

University of Mississippi
eGrove

Publications of Accounting Associations, Societies,
and Institutes

Accounting Archive

1916

Report of Special Committee on Draft Constitution and By-laws for proposed Institute of Accountants in the United States of America

Illinois Society of Certified Public Accountants. Special Committee on Draft Constitution and By-laws

Follow this and additional works at: https://egrove.olemiss.edu/acct_inst

Recommended Citation

Illinois Society of Certified Public Accountants. Special Committee on Draft Constitution and By-laws, "Report of Special Committee on Draft Constitution and By-laws for proposed Institute of Accountants in the United States of America" (1916). *Publications of Accounting Associations, Societies, and Institutes*. 30.

https://egrove.olemiss.edu/acct_inst/30

This Article is brought to you for free and open access by the Accounting Archive at eGrove. It has been accepted for inclusion in Publications of Accounting Associations, Societies, and Institutes by an authorized administrator of eGrove. For more information, please contact egrove@olemiss.edu.

*ILLINOIS SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS*

REPORT

OF

SPECIAL COMMITTEE ON DRAFT
CONSTITUTION AND
BY-LAWS

FOR

PROPOSED INSTITUTE OF
ACCOUNTANTS IN THE UNITED
STATES OF AMERICA

JULY 29, 1916

CHICAGO, ILLINOIS, July 29, 1916

To The Illinois Society of Certified Public Accountants :

Gentlemen :—

As members of the Committee appointed by the President to consider the construction and phraseology of the draft Constitution and By-Laws for the proposed Institute of Accountants in the United States which has been furnished to each member of the Society by the American Association of Public Accountants, we now wish to submit our report :

We have devoted a great deal of time and careful study to all phases of the matter and, in order to give effect to such changes of phraseology as we think might more clearly express the principles to be incorporated in the Constitution and By-Laws and to call attention to such matters of fundamental importance in the draft Constitution and By-Laws as we think might be altered with advantage to the profession at large, we have prepared and attach hereto, in juxta-position with the original draft, an amended draft, Constitution and By-Laws, together with notations relating to the differences so as to permit your members easily to grasp the suggested changes.

With regard, generally, to the draft Constitution and By-Laws as submitted by a Committee of the American Association of Public Accountants, we are of the opinion that, for the most part, they are satisfactory and should be acceptable to the Society. There are, however, one or two matters which we have considered sufficiently important to warrant our suggesting fundamental changes. These are :

- (1) A change in the name of the Institute.
- (2) A change in the form of membership.
- (3) A change in the method of voting.

With regard first to the change in the name of the proposed Institute, we have been guided primarily by the wishes of your Society as expressed by the members present at the meeting held on June 27th. We are thoroughly satisfied that the insertion of the "Chartered" is an advisable change for the designation "Chartered Accountant" has acquired an acknowledged and highly respected significance throughout the English speaking business world. Furthermore, we believe that it is essential that the name of the new Institute should be distinctive and not susceptible to confusion with the now well recognized term "Certified Public Accountant" or with the name of other bodies of Accountants. In Illinois, at present, there is an Institute of Accountants with which there is liable to be confusion if the term of the proposed Institute be that in the draft originally submitted.

The second important change which we recommend is in respect to the classes of members and qualifications for membership. We are convinced that there should be but one class of members and we have been assisted in arriving at this decision by a realization of the difficulties

which undoubtedly will attend any attempt to provide a varying classification of members and also of the certainty that the general public will not differentiate between members and associates. Owing to the latter reason men who are associates of the proposed Institute would obtain all of the advantages of full membership without the resulting responsibility. If the character and qualifications of an applicant are sufficient to admit him to any class of membership they should be sufficient to admit him to full membership.

There is also the difficulty of defining the term "in practice". One member may spend practically all of his time in the service of one client and, in doing so, may meet and deal successfully with accounting problems as difficult and as varied as those encountered by a member who serves numerous clients at per diem rates or for fixed fees. On the other hand, a member maintaining an office with his name and title on the door would claim to be "in practice", although he had never secured or served a client.

The original draft submitted provides for members of the Council and members of the Examining Board being accountants in practice, but on account of the above reasons we have omitted entirely from the amended draft any reference to the word practice and are content to leave to the good judgment of the members of the Institute the election of suitable men to represent them in the Council, who on their part will certainly be guided by the same good judgment in the election of members of the Board of Examiners.

With regard to the question of voting, the original draft provides that there shall be no voting by proxy. Such a By-Law manifestly must work hardship on members who are residents of States which are distant from the City of Washington where two-thirds of the annual meetings will be held. Owing to the expense and time required to visit Washington and attend the meeting, such members are practically debarred from casting their votes and to provide against this it is suggested, in the amended By-Laws, that voting by proxy be allowed, subject to the provision that the Member's proxy and himself must be residents of the same State. This arrangement will obviate any promiscuous gathering up of proxies from all over the country by any one member or faction of members which we think is a thing to be avoided.

There are numerous more or less unimportant changes recommended in the Constitution and By-Laws now submitted, all of which can readily be observed from a perusal of the attached drafts.

In conclusion we desire to say that we believe the Committee of the American Association has rendered the Accountancy Profession in the United States a service of great value. The future welfare of our Profession will be in the keeping of the proposed Institute and we are convinced that the general principles which must govern in the formation and administration of the Institute must be broad and simple, the membership must have full confidence in the Council which will be the supreme governing body and the Executive Committee and the Board of Examiners, the two principal active governing bodies must consist of

men who are well known to the members of the Profession to be sound in judgment and experienced in the discharge of their duties.

