Accounting May Be The Right Field For You  
The Profession of Accounting  
Should You Be An Accountant?  
The Accounting Testing Program  
Information for CPA Candidates  
The College Accounting Testing Program  
Notice of Availability of the Accounting Orientation Test  
for High School Pupils  
What Manner of Man Is the Average Accountant?

Manuals: Guide for High School Recruiting  
Guide for College Recruiting

Descriptions of Continuing Education Courses

CONTACT: State society executive secretary (if there is one)  
AIA Education Department  
AIA State Society Services Department

COMMITTEE ON FEDERAL (AND STATE) TAXATION

Chairman:

Members:

OBJECTIVE: To work for an equitable tax structure capable of easy administration; to perform public service in the field of taxation which will underline the important contribution of the CPA in settling tax differences; to keep the membership informed of tax changes and their implications.

PROCEDURES:

(1) Internal

- (a) Study and report to the society at regular meetings, or through bulletins, the changes in legislation, court decisions, and administrative procedure in federal and state taxation.
- (b) Develop recommendations for amendments to federal income tax laws. (These may be referred to the AIA committee on federal taxation.) Stimulate interest in AIA federal taxation committee projects.

COMMITTEE ON FEDERAL (AND STATE) TAXATION - continued

- (c) Develop recommendations on state tax laws.
- (d) Arrange membership tour of state tax offices.

(2) External

- (a) Confer with tax agencies in matters of interest to accounting profession.
- (b) Volunteer tax speakers for business and professional groups.
- (c) With public relations committee:
  - Prepare tax articles for local professional and trade journals;
  - Encourage qualified members to write tax columns in local papers;
  - Prepare or edit tax column in monthly bulletin;
  - Prepare tax calendar for distribution to businessmen, and,
  - Promote use of AIA Tax Information materials.
- (d) Arrange, where possible, to assist in any civic movement where tax knowledge of profession would be helpful.

COMMITTEE ON FEDERAL (AND STATE) TAXATION - continued

- (e) Cooperate with other state societies in regional tax meetings.
- (f) Maintain communication with legislators by personal contact and correspondence to inform them of views of profession in tax matters.
- (g) Arrange annual member tour of local IRS offices.

REFERENCES:

AIA Film: "Helping the Taxpayer"

CONTACT: State society executive secretary (if there is one)  
AIA Taxation Department--for technical developments  
AIA Public Relations Department--for assistance on pro-  
motion of tax season information materials  
AIA State Society Services Department--for assistance on  
planning tax seminars and other programs

COMMITTEE ON GOVERNMENTAL ACCOUNTING AND AUDITING

Chairman:

Members:

OBJECTIVE: To eliminate competitive bidding for CPA services and work generally in the public interest to improve other conditions surrounding political subdivision accounting and auditing.

PROCEDURES:

- (1) Foster good relations with all government financial agencies, so that advice may be requested on governmental accounting and auditing matters.
- (2) Aid in the development of accounting and auditing standards for state, counties, cities and towns, school districts, etc.
- (3) Consider methods by which members of the society may be better educated about the requirements and procedures of conducting governmental audits.

COMMITTEE ON  
GOVERNMENTAL ACCOUNTING AND AUDITING - continued

- (4) Distribute joint AIA-Municipal Finance Officers Association Statement on Competitive Bidding.
- (5) Sponsor awards to municipalities showing the most improvement in accounting during the year.

REFERENCES:

Municipal Accounting and Auditing (National Committee on Governmental Accounting)  
1955 AIA-Municipal Finance Officers Association Statement on Competitive Bidding  
Revised Statement on Competitive Bidding by the AIA Executive Committee  
See references, Committee on Accounting and Auditing Procedure, Pages 11-12

CONTACT: State society executive secretary (if there is one)  
AIA Research and Public Relations Departments

COMMITTEE ON LEGISLATION

Chairman:

Members:

OBJECTIVE: To assist in the formulation of society legislative policy; to resist attempts to dilute the value of the CPA certificate, and to sponsor legislation to raise professional standards.

PROCEDURES:

- (1) In the face of a legislative problem
  - (a) Notify the American Institute of Accountants.
  - (b) Take a stand promptly and see people who can help you.
  - (c) State your case effectively.
  - (d) Let society members know the facts and put them to work.
  - (e) Marshal support of community and state.
  - (f) Get a public hearing; publicize your program.
  - (g) Engage legislative counsel.

