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American Institute of Accountants

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**Letter from John L. Carey, Secretary, American Institute of Accountants, to Members and Associates of the AIA Re: Refunding of Initiation Fees of Applicants to the Institute Who File Their Applications During the Current Fiscal Year, September 1, 1932, to August 31, 1933.**

John L. Carey

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JOHN L. CAREY, SECRETARY

# American Institute of Accountants

135 CEDAR STREET, NEW YORK

November 5, 1932.

TO MEMBERS AND ASSOCIATES OF THE  
AMERICAN INSTITUTE OF ACCOUNTANTS:

GENTLEMEN:

Under authority of the council, the executive committee has instructed the officers to refund initiation fees of applicants for admission to the Institute who file their applications during the current fiscal year, September 1, 1932, to August 31, 1933.

This action has been taken in the belief that financial considerations should not exclude any practitioner whose professional qualifications meet the requirements of the Institute.

The Institute admitted 80 new members and associates last year, but it is known that many eminently desirable men, well qualified for membership, have withheld application because current economic conditions make it inconvenient to pay the initiation fee.

The president, therefore, requests the assistance of every member and associate in disseminating the information that initiation fees will be refunded this year. He hopes that you will encourage your acquaintances in the profession, whom you believe to be qualified, to submit their applications at this time. The Institute has never officially solicited applications, and it will not do so, but through the individual members themselves desirable men and women should be invited to apply. It is the responsibility of the membership that the younger members of the profession, particularly, be made aware that they will be welcomed by the Institute as soon as they can meet the requirements.

Enclosed herewith is a form of application and a summary of the requirements. The secretary will send an application form direct to any accountant suggested by a member or an associate.

Yours truly,

JOHN L. CAREY, *Secretary.*

SUMMARY OF REQUIREMENTS FOR ADMISSION  
to the  
AMERICAN INSTITUTE OF ACCOUNTANTS

1. Following are the experience requirements:

*For Membership*

Five years' experience in public accounting next preceding date of application,  
or

Ten years' experience in public accounting, one year of which next precedes date  
of application, or

Five years' experience in accountancy instruction in recognized schools next  
preceding date of application, plus possession of a C. P. A. certificate.

*For Associateship*

Five years' experience in public accounting, or

Three years' experience in public accounting, plus possession of a C. P. A. certifi-  
cate or a degree from a recognized accounting school of collegiate grade; or

Four years' experience in accountancy instruction in recognized schools.

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2. All applicants must have passed an examination before admission.

Applicants who have passed the Institute's examination in a coöperating state  
will not be required to take further examination.

Applicants who have passed a written examination for a C. P. A. certificate, equiva-  
lent to the Institute's examination, may be excused from examination, but  
must be interviewed by a representative of the board.

Under certain conditions applicants over 40 years of age may be granted oral  
examination.

3. All applicants must have a high-school education or its equivalent.
4. Each applicant must be recommended by two members or associates of the Institute.
5. The examination fee of \$25 must accompany each application. The ordinary initia-  
tion fees (member, \$50; associate, \$25) will be refunded during the year, September  
1, 1932—August 31, 1933.

*All credits for education and experience shall be allotted by the board of examiners and  
the board shall have discretion to determine whether or not any applicant's experience  
is of a nature satisfactory for purposes of the by-laws.*

**THE AMERICAN  
INSTITUTE OF ACCOUNTANTS**

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*APPLICATION OF*

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.....  
.....

Initiation fees will be remitted during the fiscal year September 1, 1932, to August 31, 1933, by order of the executive committee. The examination fee, however, must be submitted with every application.

I, ....., hereby apply to be admitted as  
 ..... of the American Institute of Accountants, and I agree to abide  
 (Member or Associate)  
 by the decision of the council of said Institute as to this application.

I tender herewith..... for \$..... in payment of examination fee (\$25.00)  
 and initiation fee\* of..... I agree to conform to the rules and regulations of the  
 (Member \$50; Associate \$25)  
 board, to abide by decisions of the board, and, if elected, to be governed by the by-laws and rules of  
 professional conduct of the Institute.

Full name .....

Address—Office .....

Residence.....

Date and place of birth.....

Citizen or subject of.....  
 (Name of country)

Religion.....

Educational history (give complete details of school, college and university record, specifying certifi-  
 cates of graduation, if any. Address of each educational institution and dates of attendance must  
 be given).