We desire to tender our thanks to those members who have sent their suggestions by letter and those who have given their time to discussing the matter with us personally.

Respectfully submitted,

EDWARD E. GORE, Chairman,
THOMAS DREVER,
JAS. P. MCGREGOR,
Committee.

Original Draft

DRAFT

THE INSTITUTE OF ACCOUNTANTS IN THE UNITED STATES OF AMERICA CONSTITUTION

ARTICLE I.

SECTION 1. The name of this organization shall be the Institute of Accountants in the United States of America.

Its objects shall be to unite the accountancy profession of the United States; to promote and maintain high professional and moral standards; to safeguard the interests of public accountants; to advance the science of accountancy; to develop and improve accountancy education; to provide for the examination of candidates for membership, and to encourage cordial intercourse among accountants practising in the United States of America.

ARTICLE II.

SECTION 1. The institute shall consist of *members* and *associates*, who shall be further classified as members in practice and associates in practice, members not in practice and associates not in practice.

All questions arising in regard to classification of members shall be determined by the council.

SEC. 2. Members shall consist of the following:

(a) Fellows of the American Association of Public Accountants who shall be such at September 19, 1916.

(b) Associates who shall have been in practice on their own account or in the employ of a member or members of the institute for five years next preceding the date of their application and shall be recommended by the board of examiners after examination and elected by the council.

(c) Accountants who shall present evidence of preliminary education satisfactory to the board of examiners, who shall have been in practice on their own account for not less than five years immediately preceding the date of their application, who shall be recommended by the board of examiners after examination and elected by the council.

SEC. 3. Associates shall consist of the following:

(a) Associate members of the American Association of Public Accountants at September 19, 1916; or

(b) Persons who shall be not less than twenty-one (21) years of age and present evidence of preliminary education satisfactory to the board of examiners; and

(c) Shall have satisfactory training and experience in public accounting.

Amended Draft

INSTITUTE OF CHARTERED ACCOUNTANTS IN THE UNITED STATES OF AMERICA

CONSTITUTION

ARTICLE I.

NAME.

The name of this organization shall be the INSTITUTE OF CHARTERED ACCOUNTANTS IN THE UNITED STATES OF AMERICA.

In the Amended Draft the word "Chartered" is inserted.

ARTICLE II.

OBJECTS.

The objects of this Institute shall be to unite those engaged in the practice of Accountancy in the United States of America; to promote and maintain high professional and moral standards; to safeguard the interests of Public Accountants; to advance the science of Accountancy and to develop and improve Accountancy Education in the United States of America.

The last paragraph in the Original Draft, providing for the examination of candidates and discussing the relation between Accountants in the United States, is omitted in the Amended Draft.

ARTICLE III.

MEMBERSHIP.

SECTION 1. There shall be only one class of members in the Institute.

Sec. 2. The following shall be eligible to membership in the Institute:

(a) Fellows of the American Association of Public Accountants who shall be such, in good standing, at September 19th, 1916.

(b) Accountants who shall present evidence of preliminary education satisfactory to the Board of Examiners, and who shall be residents of the United States and not less than 21 years of age and who are recommended by the Board of Examiners after examination.

Sec. 3. After October 31st, 1916, no applicant shall be admitted to membership without examination by the Board of Examiners.

The Amended Draft provides for only one class of membership, and after October 31st, 1916, no applicant shall be admitted to membership without examination by the Board of Examiners.

ORIGINAL DRAFT.

The last-named qualification may consist of:

(1) Possession of a certificate of graduation from an accounting school recognized by the examining board and a certified public accountant certificate of a standard recognized by the examining board or instead of a certified public accountant certificate employment for not less than two years upon the accounting staff of a public accountant, (Students not completing the full course at an accounting school shall be given credit by computing the number of years of study satisfactorily completed as being equal to one-half the same number of years employed in the office of a public accountant) ; or

(2) Employment for not less than two years upon the accounting staff of a public accountant and possession of a certified public accountant certificate of a standard recognized by the examining board ; or

(3) Not less than four years' experience in public accounting work either upon his own account or in the office of a public accountant by a person not holding a certified public accountant certificate of a standard recognized by the examining board ; or

(4) Possession of an accountant's certificate issued under the law of a foreign government of a grade accepted by unanimous action of the board of examiners, and one year's satisfactory experience in practice in the United States of America ; or

(5) In the discretion of the board of examiners exercised in each case, not less than three years' experience in teaching accountancy subjects in a school of accountancy recognized by the board of examiners.

(6) In addition to the foregoing qualifications, candidates for associate membership shall submit to examination by the board of examiners and, upon recommendation of that board, may be elected by the council.

Sec. 4. Voting power in the institute shall be vested exclusively in the members. Associates shall not have a vote but may attend all meetings of the institute and have the privilege of the floor in the discretion of the chair or of the meeting then in session.

Sec. 5. After October 31, 1916, no applicant shall be admitted as a member or associate and no associate shall be advanced to membership without examination by the board of examiners and election by the council.

ARTICLE III.

SECTION 1. The governing body of the institute shall be a council consisting of thirty-five members in practice (not more than six of whom shall be residents of the same state), and the following officers:

A president (the same person shall not be elected for more than two years in succession).

Two vice-presidents (both of whom shall not be residents of the same state).

A treasurer.

The foregoing officers and members of the council shall be members in practice and shall be elected at the annual meeting and shall hold office until their successors shall have been elected and installed.

AMENDED DRAFT.

ARTICLE IV.

GOVERNMENT.

