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Rules of professional conduct: including amendments and additions prepared by the Committee on Professional Ethics and approved by the Council prior to September 30, 1919

American Institute of Accountants. Committee on Professional Ethics

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American Institute of Accountants

RULES OF PROFESSIONAL CONDUCT

INCLUDING AMENDMENTS AND ADDITIONS PREPARED
BY THE COMMITTEE ON PROFESSIONAL ETHICS AND AP-
PROVED BY THE COUNCIL PRIOR TO SEPTEMBER 30, 1919.

(1) A firm or partnership, all the individual members of which are members of the Institute (or in part members and in part associates, provided all the members of the firm are either members or associates) may describe itself as "Members of the American Institute of Accountants"; but a firm or partnership, all the individual members of which are not members of the Institute (or in part members and in part associates), or an individual practising under a style denoting a partnership when in fact there be no partner or partners, or a corporation, or an individual or individuals practising under a style denoting a corporate organization shall not use the designation "Members (or Associates) of the American Institute of Accountants."

(2) The preparation and certification of exhibits, statements, schedules or other forms of accountancy work, containing an essential mis-statement of fact or omission therefrom of such a fact as would amount to an essential mis-statement, shall be, ipso facto, cause for expulsion or for such other discipline as the Council may impose, upon proper presentation of proof that such mis-statement was either wilful or was the result of such gross negligence as to be inexcusable.

(3) No member shall allow any person to practise in his name as a public accountant who is not a member of the Institute or in partnership with him or in his employ on a salary.

(4) No member shall directly or indirectly allow or agree to allow a commission, brokerage or other participation by the laity in the fees or profits of his professional work; nor shall he accept directly or indirectly from the laity any commission, brokerage or other participation for professional or commercial business turned over to others as an incident of his services to clients.

(5) No member shall engage in any business or occupation conjointly with that of a public accountant, which in the opinion of the Executive Committee or of the Council is incompatible or inconsistent therewith.

(6) No member shall certify any accounts, exhibits, statements, schedules or other forms of accountancy work which have not been verified entirely under the supervision of himself, a member of his firm, one of his staff, a member of this Institute or a member of a similar association of good standing in foreign countries which has been approved by the Council.

(7) No member shall take part in any effort to secure the enactment or amendment of any state or federal law or of any regulation of any governmental or civic body, affecting the practice of the profession, without giving immediate notice thereof to the Secretary of the Institute, who in turn shall at once advise the Executive Committee or the Council.

(8) No member shall directly or indirectly solicit the clients or encroach upon the business of another member, but it is the right of any member to give proper service and advice to those asking such service or advice.

(9) For a period not exceeding two years after notice by the Committee on Ethical Publicity no member or associate shall be permitted to distribute circulars or other instruments of publicity without the consent and approval of said Committee.

(10) No member shall directly or indirectly offer employment to an employe of a fellow member without first informing said fellow member of his intent. This rule shall not be construed so as to inhibit negotiations with any one who of his own initiative or in response to public advertisement shall apply to a member for employment.

(11) No member shall render professional service, the anticipated fee for which shall be contingent upon his findings and results thereof. This rule shall be construed as inhibiting only services in which the accountant's findings or expert opinion might be influenced by considerations of personal financial interest.