



President's Message

American Institute Night has always been one of the outstanding meetings of the Society year. With AICPA President Louis H. Pilié as our guest speaker, the February 24th meeting set an attendance record.

While President Pilié is affectionately known to many of our members as "Louie", from now on he carries the title of "Colonel" as a result of his being commissioned a Kentucky Colonel on the staff of Governor Combs. Colonel Pilié was accompanied on his visit to Kentucky by his charming wife, Amélie.

American Institute Night was also the occasion for Certificate Presentation Ceremonies of the Kentucky State Board of Accountancy. Members of the Board presented certificates to 19 successful candidates in the November examination and 2 certificates by waiver. I am sure that all members of the Society join me in welcoming these new CPAs into the profession.

Directors Approve Educational and Memorial Foundation

The Board of Directors at its February meeting approved articles of incorporation for an Educational and Memorial Foundation. This non-profit organization will have as its membership the members of the Board of Directors of the Kentucky Society of Certified Public Accountants. The officers will be the president, treasurer, and immediate past president of the Society.

The initial contribution will be the \$500.00 given to the Society several years ago by Southern States Conference of CPAs, who requested that the gift be used for educational purposes. From this modest beginning, it is hoped that the foundation will grow to the point where it can make a worthwhile contribution to the progress of accounting education in Kentucky. Many members of the Society have expressed the opinion that contributions in lieu of flowers would be appropriate in memory of deceased members of the profession. Some firms who now offer prizes or scholarships may wish to channel them through the foundation. Perhaps the Kentucky Society can budget some funds for this purpose. This will provide a vehicle for those members who want to make a contribution to educational progress but have felt that their individual effort would be inconclusive.

The best method of utilizing the funds has not yet been decided upon. It has been suggested that the money could be used for partial scholarships, for loans to students, or for vocational public relations work. In any event, the objective is the same — to interest capable students in becoming certified public accountants in Kentucky.

The officers of the foundation have requested that members of the Society express their opinion as to the most effective use for the funds. They have also suggested that anyone desiring further information about the foundation write to the Society Office or contact the present officers of the foundation — Durbin Oldham, Fred Bower, and Howard Jones.

MARCH MEETING

Roof Garden, Brown Hotel
Louisville, Ky.

Tuesday — March 28, 1961

Speaker — William D. Chilton,
Former Asst. Supt. for Business Affairs, Louis-
ville Board of Education.

Topic — The Contribution the CPA Can Make to Education
Social Period 5:30 P.M.
Dinner 6:30 P.M.
Meeting 7:30 P.M.

PLEASE MAKE YOUR RESERVATIONS
Call the Society Office, JU 7-9239; or
Write 310 West Liberty, Room 413

Published by

**KENTUCKY
SOCIETY
OF
CERTIFIED
PUBLIC
ACCOUNTANTS**

310 West Liberty
Louisville 2, Ky.

William J. Caldwell, Jr.
Executive Secretary

OFFICERS

Durbin Oldham
President

John E. Brown
1st Vice-President &
President-Elect

Ralph H. Schuette
2nd Vice President

Carl N. Kelley
Secretary

Fred H. Bower
Treasurer

DIRECTORS

Term Expires in 1961

Stanley Bergmann

Fred H. Bower

Ray Gayheart

Carl Kelley

John V. McReynolds, Jr.

John S. Miller

Otwell C. Rankin

Term Expires in 1962

Sylvain K. Bernstein, Jr.

A. Luke Brown

Edward M. Dooley

William D. Hammer

Durbin Oldham

Ralph Schuette

U. S. Whalin

Term Expires in 1963

John E. Brown

Joseph H. Keller, Jr.

Samuel W. Lyverse

Charles C. Shields

Louis S. Sorbo

Duard N. Thurman

Frank Van Overbeke, Jr.

Extensions For Filing Returns

The IRS has completed a fact finding survey initiated some months ago to ascertain how effective its efforts of last year have been to confine the granting of extensions of time for filing individual income tax returns to those cases in which the delay in filing is actually due to unavoidable or unexpected delay.

The study, which included consideration of the views of various societies of tax practitioners and of numerous individual tax return preparers, revealed that the Service's efforts to discourage the submission of extension applications based on inadequate or frivolous grounds were highly successful.