SECTION 1. The governing body of the Institute shall be a council, consisting of thirty-five (35) members who shall be members of the Institute, not more than six (6) of whom shall be residents of the same State and, in addition, the following officers :

The Amended Draft provides that the members of the Council must be members of the Institute, and the term, "in practice" is omitted.

A President.

A First Vice-President.

A Second Vice-President.

A Treasurer.

The qualifications in the Original Draft, attached to the President and the two Vice-Presidents, are provided for in the Amended Draft, in Section 4, Article IV.

The officers must be members of the Institute and shall be elected at the annual meeting and shall hold office until their successors shall have been duly elected and installed.

In the Amended Draft the term "in practice" is omitted.

ORIGINAL DRAFT.

SEC. 2. The term of office of the officers shall be one year and the term of office of the other thirty-five members of the council shall be five years, except that of the members first elected seven shall be elected for a term of one year, seven for a term of two years, seven for a term of three years, seven for a term of four years and seven for a term of five years, and annually thereafter seven members shall be elected for terms of five years except in the case of vacancies in the council which shall be filled by election by the institute for the unexpired terms.

SEC. 3. The council shall elect a secretary who shall also act as an executive officer under the direction of the council. The secretary may be chosen from without the membership of the institute but he shall have the privilege of the floor at meetings of the institute, the council and the executive committee.

SEC. 4. The council shall also be empowered to elect or appoint such other agents or employees as may be necessary for the proper conduct of the affairs of the institute.

ARTICLE IV.

COMMITTEES.

SECTION 1. There shall be ten regular standing committees, namely :

EXECUTIVE—Elected by the council and consisting of five members of the council with the president and treasurer of the institute ex-officio.

PROFESSIONAL ETHICS—Elected by the council and consisting of five members of the council, not members of the executive committee.

ARBITRATION.
BUDGET AND FINANCE.
CONSTITUTION AND BY-LAWS.
EDUCATION.
FEDERAL LEGISLATION.
MEETINGS.
PUBLICATION.
STATE LEGISLATION.

AMENDED DRAFT.

Sec. 2. The term of office of the officers shall be one year and the term of office of the thirty-five members of the Council shall be five years, except that, of the members first elected, seven shall be elected for a term of one year seven for a term of two years; seven for a term of three years; seven for a term of four years and seven for a term of five years and annually thereafter seven members shall be elected for terms of five years, except in the event of any vacancy in the Council such vacancy shall be filled by the Council at a meeting summoned for that purpose and the person so becoming a member of the Council shall hold office only so long as the vacating member would have been entitled to hold office.

The Original Draft provides that vacancies in the Council shall be filled by the Institute. The Amended Draft provides that they shall be filled by the Council.

Sec. 3. The Council shall appoint a secretary who shall also act as an executive officer under the direction of the Council. The secretary may be chosen from without the membership of the Institute, but he may have the privilege of the floor at meetings of the Institute, the Council and the Executive Committee.

The Amended Draft provides for the "appointment" of a Secretary instead of the "election", and in referring to the privilege of the floor at meetings the word "may" is substituted for "shall."

Sec. 4. The same person shall not hold office as president for more than two terms in succession and the two vice-presidents shall not be residents of the same State.

Referred to under Section 1, Article IV, in the Amended Draft.

Sec. 5. The Council shall also be empowered to elect or appoint such other agents or employees as may be necessary for the proper conduct of the affairs of the Institute.

No change.

ARTICLE V.

COMMITTEES.

SECTION 1. There shall be ten regular standing Committees, viz :

Executive Committee which shall be appointed by the Council and which shall consist of five members of the Council in addition to the president and treasurer of the Institute ex-officio, provided that not more than two appointed members of the Executive Committee shall be residents of the same State.

The Amended Draft provides for not more than two members of the Executive Committee being residents of the same State.

Professional Ethics Committee, which shall be appointed by the Council and which shall consist of five members of the Council, none of whom shall be a member of the Executive Committee.

Arbitration Committee.
Budget and Finance Committee.
Constitution and By-Laws Committee.
Educational Committee.
Federal Legislation Committee.
Meetings Committee.
Publication Committee.
State Legislation Committee.

No change.

ORIGINAL DRAFT.

SEC. 2. All committees except as provided above shall be appointed by the president and shall consist of a chairman and two other members who shall be members of the institute.

SEC. 3. A majority of each committee shall constitute a quorum for the transaction of business.

SEC. 4. The president shall be ex-officio a member of all committees.

ARTICLE V. EXAMINATIONS.

SECTION 1. The council at the first meeting thereof after the annual meeting of the institute shall elect from among the members of the institute in practice a board of examiners consisting of nine members to serve for terms of three years each, except that of the examiners first elected three shall be elected for a term of one year, three for a term of two years and three for a term of three years, and annually thereafter three examiners shall be elected for terms of three years.

SEC. 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 and 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.

SEC. 3. The board of examiners shall organize by the election of a chairman and shall formulate all necessary rules and regulations for the conduct of its work and shall be empowered to appoint duly qualified examiners to prepare examination questions and to mark the grades of papers of applicants and shall charge each applicant an examination fee, which shall be applied to the payment of the expenses incident to examinations. All rules and regulations made by the board of examiners may, however, be amended, suspended or revoked by the council.

AMENDED DRAFT.

SEC. 2. All Committees, except as provided above, shall be appointed by the president and shall consist of a chairman and two other members, all of whom shall be members of the Institute.

The Amended Draft provides that all members of committees must be members of the Institute.

Quorums at meetings of committees are provided for in the Amended Draft, in the By-Laws, Article VI, Section 2.

SEC. 3. The president of the Institute shall be ex-officio a member of all committees and in the event of a tie the president shall cast a deciding vote in addition to his vote as a member of the Committee.