COMMITTEE ON LEGISLATION - continued

(2) Internal

- (a) Set up a card file of state legislators indicating everything that you can find out about them (party, voting record, hobbies, etc.).
- (b) Compile a list of members who have good personal relations with legislators (Add this information to the above-mentioned card file.) and coordinate legislative contacts.
- (c) Consider accounting legislation proposed by other groups and recommend action. Survey legislative developments in other states. Develop legislative policies and standby programs for effective resistance to attacks on CPA certificate.
- (d) Have ready material embodying all possible arguments against legislation which might lower standards of the profession.
- (e) Prepare statistics to cite facts as to practice of accounting within the state.
- (f) Consult with Board of Directors or Executive Committee with respect to time the executive secretary (if you have one) should devote to legislative matters.
- (g) Urge members to be actively interested in legislation (by meetings and articles in monthly publication). Urge members to develop new contacts by supporting legislators, particularly in good bills which affect administrative agencies with which CPAs deal most.
- (h) As a committee, act as point of contact when state society or chapters are required to take action jointly in connection with federal legislation.
- (i) Carry on constant campaign with public relations committee to demonstrate public service value of high standards of the CPA.
- (j) Invite key legislators such as the chairman of the com-



COMMITTEE ON LEGISLATION - continued

mittee which would handle bills affecting accountants to attend and perhaps speak at appropriate meetings.

(3) External

- (a) Keep informed with respect to pending accounting legislation through reliable contacts at State Capitol.
- (b) At proper times, introduce amendments to strengthen law in accordance with policy of state society.
- (c) Cooperate with State Board of Accountancy.
- (d) Discuss legislative problems with leaders of other organizations with accountants' position. Secure statements and testimony from organizations representing the public interest of the value of maintaining high standards in the profession.
- (e) Join state professional council. If there is none, form one with other professions.
- (f) Fiscal advisers to legislature.

COMMITTEE ON LEGISLATION - continued

REFERENCES (From the American Institute of Accountants):

State Legislation Research Studies

(Prepared by the AIA committee on state legislation)

1. The Composition of State Boards of Accountancy
2. The Ownership of Accountants' Working Papers
3. The Practice of Accountancy by Partnerships  
and Corporations
4. The Unauthorized Use of the CPA Title

Tabulations (From state laws and regulations)

Age, character, residence and citizenship prerequisites  
for CPA exam or certificate  
Education and experience requirements  
Fees charged for CPA exams, reciprocal certificates, and  
initial and annual registration  
States with regulatory public accounting laws  
Replies to questionnaire on reciprocity and temporary  
practice  
Statutory provisions authorizing a code of ethics  
State Board and State Society Rules on Competitive  
Bidding

"Legislative Problems and How To Meet Them"

"Form of Regulatory Public Accountancy Bill"

CONTACT: State society executive secretary (if there is one)  
AIA Administrative Department

COMMITTEE ON MEETINGS (PROGRAMS)\*

Chairman:

Members:

OBJECTIVE: To arrange effective and informative meetings and assume responsibility for all social functions and entertainment provided in conjunction with such meetings.

PROCEDURES:

(1) Annual Meeting

- (a) Work jointly with officers to recommend to board advance dates, length, and location of meeting.
- (b) Develop and arrange program for annual meeting including securing necessary personnel to run meeting.

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\*This committee may be divided into three sections: general meetings; technical meetings, and annual meeting. The second may be composed mainly of the chairmen of the society's technical committees.

COMMITTEE ON MEETINGS (PROGRAMS) - continued

(2) General and Technical Meetings

- (a) Work jointly with president and executive secretary (if there is one) in planning subjects and speakers for entire meeting year in advance.
- (b) See that meetings are varied: geographically--so that a maximum number of members can attend some meetings; thematically--to attract different segments of membership such as local practitioners, educators, corporate accountants, staff accountants, younger members, etc.
- (c) Plan joint meetings with outside groups such as bankers, credit men, estate planning councils, etc.

REFERENCES (From the American Institute of Accountants):

"Planning Effective Meetings"

CONTACT: State society executive secretary (if there is one)  
AIA State Society Services Department

COMMITTEE ON MEMBERSHIP

Chairman:

Members:

OBJECTIVE: To increase professional society membership.

PROCEDURES:

(1) Develop and Maintain Prospect List

- (a) Keep up-to-date list of all state CPAs indicating whether they are members of state society and American Institute of Accountants.
- (b) Survey non-members periodically to determine objections to joining (high dues, lack of time, locations of meetings, etc.).

(2) Getting Members

- (a) Welcome new CPAs to profession by letter, dinner, etc.
- (b) Encourage firms to have 100% staff representation in state society and AIA.
- (c) Canvass non-member registrants of regional accounting meetings.

COMMITTEE ON MEMBERSHIP - continued

- (d) Study membership blank for improvement in attractiveness, clarity, brevity, etc.
  - (e) Encourage non-member CPAs in Internal Revenue Service, industry, government, and education to join society.
  - (f) If politicians (mayor, governor, senator, legislator) are eligible, make sure they become members.
- (3) Keeping Members
- (a) Welcome new members by letter, dinner, etc.
  - (b) Work with public relations committee to prepare news releases on new members.
  - (c) With public relations committee distribute yearbook to credit grantors.
  - (d) Minimize membership turnover by:
    - Following up resignations and seeing if cause can be rectified;
    - Having one or more members who recommended lapsed or resigned member ascertain reason and try to persuade him to return;
    - Survey needs of educators, CPAs in industry, to see if they are being met by society.

