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EDUCATOR, MY RESPONSIBILITY ?

By SHIRLEY T. MOORE, C.P.A., District of Columbia Chapter, A.S.W.A.

In my work, I deal with a good many persons, particularly women, who live on income from invested funds which were provided for them either by their husbands or through legacies. One of the things which has shocked me is the lack of understanding and interest in the sources of the income displayed on the part of these persons. They are completely satisfied to let their "trustees" make all the decisions and care not from whence the income comes as long as the check arrives promptly on the date due.

I have taken upon myself the job of arousing an interest on their part whenever possible. I do not attempt to advise them in making investments. That is the duty of an investment counsellor. I do ask leading questions, when going over their records, to arouse their curiosity. I suggest that they keep an eye on their income from period to period and discover which of the investments are profitable and which are not. When I take a completed tax return for signature, I refuse to allow the client to get it over with by just placing his signature on the return and giving me a check. I try to point out the special tax advantages which were available because of the type of investment involved.

One woman had been puzzled about the dividend income reported on her tax return. She did not think it agreed with her records. She was recording her receipts one month late in her check book and consequently there was slight difference in our figures. She had failed to get this matter cleared up for fear we would think she was stupid (in her own words). We went over her records in detail together. I prepared a sheet for her to keep in the back of her checkbook and record the income as it arrived. She notes omissions immediately and feels free to discuss her financial affairs. She is learning and is enjoying her knowledge. My work has actually been made easier now that I get understanding cooperation.

A man had allowed his payments to get far behind on his oil ventures. I told his secretary to get all papers signed and make all payments up to date. She told me that she delayed taking these matters up with him as he would fly into a rage if she men-

tioned them. She didn't understand anything about the oil business! I went into his office with her. He did bang the desk and shout. We all sat down and after a half-hour discussion, he understood that his income was being held up because he had failed to sign his division orders and return them to the pipeline company. He was in bad standing with his operator for failure to keep his portion of the bills paid. He was angry with me because I had not taken a current deduction for all expenditures. He had gone into this venture with a group of other businessmen; but did not understand it all! After our discussion, I think he will enjoy this project more and will be more cooperative.

Another recent experience involves a married couple who had inherited securities from the wife's family. They were being held for safekeeping by a broker. Each month a statement arrived recording all transactions. The lawyer who had handled the estate had suggested that these statements be kept in an orderly file for tax purposes—he had even provided the file! No estimated tax had been paid by this couple to cover this income. I arrived one day before the filing due date and was handed a box full of jumbled papers. I was able to get the information necessary for the return from these and several long distance telephone calls. The report came to me that I was some sort of a legend in that neighborhood. The story went that I had come to their house, taken all these jumbled papers, which were such a mystery, and made sense out of them in about a half-hour—just as if I had seen them before. How could I do it?

I explained that they should file an estimated tax. Again, I knew that they did not understand what it was all about. We have discussed the security transactions, we have gone over the rental manager's records, and they are now filing their records monthly. In fact, they are watching their investments, with the help of an investment counsellor. They are having fun with something that just a year ago was a source of bewilderment and embarrassment to them.

Perhaps, as accountants, we are not full-

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TIPS FOR BUSY READERS

CATHERINE E. MILES, Ph.D., Atlanta, Georgia

I Wayne Keller, *Management Accounting for Profit Control*, (New York: McGraw-Hill Book Company, Inc., 1957, pp. 435, Price \$7.00).

For the accountant who has been looking for a practical guide for installing a Direct Costing System, this book is the answer. However, Mr. Keller goes much further than Direct Costing. The author succeeds in correlating the many phases of accounting and controllership with emphasis on planning and control statements.

This book provides practical help in establishing cost accounting procedures, developing standard costs, and in setting up Budgets and Forecasts. The author also shows in detail methods of analyzing actual performance results as well as the preparation of reports applicable to the planning of future activities for all levels of management.

This is not a text for the beginning accountant, but it is a book which should receive priority on the reading list of every accountant who already has a good technical knowledge of accounting principles. The author has made an important contribution to our professional literature.

Reviewed by:

L. G. Federlein, Comptroller, Exposition Cotton Mills Company, Atlanta, Georgia. Director of Publications, Atlanta Chapter, N.A.A.

Eric L. Kohler, *A Dictionary for Accountants*, 2nd Edition (Englewood Cliffs, N. J., Prentice-Hall, Inc., 1957, pp. 516.

The second edition of *A Dictionary for Accountants* is an enlargement as well as a revision of the earlier edition. This expansion includes more accounting terms and phrases as well as more related terminology. This book may also be considered as a dictionary of the most widely used terms of economists and statisticians. For example, here are some of the terms which are defined and discussed: arithmetic mean, histogram, scatter diagram, standard deviation, national income, marginal analysis, and imputed interest. These are only a few terms picked at random relating to the above named fields.

The dictionary is not limited to definitions dealing with accounting, statistics, and economics, but includes definitions of interest to persons in the field of management, insurance, marketing, finance, or almost any phase of business.

James J. Mahon, Jr., Editor, *Working with the Revenue Code—1957*, (New York, American Institute of Certified Public Accountants, 1957, pp. 192, Price \$3).

The above work consists of selected comments from *The Journal of Accountancy's Tax Clinic*, July, 1954, to July, 1957. All papers relating to the same general topic are under the same general classification so that the reader has little trouble in locating articles on a particular subject. A few of the general headings are: Computation of Tax, Gross Income, Personal Exemptions and Dependents, Deductions, Gain on Sale of Emergency Facilities. Needless to say, anyone in the tax field will find this a very valuable compilation of tax articles.

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filling our obligation to the public when we prepare a tax return as quickly as possible, get the signature, and see that the tax is paid; but leave our client mystified and embarrassed at his own misunderstanding of the whole operation. It does take a long time to go over these things which are so simple to us time after time. But is it not

better to have a happy client, proud of his knowledge, confident and understanding in his discussions? He will see to it that his records are kept in better condition the next year, because he understands now the necessity for it. I believe that we may save valuable time in the end—and perhaps we will make lifelong friends out of what could be just another business associate!