The Amended Draft provides that the President shall have a deciding vote in the event of a tie.

ARTICLE VI.

EXAMINATIONS.

SECTION 1. The Council at its first meeting after the annual meeting of the Institute, shall elect from among the members of the Institute a board of examiners consisting of nine members, (none of whom shall be a member of the Executive Committee), to serve for terms of three years each, except that of the examiners first elected, three shall be elected for a term of one year, three for a term of two years and three for a term of three years and annually thereafter three examiners shall be elected for terms of three years.

The Amended Draft omits the Words "in practice". It provides that none of the members of the Board of Examiners shall be a member of the Executive Committee, to which Committee it is proposed the Board of Examiners shall make its reports.

SEC. 2. The Board of Examiners shall hold examinations annually, or if deemed necessary semi-annually, for candidates for admission to the Institute. Such examinations shall be oral or written or partly oral and partly written and by this and such other method as may be adopted the Board of Examiners shall determine the qualifications and the preliminary education and training of all applicants for membership, before such applications for membership are submitted to the Council, and the Board shall report to the Executive Committee upon the results of each examination.

The Amended Draft provides that the Board of Examiners make its report to the Executive Committee. It omits the provisions regarding the holding of examinations simultaneously in different parts of the country, such being left to be dealt with by rules and regulations made by the Board of Examiners.

SEC. 3. In the event of a vacancy in the Board of Examiners brought about by any cause whatever, the president shall have power to fill such vacancy provided that a member of the Board so appointed shall hold office until such time as the term of the vacating member would have expired.

Not provided for in the Original Draft.

SEC. 4. The Board of Examiners shall organize by the election of a chairman and secretary from among its own body and shall formulate all necessary rules and regulations for the conduct of its work. All rules and regulations made by the Board of Examiners may be revised and amended by the Council in its discretion.

The Amended Draft provides for the election of a Secretary by the Board of Examiners and omits certain details relating to preparation of examination questions which can be dealt with by the rules and regulations of the Board of Examiners.

ORIGINAL DRAFT.

ARTICLE VI.

AMENDMENTS.

SECTION 1. Amendments to the constitution or by-laws of the institute shall be made only at the annual meeting thereof and by a two-thirds 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. No proposition to amend shall be acted upon unless written notice thereof shall have been given to the secretary of the institute at least sixty days prior to the meeting at which such amendment is to be submitted for action. A copy of every proposition to amend shall be embodied in the call for such meeting and a copy sent to every member and associate of the institute at least thirty days prior to the date set for the meeting at which the proposition to amend is to be submitted.

SEC. 2. It shall be compulsory for the secretary to submit to the membership any proposition to amend the constitution and by-laws of this institute which shall be proposed by ten or more members of the institute in good standing.

AMENDED DRAFT.

ARTICLE VII.

AMENDMENTS.

SECTION 1. Amendments to the Constitution or By-Laws of this Institute shall be proposed only at the annual meeting of the members. If recommended by a two-thirds vote of the members present at such meeting they shall be submitted to the entire membership of the Institute for a mail vote and when they have been approved in writing by a majority of the members they shall be declared by the president to be in full force and effect.

No proposition to amend shall be acted upon unless proposed by ten or more members and written notice thereof has been given to the secretary of the Institute at least sixty days prior to the meeting at which such amendment is to be submitted for action. A copy of every such proposition to amend the Constitution or By-Laws shall be embodied in the call for the meeting at which action thereon is to be taken.

The Amended Draft suggests no fundamental change, but provides that propositions to amend the Constitution or By-Laws must be supported by ten or more members.

BY-LAWS

ARTICLE I.

DUTIES OF OFFICERS.

SECTION 1. It shall be the duty of the president or, in his absence, one of the vice-presidents or other members of the council designated by the council to preside at all meetings of the council and institute. He shall call meetings of the institute or the council when he deems it necessary or when requested so to do by the executive committee or upon the written request of at least five members of the council for a meeting of the council or one hundred members of the institute for a meeting of the institute. The duties of the vice-presidents and treasurer shall be those usually appertaining to such officers. The secretary, in addition to performing the usual duties of that office, shall discharge such other duties as may be imposed upon him by the council or the executive committee.

AUDIT.

SEC. 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 three days preceding the date of the annual meeting.

BY-LAWS

ARTICLE I.

DUTIES OF OFFICERS.

SECTION 1. It shall be the duty of the president to attend and preside at all meetings of the Council and the Institute; to receive the reports of committees and to enforce the By-Laws of the Institute. He shall call meetings of the Institute or the Council when he deems it necessary or when requested so to do by the Executive Committee or upon the written request of at least five members of the Council for a meeting of the Council, or at the request of one hundred members of the Institute for a meeting of the Institute.

SEC. 2. In the event of the absence or disability of the president one of the vice-presidents shall assume the duties of president.

SEC. 3. In the absence of the president and vice-presidents from any meeting of the Council or the Institute any member of the Institute may, by a majority vote, preside at said meeting.

SEC. 4. The treasurer shall:

(a) Have custody of the funds of the Institute.

(b) Receive all entrance fees and other funds receivable by the Institute and shall deposit them in bank to the credit of the Institute.

(c) Pay all debts of the Institute after payments have been authorized by the Executive Committee.

(d) Keep proper books of account to record receipts and disbursements.

(e) Submit reports under the direction of the Council setting forth his receipts and disbursements and such other information as may be called for by the Council.

SEC. 5. The Secretary shall:

(a) Attend the meetings of the Institute, the Council and the Executive Committee.