REFERENCES:

AIA Membership Kit  
Membership Promotion Outlines prepared by the State Society  
Executives Association

COMMITTEE ON NATURAL BUSINESS YEAR

Chairman:

Members:

OBJECTIVE: To promote greater knowledge and use of the natural business year.

PROCEDURES:

(1) Internal

- (a) Coordinate committee activity with general objectives of AIA natural business year committee.
- (b) Educate membership on natural business year advantage through state society bulletins, special meetings, and distributions of AIA and state society materials on the subject.

(2) External

- (a) Survey number of local companies using natural business year to ascertain trend and study any client change-over difficulties.
- (b) Place articles in local law journals on significance of using natural business year in articles of incorporation and provide speakers on this subject at legal meetings.

COMMITTEE ON NATURAL BUSINESS YEAR - continued

- (c) Have special program to encourage bankers and credit men to promote natural business year to their customers.
- (d) Make speeches and offer pamphlets to local trade associations offering to develop specific data for their particular field.
- (e) Approach state regulatory bodies (Public Utilities, State Tax Commission, etc.) to see whether they require calendar year. If so, persuade them to relax requirements for allowance of natural business year.
- (f) In larger cities, printers of annual reports might be willing to send out natural business year materials to their annual report customers.
- (g) Get list of new corporations periodically from Secretary of State's office and mail material about natural business year to incorporators.

REFERENCES:

- AIA pamphlet -- Do You Close Your Books On New Year's Eve?  
(chart of fiscal closing dates on request)
- The Natural Business Year - by Geoffrey N. Ward, Accountants' Digest, V. 19, no. 3, March 1954, pp. 152-3.
- Natural Business Year - by Puzey, Illinois CPA, June 1949,  
pp. 37-42.
- Advantages of the Natural Business Year to Management - by  
Tepper, NACA Bulletin, V. 30, no. 1, sec. 1, pp. 3-12.
- Why Close Your Books on December 31st? - published by the  
Illinois Society of CPAs
- Why Fumble for Time and Money? - published by the Illinois  
Society of CPAs

CONTACT: State society executive secretary (if there is one)  
AIA Public Relations Department



COMMITTEE ON NOMINATIONS

Chairman:

Members:

**OBJECTIVE:** To nominate candidates for state society elected offices.

**PROCEDURES:**

- (1) Carry out the intent of the By-Laws with respect to geographical representation, etc., of elected officers.
- (2) Obtain views of membership before making nominations.
- (3) Examine list of members who have made outstanding contributions to profession.
- (4) Submit slate to Secretary, who sends list of nominations to membership.

**REFERENCES:**

By-Laws of State Society

COMMITTEE ON PROFESSIONAL CONDUCT (ETHICS)

Chairman:

Members:

OBJECTIVE: To originate, enforce, and publicize the profession's standards of ethical conduct.

PROCEDURES:

(1) Set Up Ethics Machinery

- (a) Sponsor state legislation enabling State Board to promulgate and enforce Rules of Professional Conduct.
- (b) Examine by-laws and Rules of Professional Conduct of society to see if they conform to AIA recommendations and are consistent with the State Board and the state public accounting law. (Recommend changes if necessary.)
- (c) Study desirability of amending Rules of Professional Conduct to prohibit competitive bidding.

COMMITTEE ON PROFESSIONAL CONDUCT (ETHICS) - continued

(2) Enforce Rules of Professional Conduct

(a) Investigate:

Alleged violations of rules governing the expression of opinions on financial statements;  
Complaints of violations and report alleged violations to board of directors;  
Telephone, city, and other directory listings, to determine conformity with recommended listing;  
Practitioners' letterheads, newspaper advertising, and outdoor signs.

(b) Maintain file on ethics violations by member and non-member CPAs as well as non-CPAs for future reference.

(c) Initiate proceedings for suspension or expulsion from society.

(3) Educate

(a) Membership:

By insisting that each member read and sign the Rules of Professional Conduct (ethical importance might be dramatized by development of professional oath and ceremonies for new CPAs);

By disseminating information and sponsoring discussion of ethics at meetings;

By publishing interesting case histories (using fictitious names) from time to time in society publication with any observations the committee wishes to make.

(b) General public:

By continually stressing that CPAs have a rigid code of ethics and how this code protects the public.

(c) Accounting students:

By speaking before students, familiarizing them with the Rules of Professional Conduct and stressing the value of ethical adherence.

