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# PUBLIC ACCOUNTING LAWS OF ILLINOIS

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by Mary C. Gildea, C.P.A.

Since many states are facing the problem of regulating public accounting practice, the experience of Illinois in this regard may be of interest.

In 1903 the legislature of the State of Illinois passed a law providing for the granting of the certificate of Certified Public Accountant. Under this law the certificate was to be granted by the University of Illinois to those who passed an examination and met other requirements as to age, residence and character. There was no provision made for restricting the practice of accounting to those holding such certificates, the only restriction being that unauthorized persons were prohibited from using the words "Certified Public Accountant" or the initials "CPA" in conjunction with their names.

Lacking such restriction, there were many people practicing public accounting in Illinois who were not certified. They resented the distinction given other accountants by the use of the title CPA and, in turn, the certified public accountant felt that there should be some restriction on the practice of accounting to those who had demonstrated their ability in that line. The bickering between the two groups finally resulted in a compromise bill passed by the legislature in 1927 which provided for the licensing of those who were engaged in the public practice of accounting. This did not supplant the law of 1903 but rather supplemented it. The certificates of certified public accountant were still granted by examination by the University of Illinois. However, in order to engage in the public practice of accounting it was necessary to obtain a license from the State Department of Registration and Education. Three years' experience in public practice and the passing of an examination given by the State Board were required before such a license could be obtained. As a matter of expediency, all those who had been engaged in public practice for a stated number of years at the time the law went into effect, and those who had CPA certificates at that time, were given licenses by waiver.

As a result of these two laws, there were various groups of accountants in Illinois, such as—

1. Those who had met the requirements of the University of Illinois, had passed the

examination, and had received the CPA certificate, but who could not obtain licenses because of lack of public accounting experience;

2. Those who had the CPA certificate and had also obtained licenses to practice;

3. Those who had met the requirements of the State Board and had licenses to practice but who had not passed the CPA examination and could not call themselves certified public accountants. They were usually designated as Registered Public Accountants or Licensed Public Accountants.

It can readily be understood that the situation bred dissatisfaction among the accounting practitioners and confusion for the public. After many years of effort, a plan was worked out which met the approval of representatives of both the certified public accountants and the accountants who were licensed but not certified. This plan was submitted to the legislature and, as a consequence, the present law was enacted in 1943, superseding both the 1903 and the 1927 laws.

Under the 1943 law, the practice of public accounting in Illinois is restricted to those registered with the Department of Registration and Education, and the requirements for registration are: (1) a certificate of certified public accountant from the University of Illinois; and (2) three years' experience on the staff of a practicing public account. The Department has the right to accept two years' study in a college or university in lieu of one year of experience and the successful completion of a regular four-year university or college course in lieu of two years of experience.

In addition to holding the regular examinations for the certificates as certified public accountants, the University of Illinois was given the right to appoint a special board of examiners with the approval of the Board of Registration and Education. This special board of examiners gives oral or written examinations to those applying for CPA certificates who, at the time of such application, have held licenses as Registered Public Accountants for at least ten years, have been engaged in the practice of public accounting in Illinois for at least ten years, and who make application within ten years from the enactment of the Act. Those applicants meeting the requirement and pas-

sing the examination are granted the CPA certificates. The law also empowered the University of Illinois to issue certificates to those making application therefor within one year after the enactment of the act who were holders of unrevoked CPA certificates from other states or who had received their licenses as public accountants on the basis of the regular semiannual written examinations which had been given by the Board of Registration and Education.

It will be noted that certificates or licenses issued prior to the enactment of this law in 1943 are not invalidated thereby, but in future licenses to practice will be restricted to those having CPA certificates and the required amount of experience. For those who had been engaged in the practice of public accounting for many years in the State of Illinois but who did not have CPA certificates, the special examinations were set up in order to facilitate their obtaining CPA status. It will also be noted that CPA certificates were granted without examination to those who passed the State Board written examination for licenses provided they made application for such certificates within one year from the enactment of the Act. A great many of the non-certified public accountants have obtained CPA certificates under these special provisions.

Another provision in the law permits the granting of CPA certificates to those

who have unrevoked CPA certificates from other states which were obtained by examination and with qualifications in accordance with those required by the State of Illinois.

The net result is that within a few years' time, the State of Illinois will have only one class of public accountants, those designated by the initials CPA. This will have been accomplished without injuring in any way those who for many years were engaged in public accounting practice but who were not certified. It should bring into closer harmony those serving the public in Illinois as certified public accountants and should thus raise the standard of the profession in the state.

We are pleased to present this timely article by a former editor of THE WOMAN CPA and past president of ASWA.

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## IDEA EXCHANGE

**EMILY BERRY, Indianapolis, Ind.**

At a meeting of one of the chapters the question was raised as to what an executive could do to cope with employees who insist on carrying tales about other employees, especially when, as is so often the case, these stories are exaggerated or even malicious. One member volunteered the information that she had greatly reduced this evil by talking to the accused employee, finding out her side of the story, then calling both employees into her office, very pleasantly telling each what the other had said, and asking them gently which version was correct. The next step was to leave them alone in her office to make the necessary explanations to each other. This procedure not only adjusted many differences, but pretty effectively discouraged reckless tale-bearing.

Another chapter is concerned over the personnel problem. In these days of shortages, one of the most critical is good em-

ployees. What can be done for an employee who is well trained and whose work is generally satisfactory but who just does not get along with others in an organization? Have you found a successful solution which you would like to pass along?

Evidently personnel problems are not all on one side of the fence, even in these times, because one member wants to know how to go about getting a salary increase from an employer who, at the time of hiring, promised such a raise in six months and then seemingly forgot even that there are such things as increases. That, if you like your work and don't want to change, is a problem. Any suggestions?

Atlanta chapter has conceived what might be called "An Idea to Get Ideas." It designated one of its regular meetings as "Idea Exchange Meeting" and assigned hostesses to lead the conversation into ideas for the Idea Exchange.