Schools	Address	Date of Attendance
.....	.....	.....
.....	.....	.....
.....	.....	.....

Record of study in accounting schools.....  
 .....  
 .....  
 .....  
 .....

\* Both examination and initiation fees must accompany every application. Initiation fee is returnable if application be rejected. Examination fee is required in all cases whether applicant has already passed an examination approved by the Institute or not. The examination fee is not returnable unless the application be withdrawn before consideration or be rejected by the board.

The fees are as follows:  
 Member: Examination, \$25; Initiation, \$50.  
 Associate: Examination, \$25; Initiation, \$25.  
 Advancement to Membership: Examination, \$10; Initiation, \$25.

If a Certified Public Accountant:

Of what state?.....

How was certificate obtained?.....  
(By written or oral examination or otherwise)

Give date and number of original certificate.....

If holding a certificate issued under the law of a foreign government, give full details.....

Have you ever taken an Institute examination? If so state place, date and result.....

Have you ever taken any other accounting examination? If so, state place, date and result.....

If a present or past member of any society of accountants, give full details.....

**Record of employment and occupation (give full details)**

The board of examiners will not consider any application unless it contains full details of every employment or other occupation (whether related to accounting or not) prior to date of application. Name and address of every school and employer must be given, and be accompanied by the dates of attendance or employment. In the case of practice on the applicant's own account there must be evidence supporting the statements made.

Applications lacking the complete information herein required will not be considered by the board.

Employer	Address	Nature of Employment	Date of Employment	
			from	to

Record of practice on own account.....

Give full details of any other occupation followed during same period.....

Remarks (state here any other facts which may have a bearing upon this application).....

.....  
.....  
.....  
.....

References (in this list there must be at least five names, two of which shall be those of members or associates of the Institute, except in the case of applicants residing at a distance from members of the Institute. The names of at least two practising public accountants must be given in every case)

.....  
.....  
.....  
.....

I believe that I am entitled to make application under the rules of the board of examiners providing for (specify oral examination, written examination, or credit on account of other examination).

.....

I hereby certify that the statements above are correct to the best of my knowledge and belief; and I further certify that I have never been convicted by any court or other body of any crime, misdemeanor or discreditable act; that I have never been suspended or expelled from any professional organization, and that I have not suppressed any information which might have a bearing upon this application.

(Signature).....

State of ..... }  
County of ..... } ss.

Before me, a.....in and for the county  
and state aforesaid, personally appeared.....  
known to me to be the person named, who, being duly sworn, deposes and says that the signature hereto is his own signature and that each and every statement made in this application was made by him and is in all respects true and correct to the best of his knowledge and belief.

Given under my hand, this, the..... day of.....

(Official character).....

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# THE AMERICAN INSTITUTE OF ACCOUNTANTS

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## BY-LAWS

### ARTICLE II

#### *Membership*

Sec. 1. The Institute shall consist of members and associates.

Sec. 2. Members shall be:

(b) Persons who shall qualify for examination and election as provided in section 4 of this article and shall be recommended by the board of examiners after examination and shall be elected by the council.

Sec. 3. Associates shall be:

(b) Persons who shall qualify for examination and election as provided in section 5 of this article and shall be recommended by the board of examiners after examination and shall be elected by the council.

Sec. 4. The following persons, provided that they shall be not less than twenty-one years of age, may qualify for examination and election as members of the Institute:

(a) Associates in practice who shall have been in practice on their own account or in the employ of a practising public accountant for five years next preceding the date of application; provided, that the continuity of an applicant's public accounting practice may be considered unbroken by a temporary interruption consisting of activity which in the opinion of the board is equivalent to public accounting, but the period of such interruption shall not be considered as part of the required five years' practice.

(b) Accountants in practice who shall present evidence of preliminary education satisfactory to the board of examiners and shall have been in practice on their own account or in the employ of a practising public accountant for not less than five years next preceding the date of application, including at least one year of practice in the United States of America; provided, that the continuity of an applicant's public accounting practice may be considered unbroken by a temporary interruption consisting of activity which in the opinion of the board is equivalent to public accounting, but the period of such interruption shall not be considered as part of the required five years' practice.