(b) Keep a true record of the proceedings at all such meetings which shall be duly approved by the chairman of the next meeting.

(c) Have custody of the seal of the Institute and affix same to papers and documents whenever required by law.

(d) Give notice of all meetings of the Institute and of the Council as provided hereafter.

(e) Keep a register of the names of all members of the Institute and record the names of those present at the meetings thereof.

In addition to the foregoing duties the secretary shall discharge such other duties as may be required of him by the Council or Executive Committee.

The Amended Draft suggests no fundamental changes. The duties of the officers are specified in more detail.

SEC. 6. In the event of the absence of the secretary from any meeting of the Institute, Council or the Executive Committee, it shall be proper for the chairman to appoint any member present to perform the duties of secretary at such meeting.

Not provided for in the Original Draft.

In the Amended Draft, "Audit" is dealt with in Article IX, Section 1, opposite which the paragraph on audit is repeated for comparison.

ORIGINAL DRAFT.

COUNCIL AND COMMITTEES.

SEC. 3. It shall be the duty of the council to take control and management of all the property belonging to the institute, to keep a record of its proceedings and report to the institute at each annual meeting. The council shall exercise all powers requisite for the purposes of the institute.

SEC. 4. The executive committee shall be empowered with all functions of the council except election of officers and members, discipline of members; filling a vacancy in the executive committee, and the adoption or alteration of a budget.

SEC. 5. The executive committee shall keep minutes of its proceedings and report fully to the council at each meeting thereof. It shall be the duty of the executive committee to administer the affairs of the institute, supervise the finances and exercise such other powers as may be designated by the council. No payments except for duly authorized salaries shall be made by the treasurer without the approval of the executive committee.

SEC. 6. The office of a member of the council shall be rendered vacant by his absence from three consecutive meetings of the council.

SEC. 7. The council shall adopt an annual budget showing the money appropriated for the purposes of the institute and estimating the revenue for the ensuing year. No debts shall be contracted or money expended otherwise than as provided in the budget without the approval of a majority of the council.

SEC. 8. The duties of each committee shall be those indicated by its title.

SEC. 9. The committee on publication shall supervise *The Journal of Accountancy*.

SEC. 10. The committee on arbitration shall sit as a committee in equity to investigate and decide disputes between members or associates of the institute or others which shall, by agreement of the parties, be submitted to the committee in due form. If the decision of the committee on arbitration, in any dispute between members or associates of the institute, be rejected by either party to the dispute, the matter shall be reported to the council, which may prefer charges against either party if it shall consider, by a two-thirds vote of members pres-

AMENDED DRAFT.

ARTICLE II.

THE COUNCIL AND COMMITTEES.

SECTION 1. It shall be the duty of the Council to carry into effect the purposes of the Institute and to manage its property, to cause a record of its proceedings to be kept by the secretary and to render a full and complete report of all its acts and doings to the Institute at each annual meeting thereof.

No material change.

SEC. 2. The Executive Committee shall be empowered with the functions of the Council, except the election and discipline of members, the appointment of a secretary, the appointment of members of the Examining Board and Auditors, the filling of vacancies in the Executive Committee, and the adoption or alteration of a budget.

The Amended Draft eliminates from the duties of the Executive Committee the election of officers, since they are elected by the members of the Institute. Also the appointment of members of the Board of Examiners and the Auditors, which are made by the Council.

SEC. 3. The Executive Committee shall consider all applications for membership in the Institute and shall report upon such applications to the next meeting of the council, which shall have power to admit or reject the candidates for membership and its decision shall be final.

Not provided for in the Original Draft.

SEC. 4. The Executive Committee shall keep a record of the proceedings of each meeting and shall report fully thereon to the Council at its following meeting. It shall be the duty of the Executive Committee to administer the affairs of the Institute, supervise the finances and exercise such other powers as may be designated by the Council. No payments except for duly authorized salaries, shall be made by the treasurer without the approval of the Executive Committee.

No material change.

SEC. 5. The office of a member of the Council may, by a vote of the Council, be rendered vacant by his absence from three consecutive meetings of the Council.

The Amended Draft substitutes the word "may" for "shall."

SEC. 6. The Council shall adopt an annual budget showing the money appropriated for the purposes of the Institute and the revenue estimated for the ensuing year. No debts shall be contracted or money expended, otherwise than as provided in the budget, without the approval of a majority of the Council.

No material change.

SEC. 7. The duties of each committee shall be those indicated by its title.

No change.

SEC. 8. The Committee on Publication shall supervise the Journal of Accountancy.

No change.

SEC. 9. The Committee on Arbitration shall sit as a Committee in equity to investigate and decide disputes between members of the Institute or others, which shall by agreement of the parties be submitted to the Committee in due form. If the decision of the Committee on Arbitration in any dispute between members of the Institute be rejected by either party to the dispute, the matter shall be reported to the Executive Committee, which may prefer charges against either

ORIGINAL DRAFT.

ent, that the recommendations of the committee on arbitration should have been accepted.

SEC. 11. The committee on professional ethics shall have power to hear and consider any complaint preferred against a member or associate of the institute and it may advise any one applying to it as to whether or not a submitted action or state of facts warrants a complaint; provided, however, that if the committee finds itself unable to express an opinion it is not to be taken as an endorsement of the action or state of facts. If, upon consideration of a complaint, a prima facie case is established showing a violation of any by-law or rule of conduct of the institute or conduct discreditable to a public accountant, the committee on professional ethics shall report the matter to the executive committee, which shall arrange a formal complaint and summon the member or associate involved thereby to appear in answer at the next regular or special meeting of the council.

