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Charles R. Hatton

P R E S I D E N T , S M E S S A G E

I consider it a high honor to have the opportunity to serve as your president. I realize that with this honor comes work and with work will come achievement, which we as a Society need for a successful year.

Our goals for this year will be to increase the membership to over 800 and increase the services to the members. We plan to continue the excellent programs we've had and to press forward in the new decade with programs worthy of the 70's.

We shall continue to explore the feasibility of chapters within the state. In the meantime we plan to hold meetings out in the state with the informal groups that have been established and with the Executive Committee attending these meetings in lieu of field trips.

We plan on automating the record-keeping in the Society Office as well as the membership records so that services to members will be even greater. We shall also seek to establish a retirement program for the Kentucky Society employees. We shall adopt the proclamation of the American Institute of CPAs to oppose the licensing of a new class of accounting practitioners.

New Members, AICPA

Society members elected to membership in AICPA are: *Allan Gillis Hester* of Bloomfield, *John Carter Thurmond* of Hopkinsville, *Walter Lawrence Blair* of Morehead, *Glen I. Clayton* of Paducah, and the following from Louisville: *Jimmie D. Clark*, *James Everett Dennis*, *Richard L. Hayden*, *Douglas B. Kubn*, *Robert Bruce Lindsey, Jr.*, *Charles David McKee*, *Robert J. Rapp*, *Ben M. Redden*, *Alan E. Rhodus*, *William Hugh Riggs, Jr.*, *Nelle B. Roberts*, *William Scroggins*, *Robert H. Weixler, Jr.*, *John A. Wilson, III*, and *Stewart H. Yonts*.

Remember that the profession has a public interest role in ensuring that the practice of public accounting is subject to the high standards of statutory regulations.

We will also take under consideration the issue of concurrent membership in the state society and the American Institute.

Finally, it is urgent that we project our image into the high schools and colleges to interest students in a career in public accounting. It is of vital concern to our profession that we recruit young men and women into our ranks *now*.

I hope that at the conclusion of my year as president, the objectives I have outlined will have been accomplished. I am counting on every member to do his part.

Hatton Names Program Directors

Newly elected president *Charles Hatton*, acting under the new reorganization plan for committee activities, has appointed *David Sugg* as program director for Membership Services, *Leroy Gardner* the program director for Professional Standards, and *Thomas Baer* as program director for Public Relations.

Under each program director will be the committees functioning in these specific areas.

The entire program of the Society for the 1970-71 year has been published in a Committee Manual. The manual contains not only the divisions of committees and their responsibilities, objectives and procedures but also lists the duties of all officers, Executive Director, Society staff and Board of Directors.

Distribution of these Committee Manuals will be to all members holding Society Binders, as well as committee chairmen.

President Hatton has designated Tuesday, May 19, for the annual Committee Days Planning Conference. All committee chairmen are expected to attend.

Good News

Elmer Beamer, who was our speaker for the February 1969 American Institute Night program, has been selected to receive AICPA's Gold Medal for outstanding contributions to the accounting profession.

Mr. Beamer is a partner in the Cleveland office of Haskins & Sells. Presentation will be made at the AICPA Annual Meeting in New York City, September 20-23.

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**THE KENTUCKY SOCIETY
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AICPA RETIREMENT PLAN

The Institute's Retirement Committee invites eligible members to participate in the AICPA Retirement Plans. This program was established as of January 1, 1963 to enable self-employed members to provide for their own retirement and that of their employees on a tax benefited basis under the Self-Employed Individuals Tax Retirement Act. A description of the Plans accompanied by a prospectus can be obtained without cost by writing to: American Institute of Certified Public Accountants Retirement Plans, P. O. Box 353, Radio City Station, New York, N. Y. 10019.



Carl N. Kelley

The President's Report To The Membership

As we began the past Society year, I noted that we would be in a period of transition with several ad hoc committees making studies and proposing recommendations that would affect the future course of this organization. I am happy to report that all of these special projects have been completed and the adopted changes substantially implemented. In addition to these matters, the regular committees of the Society have discharged their duties in a responsible manner.

This kind of cooperation among our members has made the past year especially enjoyable and rewarding for me. For the honor and privilege of serving as your president, I give you my heartfelt thanks.

Permit me to be more specific about some of the major changes that have occurred.

The Ad Hoc Committees on By-laws, Meetings and Reorganization had assignments of great importance to all of our members. Their responsibilities had been outlined by the report of the 1968-1969 Long Range Planning Committee that was adopted just prior to the beginning of this year. The chairmen of these committees provided outstanding leadership and were supported by dedicated committee members.

The Ad Hoc Committee on By-Laws faced a burdensome task. They were directed to revise the by-laws to provide for an Executive Committee of eight members; and to authorize appointment from the Executive Committee of three program directors to supervise and be responsible for the three main Society activities and goals in the areas of professional standards, membership services and public relations. The committee was further charged to study the entire by-laws in order to implement all of the recommendations adopted from the report of the Long Range Planning Committee and to revise all other sections as necessary.

