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Advisory Committee of the American Association of Public Accountants favor the extension of its scope as a National Society

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American Association of Public Accountants

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AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS.

Secretary's Office, 56-58 Pine St.
New York City,

December 18, 1903.

To the Members of the American Association of Public Accountants:

At a meeting of the Board of Trustees, held September 24th, 1903, it was

"RESOLVED: That the Advisory Committee of the American Association of Public Accountants favor the extension of its scope as a National Society."

For the purpose of practically carrying out the suggestions indicated by the above resolution, the following amendments to the Constitution and By-Laws have been offered, and will be considered and acted upon at the annual meeting, which will be held on January 12th, 1904.

Insert in the Constitution a new ARTICLE to be Article III, the present Article III to be No.IV, No.IV to be No.V, No.V to be No.VI, No.VI to be No.VII, No. VII to be No. VIII.

ARTICLE III.

Associated Societies.

Section 1. State Societies, under the name of Associated Societies, may be admitted as a whole, by a two-thirds vote of those present at any meeting of the Board of Trustees, and the individual members of such Society, by such admission, shall become members of this Association, the State Society being responsible for the fees and dues of their members, as hereinafter provided for in Article VI of the By-Laws.

Section 2. Associated Societies shall have the right at any meeting to cast the entire vote of their membership as a unit, upon their filing with the Secretary a resolution to that effect.

Section 3. Members belonging to more than one Associated Society shall be enrolled, either at large, or from that Society which they may select .

Amend the By-Laws as follows:

In Article II, Section 1, after the words "the members" add "absent members may cast their votes by proxy, for the election of all officers, and upon all questions which may be brought up at an meeting of the Association."

Amend Article VI. Section 3, by adding after the words "fiscal year" the words "Provided, nevertheless, that the fees for members of 'Associated Societies' shall be one half of the amounts imposed in the above sections."

The object of these amendments is to more thoroughly carry out the purposes that the incorporators and originators intended when the Association was formed.

The Act of Incorporation states that:

"The particular business and object of such society is to associate into a society or guild for their mutual benefit and advantage the best and most capable accountants practising in the United States; and through such association to elevate the profession of public accountants as a whole, &c, &c."

This language plainly indicates that the original intention of the Incorporators was to form a National society, embracing accountants from every part of the country, the words "practising in the United States" clearly shows that; and the fact that accountants from Philadelphia and Boston were among the incorporators emphasizes this intention.

The second section of Article I of the Constitution defines even more clearly this intention; it reads: "The object of the Association are the elevation of the profession of a public accountant, and the establishment in one body of the public accountants practicing in the United States and those who may hereafter enter into business or practice of Public Accountants hereunder."

When the Association was formed in 1887, accountancy as a profession in this country was in its infancy; outside of the city of New York, in all the large cities, in Philadelphia, Boston, Baltimore, Chicago, &c, the professional accountant was almost unknown, there being possibly but one or two practicing on their own account in each of these centers of business. It necessarily followed that the aims and activities of the Association were entirely devoted to the advancement and furtherance of accountancy in the City of New York; the out of town Trustees were gradually eliminated, till finally the society became for the time being, purely and simply a New York body.

Between the years 1887 and 1892 the Association was quiescent, but in that latter year headquarters were established, and a School of Accounts instituted with the approbation and assent of the Regents of the State of New York.

A three years' experience showed the uselessness of this school unless legal recognition of accountancy was obtained from the Legislature of the State of New York, so that the School was discontinued and all our efforts, from 1894 on, were directed to that object. With some assistance from outside accountants in the State, legislation was secured in 1896, and the present Act was passed, creating "Certified Public Accountants" in the State of New York. Meantime our Association was growing in numbers, importance and influence, accountants from other states were being constantly added to our numbers, till at the present time fifteen states are represented in our Society.

Most of these members, owing to the distance of their residence from New York, are unable to attend our meetings or participate in our government; almost the only benefit they derive from membership being their Certificates, showing their standing as competent members of the profession of accountancy.

In justice to them it is now proposed to enlarge the scope of the Association and place it where it was originally intended, and where it rightfully belongs, in other words, to make it a National body, with national aims and objects, to extend to every member, whether absent or present, the right of suffrage, to establish and foster state societies in every large center wherever it is practical, and by reducing the dues and initiation fees of members belonging to Societies that we recognize, to exercise a supervision over the entire profession, that will elevate and raise the tone and standard of its members.

Uniform State Legislation.

It is very essential in securing State legislation that the requirements should be as uniform as possible in all the states, and we have heretofore urged upon all bodies of accountants in the various states seeking such legislation, that they copy in all its essential points the law as enacted in the state of New York; we have in addition, whenever requested, assisted in the passage of such laws by generous donations to responsible accountants for that purpose.

If all the accountants in the United States, not only those unattached, but those belonging to state organizations, were allied together in one general body, such as the American Association of Public Accountants, these objects could be much more easily attained, the whole profession strengthened and its influence broadened.

National Legislation.

Until lately the necessity of obtaining recognition from the National Government was unimportant, but the passage of recent Acts by the National Congress, whereby the Commerce between the states has been more definitely regulated, supervised and controlled by the central authorities, and the powers heretofore exercised by the state courts assumed by the federal courts, a striking example of which is seen in the recent decision of the Supreme Court, relative to the Jurisdiction of the General Government over inland canals and waterways, located in and owned by the states, these recently assumed powers by the United States General Government renders it advisable and important that some recognition of the Profession should be obtained, either from the Heads of the Departments, or by special legislation by Congress itself.

In order to obtain this, there must be a general standard of acquirement, competency and experience. It is, therefore, highly important that all state legislation regulating accountancy should be as uniform as the various Constitutions of the several states will admit.

To effect this a National body, such as the American Association of Public Accountants should have a general supervision, and should be in touch with all local societies, and this object can be best secured by admitting such bodies as entireties into our association.

Proposed Amendments.

The proposed amendments are offered with a view to attain this end, and you are requested to give them your careful consideration, and, if you deem it advisable, report to our Secretary any suggestions or alterations that may seem proper to you.

C O N C L U S I O N

In conclusion we would suggest (if the amendments to the Constitution and By-Laws be adopted) that those of our members who belong to State societies, should urge upon those bodies the advantages arising from their becoming corporate members of our Association, a membership that will in no possible way interfere with the regulation and management of their local and state interests, but will enable their members, individually and collectively, to enjoy all the benefits to be derived from connection with so powerful and influential a Society as the American Association of Public Accountants.

Respectfully submitted,

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: Committee.
J. R. Loomis. :



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