MEETINGS OF THE INSTITUTE.

SEC. 12. There shall be a regular annual meeting of the institute on the third Tuesday of September of each year. The annual meetings of 1917 and 1918 shall be held in the District of Columbia; the annual meeting of 1919 in some place in the United States of America selected by the institute at the preceding annual meeting. Thereafter all annual meetings shall be held in the District of Columbia with the exception of every third year when meetings may be held elsewhere as determined by the institute at the meeting of the preceding year. The fiscal year of the institute shall end with the 31st day of August each year.

SEC. 13. Notice of each meeting of the institute shall be sent to each member and associate at his last known address thirty days before such meeting.

SEC. 14. Special meetings of the institute may be called as provided in article I section 1 of these by-laws. At special meetings no other business than that for which they were called shall be transacted. The place of such meetings shall be determined by the executive committee. Notice of special meetings shall in all ways conform to the requirements of notices for regular meetings.

SEC. 15. In lieu of a special meeting of the institute, the members in meeting assembled may direct and the council by a majority vote may also direct the president to submit to the entire membership any question for a vote by correspondence and any action approved in writing by not less than a majority of the members of the institute shall be declared by the president an act of the institute and shall be so recorded in its minutes.

AMENDED DRAFT.

party if it shall consider that the recommendation of the Committee on Arbitration should have been accepted.

The Amended Draft provides that a report of the Committee on Arbitration shall be made to the Executive Committee.

SEC. 10. The Committee on Professional Ethics shall have power to hear and consider any complaint preferred against a member of the Institute and it may advise any one applying to it as to whether or not a submitted action or state of facts warrants a complaint. If upon consideration of a complaint a prima facie case is established showing a violation of any By-Law of the Institute or indicating conduct discreditable to a public accountant, the Committee on Professional Ethics shall report the matter to the Executive Committee which shall prepare a formal complaint and summon the member involved thereby to appear in answer at the next regular or special meeting of the Council, provided such special meeting be called for that purpose.

The Amended Draft omits the provision when the Committee on Professional Ethics is unable to express an opinion. It provides that the special meeting mentioned in the Section must be called for the purpose, as specified.

ARTICLE III.

MEETINGS OF THE INSTITUTE.

SECTION 1. There shall be a regular annual meeting of the members of the Institute on the third Tuesday of September in each year. The annual meetings of 1917 and 1918 shall be held in the District of Columbia; the annual meeting of 1919 in some place in the United States of America, selected by the Institute at the preceding annual meeting. Thereafter all annual meetings shall be held in the District of Columbia with the exception of every third year, when the annual meeting may be held elsewhere as determined by the Institute at the meeting of the preceding year. The fiscal year of the Institute shall end on August 31st of each year.

No material change.

SEC. 2. Notice of each meeting of the members of the Institute shall be sent by the secretary to each member at his last known address at least thirty days prior to the date of such meeting.

No material change.

SEC. 3. Special meetings of the members of the Institute may be called as provided in Article I, Section 1 of these By-Laws. At special meetings no other business than that for which they were called shall be transacted. The place of such meetings shall be determined by the Executive Committee. Notice of special meetings shall be given in the same manner and form as notices of regular meetings.

No material change.

SEC. 4. In lieu of a special meeting of the members of the Institute the members in meeting assembled may direct or the Council, by a majority vote or, by petition, one hundred members may direct the president to submit to the entire membership any question for a vote by correspondence and any action approved in writing by not less than a majority of the members of the Institute shall be declared by the president an act of the Institute and shall be so recorded in its minutes.

The Amended Draft provides that one hundred members of the Institute may direct the President to submit to the membership any question for a vote by correspondence.

ORIGINAL DRAFT.

MEETINGS OF THE COUNCIL.

SEC. 16. Regular meetings of the council shall be held on the Thursday next after the third Tuesday in September, the second Monday in April and the Monday next preceding the third Tuesday in September in each year.

SEC. 17. Notice of each meeting of the council except the meeting on the Thursday after the third Tuesday in September shall be sent to each member at his last known address twenty-one days before such meeting. Such notice as far as practicable shall contain a statement of the business to be transacted.

SEC. 18. A transcript of the minutes of each meeting shall be forwarded to each member of the council within thirty days after each meeting.

SEC. 19. Special meetings of the council may be called as provided in article I section 1 of these by-laws.

SEC. 20. In lieu of a special meeting of the council the president may submit any question to the council for vote by correspondence and any action approved in writing by not less than two-thirds of the whole membership of the council shall be declared by the president an act of the council and shall be recorded in the minutes of the council.

COMMITTEE MEETINGS.

SEC. 21. All committees shall be subject to the call of their respective chairmen.

QUORUM.

SEC. 22. Fifty members of the institute shall constitute a quorum for the transaction of any business duly presented at any meeting of the institute.

SEC. 23. Twenty members of the council shall constitute a quorum of the council.

AMENDED DRAFT.

ARTICLE IV.

MEETINGS OF THE COUNCIL.

SECTION 1. Regular meetings of the Council shall be held on the Thursday following the third Tuesday in September, the second Monday in April and the Monday next preceding the Third Tuesday in September in each year.

No change.

SEC. 2. Notice of each meeting of the Council, except the meeting on the Thursday following the third Tuesday in September, shall be sent to each member at his last known address at least twenty-one days before such meeting and such notice as far as practicable, shall contain a statement of the business to be transacted.

No material change.

SEC. 3. A transcript of the minutes of each meeting shall, within thirty days after such meeting is held, be forwarded to each member of the Council.

No material change.