The by-law revision was completed; the Board of Directors approved the report of committee; and the membership adopted the new by-laws by an overwhelming vote — all before January 1, 1970! An outstanding accomplishment!

The time, location and content of Society meetings constituted the assignment of the Ad Hoc Meetings Committee. To considerably revise our meetings schedule by cancelling a fall accounting institute and a spring accounting conference; to arrange, on short notice, a regular Society meeting in Lexington; and to schedule, late in the year, our first multi-day annual meeting is a tribute to this committee's courage, foresight and hard work. I wish to emphasize that the complete cooperation and support of the regular Meetings Committee and the newly appointed Annual Meeting Committee was essential to the implementation of these changes.

The recommendations of the Ad Hoc Committee on Reorganization have been adopted by your Board and should be implemented completely in the 1970-1971 year. The committee studied the committee structure of the Society; made specific recommendations about vacation, holiday and retirement policies for Society employees; and developed a detailed layout for an automated system for maintaining the Society roster to provide needed information on members and facilitate the publication of the annual register.

(Continued Bottom Page 3)

Professional Development

All members of the American Institute of CPAs have received a Professional Development Catalog for 1970. This bound book lists all of the programs, both seminars, training courses and workshops throughout the United States through February 1971.

A schedule of all seminars and courses are listed with the place and date beginning on page 47. If a course is being offered in some other state and you wish to enroll, contact the state society offering the course. These addresses are found on the last page of the catalog. There are also registration inserts for your use, in attending courses in other states.

Publication of this catalog is the result of the combined efforts of the State Society Professional Development Coordinators and the American Institute Professional Development Division.

PRESIDENT'S REPORT (Cont'd)

One other change occurred during the past year that was of particular interest to me — the formation of CPA discussion groups in the Kentucky Lake area, the Bowling Green area, and the Ashland area. These groups began meeting following discussions during our field trip around the state in July. When our membership reaches sufficient size and has the necessary geographical concentration, these discussion groups will provide a strong nucleus for formal chapters.

Space will not permit me to comment on the activities of all of the standing committees, but I'm sure you will agree with me that one of them deserves special mention.

Our Legislative Committee was called on for extraordinary duty this year due to the introduction of HB 490 in the 1970 legislature. The Committee chairman, the Committee members and our Executive Director spent many days on the scene in Frankfort to make our position known and understood. With their strong leadership and our members' response when the call went out for our help, this adverse legislation failed to pass.

Our other committees have had equally outstanding chairmen and members who were diligent in the completion of their assignments. During the year we had more than 25% of our members involved in Society affairs, and the manner in which they supported our program indicates a healthy and vigorous condition. With the support of our present members and the continuing addition of young members who are interested and willing to participate in the Society's program, we can meet any future challenge.

To the officers and directors who served with me, I offer my sincere thanks. The executive director of the Society and my friend, Bill Caldwell, has provided counsel and guidance that places me forever in his debt.

The success of the Society's program for 1969-1970 must be attributed to all of these I have mentioned in this report — the committee members and committee chairmen, the officers and directors, our Executive Director, and most importantly, our membership at large.

Mobile June 17-19

The Alabama Society has planned an excellent program of technical sessions and entertainment events for the 26th Annual Southern States Conference of CPAs in Mobile, Alabama on June 14-17.

The theme of the meeting is "Challenges to CPAs in the '70's."

"Bob" Bond, Southern States President, is expecting a record attendance of CPAs from 7 southern states. The entire Monday program will be conducted by the AICPA Committee on Management of an Accounting Practice. Among the outstanding speakers on the technical sessions will be the Honorable Randolph Thrower, Commissioner of IRS, Leroy Layton, Chairman of the Accounting Principles Board, Thomas Holton, Chairman of the Committee on Auditing Procedures, and Robert K. Whipple of Indiana who was a speaker at our West Kentucky Meeting several years ago.

Hopefully, a number of Kentuckians will be Alabama bound for the June 14-17 conference!

CHARACTER

Have you ever been asked to write a letter of character reference for a CPA candidate? Every applicant for admission to the CPA Examination is required to furnish the names of three persons from whom letters of character reference will be received by the State Board of Accountancy. Every applicant for a certificate as certified public accountant, after successfully completing the examination, is also required to furnish letters of character reference. All these letters must be mailed directly to the Board by the writer.

Many of the letters received by the State Board could not qualify as character references because they mention nothing about the individual's character. If you are asked to write such a letter, keep in mind that each letter must state an opinion as to the moral character of the applicant. Letters furnished for applicants for certificates should also state an opinion as to the applicant's fitness to practice as a certified public accountant.

Another Father-Son

Otwell Rankin's son, Richard, became a CPA by successful completion of the examination in Ohio. Richard is in the Cincinnati office of Arthur Andersen and Company. He attended both Centre College and the University of Kentucky.