(c) Accountants in practice who shall present evidence of preliminary education satisfactory to the board of examiners and shall have been in practice on their own account or in the employ of a practising public accountant for not less than ten years, one year of which shall have next preceded the date of application, and at least one year of which shall have been in the United States of America.

(d) Accountants in possession of certified public accountant certificates of acceptable standard, who shall have been engaged in accountancy instruction, in schools recognized by the board of examiners, for a period of not less than five years next preceding the date of application; provided, that the continuity of an applicant's experience in accountancy instruction may be considered unbroken by a temporary interruption consisting of activity which in the opinion of the board is equivalent to accountancy instruction, but the period of such interruption shall not be considered as part of the required five years' instruction.



Sec. 5. The following persons may qualify for examination and election as associates of the Institute, provided that they shall be not less than twenty-one years of age and shall present evidence of preliminary education satisfactory to the board of examiners:

(a) Accountants who shall have been in practice on their own account or in the employ of a practising public accountant for not less than five years. Applicants may receive credit for two years' public practice if they are in possession of certified public accountant certificates of acceptable standard or if they are graduates of accounting schools recognized by the board of examiners, but no applicant shall be admitted to examination or recommended for election who shall have had less than three years of actual public practice, at least one year of which shall have been in the United States of America.

(b) Accountants in possession of accountants' certificates issued under the laws of foreign governments and accepted by unanimous action of the board of examiners, who shall have been in practice on their own account or in the employ of a practising public accountant for not less than three years, at least one year of which shall have been in the United States of America.

(c) Accountants who shall have been engaged in accountancy instruction for a period of not less than four years in schools recognized by the board of examiners.

Sec. 6. All credits for education and experience shall be allotted by the board of examiners, and the board shall have discretion to determine whether or not any applicant's experience is of a nature satisfactory for purposes of these by-laws.

Sec. 7. Upon election each member or associate shall be entitled to a certificate setting forth that he is a member or an associate of the Institute, but no certificate shall be issued until receipt of initiation fee and dues for the current year. Certificates of membership shall be returned to the council upon suspension or termination of membership for any cause except death.

Sec. 8. Members of the Institute shall be entitled to describe themselves as Members of the American Institute of Accountants and associates as Associates of the American Institute of Accountants.

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## RULES OF PROFESSIONAL CONDUCT

### INCLUDING AMENDMENTS PREPARED BY THE COMMITTEE ON PROFESSIONAL ETHICS AND DECLARED EFFECTIVE MAY 16, 1929

(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 misstatement of fact or omission therefrom of such a fact as would amount to an essential misstatement or a failure to put prospective investors on notice in respect of an essential or material fact not specifically shown in the balance-sheet itself shall be, ipso facto, cause for expulsion or for such other discipline as the council may impose upon proper presentation of proof that such misstatement was either wilful or the result of such gross negligence as to be inexcusable.

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

(4) No member or associate 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 or associate 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 or associate shall certify to 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 or an associate of this Institute or a member of a similar association of good standing in a foreign country which has been approved by the council.

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

(9) No member or associate shall directly or indirectly offer employment to an employee of a fellow member or associate without first informing said fellow member or associate 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 or an associate for employment.

(10) No member or associate shall render or offer to render professional service, the fee for which shall be contingent upon his findings and the results thereof.

(11) No member or associate of the Institute shall advertise his or her professional attainments or service through the mails, in the public prints, by circular letters or by any other written word except that a member or an associate may cause to be published in the public prints what is technically known as a card. A card is hereby defined as an advertisement of the name, title (member of American Institute of Accountants, C. P. A., or other professional affiliation or designation), class of service and address of the advertiser, without any further qualifying words or letters, or in the case of announcement of change of address or personnel of firm the plain statement of the fact for the publication of which the announcement purports to be made. Cards permitted by this rule when appearing in newspapers shall not exceed two columns in width and three inches in depth; when appearing in magazines, directories and similar publications cards shall not exceed one-quarter page in size. This rule shall not be construed to inhibit the proper and professional dissemination of impersonal information among a member's own clients or personal associates or the properly restricted circulation of firm bulletins containing staff personnel and professional information.

(12) No member or associate of the Institute shall be an officer, a director, stockholder, representative, an agent, a teacher or lecturer, nor participate in any other way in the activities or profits of any university, college or school which conducts its operations, solicits prospective students or advertises its courses by methods which in the opinion of the committee on professional ethics are discreditable to the profession.