A number of societies of tax practitioners and numerous individual preparers, however, indicated some concern over the Service's position that the inability of a practitioner to prepare timely returns, because of volume of work, will not in itself be considered a sufficient reason for granting an extension of time unless there are other factors present which can reasonably be regarded as causing unavoidable or unexpected delay. **The following announcement by IRS is to clarify their position on this point.**

This rule was never intended to mean, and should not henceforth be construed as indicating, that the practitioner's workload can never be an acceptable reason for granting an extension. Such a position would be as arbitrary and unreasonable as one which holds that the practitioner's workload should always be an acceptable reason. It is realized that, despite the best efforts of practitioners to schedule their work in such a way as to complete all of it by April 15, there will always be some situations in which a particular practitioner is unable, due to reasons beyond his control, to complete one or more returns for filing by the due date. The unavoidable or unexpected delay could be attributable to one or more of a number of happenings. The practitioner or members of his staff might become ill for a sufficient period of time to cause some appreciable disruption in his work schedule. It might develop that some of the returns involve more complicated problems than first appeared to exist. The taxpayer may have been unable to get needed assistance in preparing his return despite timely and reasonable efforts to obtain it. This might be due to the fact that there are not enough practitioners in the small town or other community where the taxpayer lives to meet the needs of the public by the due date despite long hours of overtime work.

This recognition by IRS that the practitioner's workload in certain circumstances can have a material bearing on the acceptability of an extension request does not relieve the taxpayer from making a clear showing in his application that he has made timely and reasonable efforts to file his return on time but finds himself unable to do so because of reasons beyond his control. Applications which do not make such a clear showing, including those in which the practitioner's workload is a factor for consideration, will not be approved. The instructions on the application blank will be amended to emphasize this point. IRS also will take appropriate action in any case in which an effort is made to obtain an extension on the basis of misleading or untruthful representations.

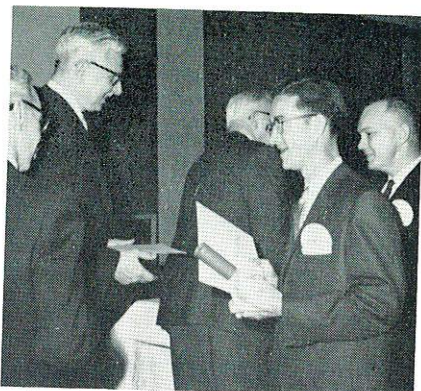
There will be no change in the existing power of attorney requirements. In the absence of a written power of attorney, the only person other than the taxpayer who may sign an extension request and be considered a duly authorized agent, is a person standing in close personal or business relationship to the taxpayer, and then only if the taxpayer is unable to sign by reason of illness, absence or other good cause.

Form 2688 "Application for Extension of Time to File" is still being used. While it is not necessary to use this form in making requests, the information required therein is a must.

It is not too early to make those reservations for Southern States — Buena Vista Hotel, Biloxi, Miss. — June 11-14, 1961



Pres.-Elect John Brown presents the Society Award to Bernard Kosse as AICPA President Pilié looks on.



State Board Members Byron Kirby and Bradley Turner (back to camera) present certificates to new CPAs, Al Waddle and John Worley.

Society Honored By President Of AICPA In February Meeting

By Joseph Wermeister

Mr. Louis H. Pilié, President of the American Institute, was in Louisville on Friday, February 24, 1961 for the Society's meeting at the Roof Garden of the Brown Hotel. This indeed was fortunate for the nineteen successful candidates who passed the November examination and received their certificates as certified public accountants, together with two others who were issued certificates based on similar certificates held in Indiana and North Carolina. Before the certificates were officially presented by State Board members, Messrs. Paris, Turner, and Kirby, the Honorable John B. Browning, Assistant Attorney General of Kentucky, administered the Oath of the Kentucky Certified Public Accountant.

Mr. Jess Paris, President of the State Board, welcomed the new CPAs and their ladies and in a few well-chosen words, as is his manner, reminded them of some of the duties and particularly the responsibilities which now rest upon their shoulders.

Mr. John E. Brown, President-Elect of the Society, informed the meeting that there were four candidates who had passed all subjects on the last exam and then presented Mr. Bernard Kosse with the Society Award for attaining the highest grade in these subjects on his first attempt.

On behalf of the American Institute of CPAs, Mr. Pilié welcomed the new CPAs and in his address which followed, stressed the value of services by CPAs to the public. There is a tremendous need for the type of business planning which the CPA can render. Mr. Pilié enumerated several areas in which the CPA could, by acquiring additional knowledge plus his already rounded background, offer his services as a specialist. An actual case history was pointed out, however, that the CPA should be careful not to become known as an expert to the extent that he is called upon to

make policy decisions, but should have his services available to offer administrative advice on questions involved within his particular specialty.