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Around The State

Irvin Wasserman spoke to the Mens Club of Holy Family Church in April on "What to Do When the IRS Man Comes."

David H. Brooks, formerly with Anaconda Aluminum has joined the staff of Peat, Marwick, Mitchell & Co. in Louisville.

William J. Wilson spoke to the Lake Cumberland Association of Life Underwriters in March on the subject of "Tax Reform Act of 1969."

J. C. "Hoot" Holland has been appointed to a three-member budget commission by Warren Fiscal Court.

C. Craig Bradley spoke to the Appalachian Chapter of the Tennessee Society at its March meeting on the subject of "What a Small Firm Can Offer in Management Services."

David Cox spoke to the bookkeeping classes at Westport High School April 22 on "Careers in Professional Accounting."

Frank Shufflebarger, formerly associated with Hubert Gregory in Glasgow, Ky., is now practicing as an individual in Glasgow, Ky.

Norman Button, formerly with William V. Hehemann & Co., Cincinnati, has now formed his own firm, Norman A. Button & Co.

Frank R. Kristoff has been elected vice president of Capital Holding Corporation. He was formerly controller of Commonwealth Life Insurance Company, an affiliate of Capital Holding.

Robert G. Glenn was elected treasurer of the Owensboro Chapter of National Association of Accountants.

Richard D. Riney has been elected president of the Louisville Chapter of Financial Executives Institute.

John Bohn is the new treasurer of the Louisville Jaycees.

Mark Smallwood was the featured speaker at the April 27 meeting of the Louisville Estate Planning Forum; his subject "Tax Reform Act of 1969."

John Reisz, president of Modern Welding Company, Owensboro, was recently elected vice president of the Kentucky Chamber of Commerce.

Nolen C. Allen has been appointed to the Jefferson County Budget Commission by County Judge Todd Hollenbach.

School District Audit Contracts

Kentucky certified public accountants will be interested to know that the Kentucky Department of Education has made a change in audit contracts for the fiscal year ending June 30, 1970.

The contracts state that the auditors are to be engaged during the month of July and that the audit reports are to be delivered no later than December 31.

HELP WANTED — MALE ACCOUNTANT — PUBLIC

Progressive, medium-size, local firm has outstanding opportunity available for individual with national firm experience. Applicants under age 30 with CPA certificate preferred although others will be considered. Very little overnight travel. Send resume showing employment record, education and past earnings to Box A-771, The Kentucky Accountant.

Minnesota Ethics Requirement

The Minnesota State Board of Accountancy announces that every future applicant for a reciprocal certificate will be asked to submit proof of having passed an ethics examination given by the state which issued his original certificate. In the absence of such proof an applicant will be required to pass an ethics examination given by the Minnesota Board.

Chief Accountant — Large Louisville hospital seeks ambitious and responsible individual for key position. Must be a CPA. Liberal fringe benefits. Salary negotiable. Send resume to Box J, The Kentucky Accountant.

Central Kentucky CPA desires to purchase small accounting practice. Write Box L, The Kentucky Accountant.

Meet the New Members

John W. Artis, born in Ironton, Ohio, is a graduate of Eastern Kentucky University. He is associated with Ira F. Smith, CPA in Ashland, Ky.

Jerrel L. Greer was born in Lebanon, Ky., graduated from the University of Kentucky. He is on the staff of Robinson & Hughes, CPAs in Danville, Ky.

Robert Duane Hofacre, born in Massillon, Ohio, is a graduate of University of Notre Dame. He is a partner in the CPA firm of Kohlhepp & Hofacre, Covington, Ky.

Paul Edmund Phillips, Jr., is a native of Louisville and a graduate of Bellarmine College. He is associated with Peat, Marwick, Mitchell & Co., Louisville.

Charles H. Sans, Jr., a native of Louisville, is a graduate of Bellarmine College. He is on the staff of Yeager, Ford & Warren, Louisville.

Gary L. Stewart, born in Louisville, is a graduate of the University of Kentucky. He is associated with Humphrey Robinson and Company, Louisville.

James Robert Walters was born in Balkan, Ky., and graduated from Eastern Kentucky University. He is on the staff of Yeager, Ford & Warren in Louisville.

Thomas J. Beck is a native of Louisville and a graduate of the University of Louisville. He is associated with Humphrey Robinson and Company in Louisville.

Ellis W. Bryant was born in Illinois and graduated from the University of Louisville. He is associated with Yeager, Ford & Warren, Louisville.

Ronald G. Geary is a native of Louisville and a graduate of the University of Kentucky. He is on the staff of Yeager, Ford & Warren in Louisville.

Wanted to Purchase:

1st Series AFTR'S-TC/BTA'S by Prentice-Hall. Call collect, 606-266-2186 or write Chuck Hardin, P. O. Box 1304, Lexington, Ky. 40501.