

11-1922

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Recommended Citation

American Institute of Accountants (1922) "Annual Meeting at Chicago, Illinois, September 19 and 20, 1922," *Journal of Accountancy*. Vol. 34: Iss. 5, Article 5.

Available at: <https://egrove.olemiss.edu/jofa/vol34/iss5/5>

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American Institute of Accountants

ANNUAL MEETING AT CHICAGO, ILLINOIS,
SEPTEMBER 19 AND 20, 1922

The regular annual meeting of the American Institute of Accountants was held at the Drake Hotel, Chicago, Illinois, September 19 and 20, 1922.

The first session was opened by invocation by the Reverend Albert J. McCartney, D.D.

Minutes of the preceding meeting were approved.

Reports of the president, auditors and council were received.

The meeting approved the action of the council in ratifying an agreement with the American Institute of Accountants Foundation, a new organization created to administer the endowment fund of the Institute.

Upon motion a new rule of conduct which had been adopted by the council was approved. The rule follows:

"No member or associate of the Institute shall advertise his or her professional attainments or services through the mails, in the public prints, or by other written word; but any member or associate may cause to be published in the public prints or otherwise, what is technically known as a 'card.' A card is hereby defined as an advertisement of the name, title (member of American Institute of Accountants, C. P. A., or other professional affiliation or designation), and address of the advertiser without further qualifying words or letters; or in the case of announcements of change of address or personnel of firm the plain statement of the fact for the publication of which the announcement purports to be made. Cards permitted by this rule when appearing in newspapers shall not exceed two columns in width and three inches in depth; when appearing in magazines, directories, and similar publications, cards shall not exceed one quarter page in size. This rule shall not be construed to inhibit the proper and professional dissemination of impersonal information among a member's own clients or personal associates, or the properly restricted circulation of firm bulletins containing staff personnel and professional information."

A paper by Robert H. Montgomery entitled, *Why Should We Have a New Federal Tax Law** was read.

At the opening of the afternoon session of September 19th a paper entitled *Reserves†* was read by H. A. Finney and followed by discussion.

After consideration of the report of the committee on professional advancement several subscriptions to the publicity fund were made and it was resolved that further development of a plan of publicity should be referred to the incoming council.

At the morning session of September 20th several amendments to the constitution and by-laws were considered. Those which were approved are as follows:

The constitution, article III, to be amended by inserting after section 4 a new section as follows:

"Section 5. In the event of a vacancy or vacancies occurring in the membership of council between meetings of the Institute the coun-

*This paper is published elsewhere in this issue of THE JOURNAL OF ACCOUNTANCY.
†See THE JOURNAL OF ACCOUNTANCY, October, 1922.

cil shall be empowered to elect a member or members of the Institute to fill, until the next annual meeting, the vacancy or vacancies so occurring. Such election may take place at any regular or special meeting of the council, or in lieu of a meeting nominations may be called for by the president and the names of the nominees may be submitted to the membership of council for election by mail ballot. A majority vote of the council shall elect."

The constitution, article IV, section 1, to be amended by adding at the close of the section two new paragraphs to read as follows:

"The committee on nominations shall consist of seven members in practice. At the meeting of the council held on the Monday preceding the annual meeting of the Institute or any adjournment thereof the council shall elect from among its number, other than officers or those whose terms expire within one year, two members of the council to serve on the committee on nominations. At the annual meeting of the Institute the members present shall elect from among the members in practice five members of the committee on nominations, other than officers or members of the council. This committee shall make nominations for officers and members of the council. Such committee shall serve for a period of one year and until its successors are elected and qualify, and shall make such nominations as shall be required at least sixty days prior to the annual meeting for the following year. Such nominations shall be sent to the members at least thirty days prior to the annual meeting.

"Any ten members of the Institute may submit independent nominations provided that such nominations be filed with the secretary at least twenty days prior to the annual meeting, such independent nominations to be sent to the membership at least ten days prior to the annual meeting. Nominations for officers and members of the council may be made from the floor at the time of the annual meeting only by the consent of the majority of the members present in person."