COMMITTEE ON PROFESSIONAL CONDUCT (ETHICS) - continued

**REFERENCES:**

Read: Professional Ethics of Certified Public Accountants - by  
John L. Carey, American Institute of Accountants  
Practical Applications of Professional Ethics - by John L.  
Carey, American Institute of Accountants  
AIA By-Laws and Rules of Professional Conduct  
AIA tabulations on codes of ethics

Use: Ethics and Income (AIA pattern speech)  
Aggressive Professional Ethics (tape recording) - by John  
L. Carey, American Institute of Accountants

**CONTACT:** State society executive secretary (if there is one)  
AIA Administrative Department  
Illinois and Texas Societies of Certified Public Accountants - for material on competitive bidding  
Kentucky Society of Certified Public Accountants - for  
material on CPA oath

COMMITTEE ON PUBLIC RELATIONS

Chairman:

Members:

OBJECTIVE: To see that the accounting profession deserves and achieves public understanding and recognition.

PROCEDURES:

(1) Internal

- (a) Coordinate state and chapter program with AIA public relations program.
- (b) Consider employment of outside public relations counsel to work with committee and executive secretary (if there is one).
- (c) Draw up a long-range public relations plan for the society, including a checklist of special projects; assign priorities to them. (This list should be made up after consideration of objectives of other society committees. Important: Do not tackle more than you can effectively handle.)

COMMITTEE ON PUBLIC RELATIONS - continued

- (d) Sponsor and constantly improve a monthly publication to the members. (In some states a subcommittee on publications is set up.)
- (e) Set up channels for getting information from other committees, officers, and chapters so that committee will have good background on public relations problems.
- (f) See that a chapter public relations manual is prepared.
- (g) Arrange at least one program during the year to emphasize the activities, problems, and importance of individual and collective efforts to achieve public recognition and understanding of the profession.
- (h) Encourage members to participate in community life, write for publication, speak before other groups, appear on radio and television, etc.

(2) External

Public Relations:

- (a) Maintain and promote a speakers bureau if executive secretary (if there is one) does not handle. (Some state societies have a subcommittee on Speakers Bureau.)
- (b) Publish pamphlets for special distributions, such as small businessmen. If none available, distribute AIA publications with state society imprint.
- (c) Work on outside projects jointly with other state society committees. For example:

With taxation committee promote AIA tax information material; help promote tax institutes, seminars, etc.

With committee on accounting and auditing procedure (if governmental accounting and auditing committee does not exist) sponsor awards to municipalities showing the most improvement in accounting during the year.

COMMITTEE ON PUBLIC RELATIONS - continued

Meet jointly with other state society committees such as: cooperation with bankers, natural business year, etc., to work out joint meetings with other organizations -- state banking and credit groups, trade associations, etc.

With membership committee distribute yearbook to bankers, credit men, etc.

With education committee promote use of Institute film, "Accounting--the Language of Business," in schools and colleges.

With legislation committee carry on a constant campaign to demonstrate the public service value of high standards of the CPA.

- (d) Encourage good client relations.
- (e) Work with business and financial groups on accounting aspects of articles, manuals, films, speeches, television and radio presentations.

Publicity:

- (a) Report to press on news of meetings, elections, resolutions, action programs, and other activities. Adapt American Institute releases for local use.
- (b) Develop articles for local trade press (patterning approach after AIA articles).
- (c) Prepare list of all local media contacts and keep up-to-date. Make sure that appropriate people get appropriate releases.
- (d) Cultivate contacts among local editors (especially business editors and financial columnists on larger papers). See that these people are periodically invited to important meetings. Build up state society's reputation as a reliable, courteous, and speedy accounting information source.

COMMITTEE ON PUBLIC RELATIONS - continued

REFERENCES:

From the American Institute of Accountants

Operating a Speakers Bureau  
Press Publicity and How To Get It  
Small Business Has Big Problems  
Guide to AIA Tax Information Program  
Why CPA Standards Are Important to You  
Cooperation for Professional Advancement  
Pattern Speeches: "Business and Public Opinion"  
"What Accounting Means to You"  
"What Is Income?"  
The General Recognition of Accountancy as a Profession  
Client Relations

From Others

Public Relations, a New Frontier for Accounting - by  
Fitzgerald, New York Certified Public Accountant  
You and Your Public Relations Program - published by the  
New York State Society of Certified Public Accountants  
You and Public Relations - prepared by the California  
Society of Certified Public Accountants  
How Do We Know? - prepared by the Illinois Society of  
Certified Public Accountants  
There Is No Mystery - by Arthur M. Sargent, California  
Society of Certified Public Accountants

CONTACT: State society executive secretary (if there is one)  
State society public relations counsel (if such exists)  
AIA Public Relations Department



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