The field of Management Services, according to Mr. Pilié, is one to which the practicing CPA should give more attention. With various organizations offering centralized services in credit plans, preparing sales analyses, and in other areas, it conceivably could be only a matter of time before services such as cost analysis, budgeting, and others are offered by these so-called Service Bureaus. The practicing CPA should be the one to perform these services for his client. Mr. Pilié told us that the AICPA is planning to initiate a program to inform the public of the various special services which may be obtained from the CPAs.

After a spontaneous standing ovation by the members at the conclusion of his talk, Mr. Pilié, in recognition of his dynamic efforts over the years in behalf of the profession, and as an expression of our fond esteem, was presented with a commission naming him a Colonel on the Staff of the Governor of the Commonwealth of Kentucky. **VIVE LE COLONEL!**

AICPA 75th Anniversary

CPAs of the United States will be "on parade" in 1962 when the AICPA will be host to the accountants of the world at the Eighth International Congress of Accountants in New York on September 22 through 27. This is expected to be the largest gathering of accountants in history, according to Arthur B. Foye, president of the Congress and a past president of AICPA.

Presidents of all state CPA societies in office on June 1, 1962 will be appointed official delegates to the Eighth International Congress of Accountants. Other delegates will include members of AICPA Executive Committee and Past Presidents of the American Institute.

The Institute will celebrate its 75th Anniversary and will also be the host to the Sixth Inter-American Conference on Accounting on September 28-29, 1962.

Mr. Wm J. Caldwell, Jr.
Kentucky Society of CPAs
310 W. Liberty
Louisville 2, Ky.

Bulk Rate
U. S. POSTAGE
PAID
LOUISVILLE, KY.
PERMIT No. 228

AROUND THE STATE

The Bluegrass Optometric Association had as the speaker at its January meeting in Lexington, **Jess C. Paris**, President of the State Board of Accountancy.

"Needed Changes in Federal Income Tax Laws" was the subject of a talk by **John Nichols** before the Louisville Chapter, American Society of Women Accountants at their February meeting.

The Lexington firms of Settle & Sugg and Snider & Shouse have merged under the firm name of **Settle, Sugg & Shouse** with offices in the First National Bank Building.

Kenneth Clancy is a candidate for Councilman of the City of Shively.

Ronald Hicks of Glasgow was Barren County Chairman of the 1961 Heart Fund Drive.

Classified

CPA — Age 32 — Desires opportunity in Louisville area; part-time, evening and weekends. Write Box "B", c/o Kentucky Accountant.

Practitioners To Meet At Kenlake

The Chairman of the Local Practitioners Committee, C. C. Shields, announces that again this year there will be a Practitioners Forum on Thursday evening, April 27, at Kenlake.

In past years these meetings have furnished food for thought to those in attendance. While specific advantages may be hard to pinpoint, problems have been aired that needed solution.

The idea of these meetings is sound. A "problem clinic" would very likely be a good name for this session. You bring your problems and seek a solution. You may be able to solve a problem for someone else.

Watch the Kenlake program for time and place.

STATE BOARD NEWS

Letterheads: Early in February all firms and individual practitioners were requested to mail a sheet of the letterhead currently in use in their office to the Office of the Board. Ex-

cellent cooperation resulted in a 90% return within the first 15 days after the request was mailed.

A review of these letterheads revealed that over all, the stationery used by registrants is strictly professional — has dignity, taste, balance, and quality.

Five years ago the Board made a similar request and a noticeable improvement has taken place since that time. It is apparent that members of the profession realize the importance of stationery in helping to create the Professional Image.

City Audits: Periodically all cities of the second, third, and fourth class are requested to furnish information as to the date of the last audit of city offices and the name of public accounting firm making the audit. Cities in the above classes are required by KRS 92.405 to have audits made each year.

Kentucky has 8 cities of the second class. There are 15 cities of the third class. There are 65 cities of the fourth class. Of the replies received, 70 of these cities indicated recent audits.

Since the State Board of Accountancy is charged with regulating the practice of public accounting in Kentucky, these letters serve to uncover any audits being performed by unlicensed persons and also as a reminder to the city fathers that audits are required by statute.

Kottke And Brown To Attend AICPA Council Meeting

Member of Council **Emmett Kottke**, and **John E. Brown**, President-Elect of the Society, will attend the Spring Meeting of Council of AICPA at Bellaire, Florida on April 16-20.

Members of the American Institute who are concerned about the affairs of the profession on a national level or have any matter which should come to the attention of Council are asked to contact Emmett Kottke. As your elected representative, he is anxious to convey the thinking of the membership in Kentucky.

State Society presidents and presidents-elect will also attend a special workshop on the operation of a state society.

the kentucky accountant

THE KENTUCKY SOCIETY OF CPAs
PUBLISHED BY THE KENTUCKY SOCIETY OF CPAs