SEC. 4. Special meetings of the Council may be called as provided in Article I of these By-Laws.

No change.

SEC. 5. In lieu of a special meeting of the Council the president may submit a question to the Council for vote by correspondence and any action approved in writing by not less than two-thirds of the members of the Council shall be declared by the President an act of the Council and shall be recorded in its minutes.

No material change.

SEC. 6. The Council may pay the traveling expenses of its members incurred in attending at regular and special meetings.

Not provided for in the Original Draft.

ARTICLE V.

COMMITTEE MEETINGS.

All Committees shall be subject to the call of their respective chairmen.

No change.

ARTICLE VI.

QUORUM.

SECTION 1. Fifty members of the Institute shall constitute a quorum for the transaction of any business duly presented at any meeting of the Institute.

No change.

SEC. 2. Twenty members of the Council shall constitute a quorum of the Council.

No change.

SEC. 3. A majority of the appointed members of any Committee shall constitute a quorum of such Committee.

Not provided for in the Original Draft.

ORIGINAL DRAFT.

ARTICLE II.

SECTION 1. Every member of the institute shall be entitled to attend all meetings of the institute and to cast a vote upon all matters brought before such meeting.

SEC. 2. Voting by proxy shall not be allowed.

ARTICLE III.

ELECTION OF OFFICERS.

SECTION 1. Election shall be by ballot. A chairman and two tellers shall be appointed to receive the ballots for each officer, member of council and auditor. They shall count the ballots cast and announce the result to the presiding officer. A majority of votes shall elect.

In case of no majority on the first ballot for any one or more officers or members of council or auditors, a new ballot shall be taken at once for the particular case or cases in which there shall have been no election until an election be effected.

AUDIT.

SEC. 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 three days preceding the date of the annual meeting.

Repeated to permit comparison.

AMENDED DRAFT.

ARTICLE VII.

VOTING.

SECTION 1. Every member shall be entitled to attend all meetings of the Institute and to cast a vote upon all matters brought before such meetings.

No material change.

SEC. 2. Any member of the Institute may be represented by another member as his Proxy provided that such member and his proxy shall be residents of the same State, and provided further that no proxy shall have the power of substitution and that all proxies shall be null and void after the adjournment of the meeting for representation at which they were given.

The Original Draft provides that voting by proxy shall not be allowed. The Amended Draft permits voting by proxy provided that such member so voting and his proxy shall be residents of the same State.

ARTICLE VIII.

ELECTION OF OFFICERS.

SECTION 1. Election shall be by ballot. A chairman and two tellers shall be appointed to receive the ballots for each officer and member of the Council and they shall count the ballots and announce the result to the presiding officers. A majority of votes shall elect. In case of no majority on the first ballot, balloting shall continue until an election is effected.

No material change.

ARTICLE IX.

AUDIT.

SECTION 1. The accounts of the Institute for each fiscal year shall be audited by two members appointed annually by the Council and they shall submit their report at the next annual meeting of the Institute.

The Original Draft provides that the members shall elect the Auditors. The Amended Draft provides that the Auditors will be appointed by the Council.

ARTICLE X.

APPLICATIONS FOR MEMBERSHIP.

SECTION 1. All applications for membership shall be made in such form as may be prescribed by the Council and shall be addressed to the secretary. Each application shall be supported by a certificate from the Examining Board of the Institute stating that the applicant has passed the examination set by the Board and is recommended for membership by it, provided, however, that no application for membership shall be required from persons qualified for membership under Article III, Section 2, Sub-Section (a) of the Constitution.

Not provided for in the Original Draft.

SEC. 2. The names and addresses of all applicants for membership in the Institute shall be published in the Journal of Accountancy at least thirty days prior to the date of the meeting of the Council when action may be taken to admit the applicants and it shall be proper for any member to file objections to the admission of any of the applicants and such objections shall be considered by the Executive Committee before making its report to the Council.

Not provided for in the Original Draft.

ORIGINAL DRAFT.

ARTICLE IV

INITIATION FEES AND DUES.

SECTION 1. The following shall be initiation fees:

By a member on admission.....	\$50.00
By an associate on becoming a member.....	25.00
By an associate on admission.....	25.00

SEC. 2. No initiation or admission fees shall be exacted from members and associates elected as provided in the constitution, article II, sections 2 (a) and 3 (a).

SEC. 3. The dues for each fiscal year shall include subscription to *The Journal of Accountancy* and to the year book of the institute and shall be as follows:

By each member.....	\$15.00
By each associate.....	10.00

SEC. 4. The initiation fee shall be paid when application is made. If application is rejected such fee shall be promptly returned to the applicant. All dues must be paid in advance or at the date of a member's election to membership. All dues shall be apportioned in the first instance to the end of the fiscal year.

SEC. 5. No member shall be entitled to vote at any meeting when his dues shall be sixty days in arrears.

SEC. 6. Upon election as member or associate each such member or associate shall be entitled to a certificate setting forth that he is a member or an associate of the institute, but no certificate shall be issued until receipt of initiation fees and dues for the current year. Certificates of membership shall be returned to the council upon termination of membership for any cause except death.

SEC. 7. Members of the institute shall be entitled to describe themselves as Members of the Institute of Accountants and associates as Associates of the Institute of Accountants.

ARTICLE V.

SECTION 1. A member or associate failing to pay his annual dues or any subscription, assessment or other sum owing by him to the institute within five months after such debt has become due shall automatically cease to be a member or associate of the institute.

AMENDED DRAFT.

ARTICLE XI.

INITIATION FEES AND DUES.