The constitution, article V, section 2, to be amended to read as follows:

"Section 2. The board of examiners shall hold examinations annually or, if deemed expedient, semi-annually for candidates. Such examinations shall be oral or written or partly oral and partly written, and by this *or* such other methods as may be adopted the board of examiners shall determine the technical qualifications and the preliminary education and training of all applicants for membership before applications are submitted to the council. The examinations shall be held simultaneously in different parts of the country at such places as may be determined by the board of examiners where applicants for admittance may conveniently attend."

The constitution to be amended by inserting the following to be numbered article V:

ARTICLE V.

"Upon application to the council of the Institute and subject to its approval there may be organized in any state, by members resident or having a place of business therein, a subsidiary body to be known as a chapter of the American Institute of Accountants under such rules and regulations as the council of the Institute may prescribe."

The present article V to be numbered article VI, and the present article VI to be numbered article VII.

The constitution, article VI, to be amended by deleting sections 1 and 2 and substituting therefor:

"Amendments to the constitution or by-laws of the Institute shall be made only at the annual meeting thereof, and by a two-thirds

Annual Meeting

vote of the members present, but before becoming effective shall be submitted for a mail vote to the entire membership of the Institute, and when approved in writing by a majority thereof shall be declared by the president to be effective. All propositions to amend prepared by the committee on constitution and by-laws shall be embodied in the call for the meeting at which such amendments are to be submitted. It shall be compulsory for the secretary to embody in the call for the annual meeting any other propositions to amend of which he shall have had notice endorsed in writing by thirty or more members in good standing at least sixty days prior to the annual meeting."

The by-laws, article I, section 2, to be amended to read as follows:

"Section 2. The accounts of the Institute shall be audited by two auditors elected at the annual meeting, who shall report at the next annual meeting. The books and accounts shall be submitted by the treasurer for audit at least one week preceding the date of the annual meeting."

The by-laws, article I, section 4, to be amended to read as follows:

"The council may, in its discretion, delegate to the executive committee all functions of the council except election of officers and members, the right to review the rules and regulations of the board of examiners, discipline of members, filling a vacancy in the executive committee and the adoption or alteration of a budget."

The by-laws, article I, section 6, to be amended to read as follows:

"Section 6. The office of a member of the council shall be rendered vacant by his absence from four consecutive meetings of the council."

The by-laws, article II, section 2, to be amended to read as follows:

"Section 2. Any member of the Institute may be represented at regular and special meetings of the Institute by another member acting as his proxy, provided, however:

"(a) that no person shall act as a proxy for more than five members;

"(b) that no proxy given shall confer power of substitution and that all proxies shall become null and void with the final adjournment of the meetings for which they were given."

These amendments have been submitted to the membership of the Institute for referendum ballot and must receive an affirmative vote of the majority of the voting membership before becoming effective.

The following were elected officers and members of council for the ensuing year:

President: Edward E. Gore
Vice-presidents: John R. Loomis, Norman McLaren
Treasurer: Arthur W. Teele

Council for five years:

Elmer L. Hatter
J. Edward Masters
James S. Matteson
Robert H. Montgomery
Carl H. Nau
John B. Niven
E. G. Shorrock

Council for four years:

Clifford E. Iszard

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Council for three years:

Charles R. Whitworth

Council for two years:

George S. Olive

Charles E. Mather

C. E. Wermuth

Council for one year:

P. L. Billings

At the afternoon session on September 20th a paper entitled *Treatment of Foreign Exchange in Branch-office Accounting** by Cecil S. Ashdown, and a paper entitled *Taxation of Capital Gains†* by George O. May were read and followed by discussions.

Votes of thanks to the committee on meetings, to the Illinois Society of Certified Public Accountants and to the authors of papers were unanimously adopted.

A motion expressing the appreciation of the Institute of the services rendered by Elijah W. Sells during his tenure of office as a member of council and of committees was adopted following announcement of Mr. Sell's resignation from committee activities.

The annual banquet was held at the Drake Hotel on September 20th. The toastmaster, William M. Lybrand, introduced the following speakers: Captain Imbray, General H. M. Lord, director of the bureau of the budget, J. Adam Bede and President Edward E. Gore.

*See THE JOURNAL OF ACCOUNTANCY, October, 1922.

†This paper is published elsewhere in this issue of THE JOURNAL OF ACCOUNTANCY.