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Report of the President

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Report of the President*

BY WALDRON H. RAND

We have arrived at another year's close in the life of our institute. Another retrospect is in order. Another outlook into the future invites us.

It is the occasion for change in officers and guiding minds. There is a limitation of a two years' term for our president, and our executive committee and the standing committees at this time are subjects for reorganization.

Preferment in the institute by election to these offices is a thing to be highly esteemed. They constitute positions of highest honor in the profession. Membership in the executive committee may be compared to a government cabinet position—at least, as we used to consider the cabinet position—where council is taken together before the determination of action. Many responsibilities are placed upon this committee by the constitution and bylaws. Its duties include strict observance of attendance at meetings and of familiarity with a multitude of business matters, upon the right settlement and prosecution of which the success of our institute largely depends. We cannot ask any better or more faithful and intelligent service than has been rendered by the executive committee during the administration now closing.

The reports of the executive committee, the board of examiners, the treasurer, the secretary and various standing committees form, as usual, references which every member of the institute should carefully read.

We are a going concern, and we are headed in the right direction. During the past year our membership has been increased

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by 56 members and 62 associates. In addition to the work incident to this increased membership, including the preparation of examination papers and the conduct of oral examinations, our board of examiners has examined the written papers of 1,101 candidates for the C. P. A. registration. The various states seem to like what they are pleased to call a standard examination. But we must be careful to make our standard reasonable and not to place the requirement so high as to create a demand for knowledge superior to what might be expected of a candidate possessing but four years' public practice.

There is one interesting thought involved among many in this examination of candidates for practice as public accountants. As now regulated the technical examination required is rather easy for those otherwise eligible for admission to the institute, while it is rather difficult for candidates for registration as certified public accountants.

About 20 per cent to 40 per cent of the latter group of candidates are successful in passing, while there are about 70 per cent of the former group who succeed.

A principal reason for this is that the problems in practical accounting are mostly taken from the actual practice of public accountants. And candidates who have had the longer experience as public accountants have less difficulty in understanding a problem and applying right principles to its analysis and solution.

While the increase in cost has been great during the year just closing compared with the fiscal year ended September, 1919, we are able proudly to refer to an increase in our financial net worth and an increase in our net income for the same period. The committee on budget and finance has prepared a budget for next year totalling disbursements of about \$47,000.

Our review of the past year would be lacking an important essential of progress were we to omit reference to THE JOURNAL OF ACCOUNTANCY, the circulation of which has increased from 12,000 in 1919 to approximately 14,000 paid subscriptions. Credit for this success is due to several causes, prominent among which has been the capable editorship by our secretary, the wise supervision of the committee on publication and the practice advocated by many of our instructors in accounting of subscriptions by undergraduates in our schools of commerce.

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We heartily commend the bulletin, issued to members by the secretary, as a powerful agency for united thought and effort. The bulletin is a confidential, monthly summary of news concerning the activities of the institute and other matters affecting the accountancy profession at large. It has steadily grown in favor since its first number was printed in December, 1916. The librarian's circulars also are to be praised, and your attention is particularly invited to Mr. May's report on administration of endowment, which evidences so prominently the great and increasing benefit to our members of this wise provision for their help.

We have taken a long step forward for the perpetuity of the institute in the acquisition of a permanent home in New York. This will permit opportunity for the growth of our statistical library and the work of our librarians, will supply much needed room for the clerical force required by the secretary, and for the added labor connected with our publication of *THE JOURNAL*, and furnish an accessible office for out-of-town members visiting New York.

The professional public accountant has experienced a prosperous year. Many have returned to practice who have been serving government in war-time. The soldier's uniform has been laid aside and in most cases the accountant has shown himself abler and wiser for his war experience. The business man to a greater extent than ever has demanded the services of an experienced guide for the keeping and closing of his accounts and multitudes have had to call for help in the preparation of tax returns.

Considerable work has been done to further one of the prime objects of our organization. I refer to the first object as read in our constitution, "to unite the accountancy profession of the United States."

Regional meetings have been advocated as one line of effort for the accomplishment of this purpose. Members who are located at a great distance are frequently prevented thereby from attending conventions of the institute. It is expected that regional meetings will admit of partly overcoming this disadvantage and largely make for the prosecution of the common aim for unity.

Chapter organizations also have been seriously considered and are expected some time to become an achieved reality, at least in some states where now there exists no state society.

Contra to our many increases and visible growth we are met

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by the inevitable loss by death among our members. Their work here is ended and they present to the Great Judge a balance-sheet to exhibit their net worth. Their true value may be unknown to us, and we seem to see only the assets of their report. We inherit some of these as reflected in their past connection with our profession, and, like true goodwill, their past association with us should and will continue an encouraging incentive to right effort on our part and to greater appreciation of our profession on the part of the public.

We are looking toward the future with feelings of strong faith in the men of our profession. Some of us are growing old and feel the weight of declining years, while our hearts still beat exultantly over the prospects ahead. Our young men will take up the work in our stead and will bring renewed vigor and increased talents into action. May we speak a word of caution? It is this: "Do not, by thought, word or deed, commercialize this profession of accountancy." The new practitioner must not expect to build a practice except by slow stages. He may secure a partnership in some established firm. He may be greatly helped by recommendations of fellow accountants, but his new client will come chiefly because an old client has been faithfully and ably served. His increased earnings will come from increased merit. The faithful physician does not measure his success by the size of his bill nor does he depend upon a contingent fee. To heal the sick and relieve the suffering is his goal. The bill is secondary. This theory may seem visionary, even delusive, to some, when applied to the practice of the public accountant. But the most important part of our work is not the preparation and collection of our bills for services, but the healing of the business sick and the relief of the business suffering, and, it may well be added, the prevention of both business sickness and suffering. A reputation of ability to cure and to prevent will prove a better advertisement than all others combined.

WALDRON H. RAND.