SECTION 1. The initiation fee payable by a member on admission shall be \$50.00, provided, however, that no initiation or admission fees shall be required from members qualified for admission under Article III, Section 2, Sub-Section (a) of the Constitution.

The Amended Draft does not contemplate associate members; otherwise no material change.

SEC. 2. The dues for each fiscal year shall be \$15.00 for each member, which payment shall include subscription to the Journal of Accountancy and to the Year Book of the Institute.

The Amended Draft does not contemplate associate members; otherwise no material change.

SEC. 3. The initiation fee shall accompany the application. If the application is rejected such fee shall be returned to the applicant. All dues must be paid in advance or at the date of a member's election to membership. All dues shall be apportioned in the first instance to the end of the fiscal year.

No material change.

SEC. 4. No member shall be permitted to vote at any meeting when his dues are sixty days in arrear.

No material change.

SEC. 5. Upon election as member and after payment of the initiation fee and dues for the current year, each member shall be entitled to a certificate setting forth that he is a member of the Institute. Certificates of membership shall be returned to the secretary upon termination of membership for any cause, except death.

No material change.

SEC. 6. Members of the Institute shall be entitled to describe themselves as Chartered Accountants and may use after their names, in abbreviation of such description, the initials C. A.

In the Amended Draft the word "chartered" is inserted, and permission given to members to use the letters "C. A."

ARTICLE XII.

SEAL.

SECTION 1. The Seal of the Institute shall be a band or scroll on which is inscribed "Institute of Chartered Accountants in the United States of America". Within the scroll there shall be displayed: 1916, Corporate Seal.

Not provided for in the Original Draft.

ARTICLE XIII.

TERMINATION OF MEMBERSHIP.

SECTION 1. A member failing to pay his annual dues or any subscription, assessment, or other sum due by him to the Institute within five months after such debt has become due shall cease to be a member, without action by the Institute or the Council, but he may be reinstated by the Council upon payment of all sums due by him to the Institute, such reinstatement, however, shall rest wholly within the discretion of the Council.

The Amended Draft provides for reinstatement of membership by the Council; otherwise no material change.

ORIGINAL DRAFT.

SEC. 2. A member or associate renders himself liable to expulsion or suspension by the council sitting as a trial board if (a) he refuses or neglects to give effect to any decision of the institute or of the council (b) infringes any part of the rules of the institute (c) is convicted of a felony or misdemeanor (d) is declared by a court of competent jurisdiction to have committed any fraud (e) is held by the council to have been guilty of an act discreditable to the profession, or (f) is declared by any competent court to be insane or otherwise incompetent.

ARTICLE VI.

SECTION 1. For the purpose of adjudicating charges against members or associates of the institute as provided in the foregoing articles the council shall convene as a trial board.

SEC. 2. The executive committee shall instruct the secretary to send due notice to the parties concerned at least thirty days prior to the proposed session. After hearing the evidence presented by the committee on professional ethics or other complainant and by the defense, the council may by a two-thirds vote of the members present admonish or suspend for a period of not more than two years the member or associate against whom complaint is made, or by a three-fourths vote of the members present the council may expel the member or associate against whom complaint is made. A statement of the case and the decision of the council thereon either with or without the name of the person involved, shall be prepared by the executive committee and published in *The Journal of Accountancy*.

SEC. 3. The council sitting as a trial board may recall, rescind or modify any resolution for expulsion or suspension at a meeting similarly called and convened by a three-fourths vote of those present at such subsequent meeting within two years after date of the expulsion or suspension under consideration.

ARTICLE VII.

SECTION 1. The rules of parliamentary procedure contained in Robert's *Rules of Order* shall govern all meetings of the council and institute.

AMENDED DRAFT.

SEC. 2. A member renders himself liable to expulsion if he:

(a) Refuse or neglect to give effect to any decision of the Institute or of the Council.

(b) Infringe any of the rules of the Institute.

(c) Is convicted of a felony.

(d) Is declared by a court of competent jurisdiction to have committed any fraud.

(e) Is held by the Council to have been guilty of an act discreditable to the profession.

(f) Is declared by a competent court to be insane or otherwise incompetent.

The Amended Draft omits the words "or misdemeanor" in Sub-Section (c) of the Original Draft.

ARTICLE XIV.

DISCIPLINE.

SECTION 1. For the purpose of adjudicating charges against members of the Institute the Council shall convene as a trial board.

The Amended Draft omits the expression "as provided in the foregoing article," as it would seem inadvisable to qualify in this way the manner in which charges shall be made against members of the Institute.

SEC. 2. The Executive Committee shall instruct the secretary to send due notice to the persons concerned at least thirty days prior to the proposed session. After hearing the evidence presented by the Committee on Professional Ethics or other complainant and by the defense, the Council may, by a two-thirds vote of members present, suspend for a period of not more than two years the member against whom the complaint is made or, by a three-fourths vote of members present, the Council may expel the member against whom the complaint is made. A statement of the case and the decision of the Council thereon shall be prepared by the Executive Committee and published in the Journal of Accountancy, stating or omitting the name of the defendant as to the Council shall seem expedient and as it shall direct.

The Amended Draft omits the word "admonish"; otherwise no material change.

SEC. 3. The Council, sitting as a trial board, at a subsequent meeting may recall, rescind or modify any resolution for expulsion or suspension as provided in Section 2 of this Article.

The Amended Draft omits reference to the manner in which the Council may alter its decisions.

ARTICLE XV.

PROCEDURE.

SECTION 1. The rules of Parliamentary procedure contained in Robert's Rules of Order shall govern at all meetings of the Institute, Council and Committees when not in conflict with these By-Laws.

No material change.