

The Kentucky

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The Kentucky Society of Certified Public Accountants

VOLUME XXII

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Carl N. Kelley

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Betty and I have just returned from Los Angeles and the 82nd Annual Meeting of the American Institute of CPAs. We hope that we served as good representatives of the Kentucky Society both at the meeting and in the Council meeting that came on Saturday, October 4. Also at the Council Meeting, from Kentucky were our two elected members, *Joseph P. Jones, Jr.*, and *Gordon Ford*.

At the annual meeting of members, the matter of permissive incorporation of accounting practices as professional service corporations received considerable discussion and I am sure that all Society members who are also members of the Institute will receive full information at the time ballots are submitted for a vote to change the Code of Ethics.

The newly elected officers of the Institute are listed elsewhere on this page. From Kentucky *Nolen C. Allen* and *Joseph P. Jones, Jr.* were elected to three-year terms on the Council; and *Charles R. Hatton*, as President-Elect, automatically becomes a member of the new Council for the coming year.

I would recommend to all members that they plan now for the 83rd Annual Meeting which will be held in New York City, September 20-23, 1970.

New Officers - AICPA

At the annual meeting of AICPA on October 5-8 in Los Angeles, California, *Louis M. Kessler*, partner of Alexander Grant and Company, New York, was elected president to succeed *Ralph Kent*. Other officers elected were: *Marshall S. Armstrong* of Indianapolis, Ind., *Winston Brook* of Anniston, Ala., *Stanley D. First* of Philadelphia, Pa. and *Kenneth L. Thompson* of California were elected vice presidents and *Walter E. Hanson* of Connecticut was re-elected treasurer.

An outstanding program of technical sessions were offered in addition to several delightful social functions. Among the participants on the program were secretary of Commerce *Maurice H. Stans* and Governor *Ronald Reagan* of California. *C. Craig Bradley* of Louisville served as member of a panel for one of the sessions on management services.

Those attending from Kentucky were: Mr. and Mrs. *Ken Clancy*, *Allen Galloway*, *Charles Hatton*, *Joseph P. Jones, Jr.*, *Carl N. Kelley*, *Emmett W. Kottke*, *Frank Overton*, *James C. Warren*, *Gordon Ford*, *Craig Bradley*, *James Ratcliffe*, *Bill Caldwell*, Messrs. *Sam Lyverse*, *Nolen Allen* and *John Owens*.

BANKER-CPA NIGHT

Monday, Night, November 17

Canterbury Room,
Executive Inn, Louisville

Mr. **Walter Schuetze**, Partner, Peat, Marwick, Mitchell & Co., New York City — will speak on "The Banker and CPA Look at Earnings per Share".

12th Kentucky Institute On Federal Taxation

Again this year, the Kentucky Society of CPAs will jointly sponsor the Twelfth Kentucky Institute on Federal Taxation, with the Louisville Bar Association and the University of Louisville.

The Institute is planned again at the Brown Hotel on December 4, 5 and 6.

Top level tax authorities have been obtained to speak on timely topics in the tax field and again this year *Jack Bierman* will start the program with his "Tax Highlights of the Past Year."

The programs are now at the printers and hopefully will be mailed early in November. Because of the many changes in tax law now before the Congress, a large registration is anticipated.

Be sure and reserve the dates of December 4, 5 and 6!

Christmas Party Set For December 6

The annual Christmas Party of the Kentucky Society will be held again this year at the Crystal Ballroom of the Brown Hotel on Saturday night, December 6, following the Kentucky Institute on Federal Taxation. This annual affair is always one of the highlights of the Society year.

Lee Webb and his committee composed of *George Troutman* and *Don Major* are now making plans for this to be an outstanding event. The music will be furnished by *Ordie Day* and his orchestra, one of Louisville's most popular dance bands. MARK YOUR CALENDAR NOW so that you won't miss this gala occasion.

Published by

**THE KENTUCKY SOCIETY
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“Kentucky Banker” Publishes Article

The Convention Issue of the *Kentucky Banker* (August 1969) carried an article by *William W. Ecton*, chairman of the Practice Review Board, on the objectives and procedures of the Kentucky Society's Practice Review Program.

When the Program was originated all member banks of the association were sent a copy of the Practice Review Program together with a letter urging their use of this confidential service to members and to the public. Response to date has been negative and it is hoped that this article will come to the attention of many of Kentucky's bankers. Whether the bankers respond or not, the public image of the CPA has been enhanced.

Long Range Planning Committee Report, 1968-69

Charles E. Coyle, Chairman

Each member of the Society has seen articles concerning the activities of the Board of Directors and various ad hoc committees involving sweeping revisions in the organization of the Kentucky Society. These articles refer to a report of the Long Range Planning Committee in 1968-69, but very few Society members have had an opportunity to read this report. Because of its length and the various appendices attached thereto, it was considered too costly to publish their report in its entirety. However, we will try to give you in summary the recommendations of this committee (many of which have been adopted or are currently being studied further). The report itself will be in the offices of the Kentucky Society and, upon request, copies can be furnished to any member of any section or appendix within the report. If the entire report is requested we will be glad to lend it to the member for his use and then request that it be returned to the Society Office.

The first section of the report contained a restatement of the Society's goals excerpted from the constitution and the bylaws. These goals were condensed into three main categories:

A. Professional standards B. Membership services C. Public relations
Each of the categories then became an outline of the reports and its recommendation.

Prior to discussion of the Society goals, it was deemed necessary to consider the organization administration and staff of the Kentucky Society. The first recommendation of the committee was that the Board of Directors of the Society should be primarily concerned with the important policy decisions and with achievement of the Society's goals; therefore, there should be a delegation of responsibilities to the Executive Committee of the Board. The responsibilities to be delegated were discussed; its organization, and functions were outlined.

It was recommended that a program director from the Executive Committee be appointed and held responsible for each of the three categories of the Society's goals. It was suggested that the existing Society committees could be organized so that this program director could function as supervisor and coordinator for specific committees. An organizational chart of the Kentucky Society was presented. Staff job descriptions, benefits, and other related policies were requested to be put into writing for future reference. Future staff needs were discussed. Consideration was given in this report to changes in Society membership and for anticipated expansion.

Related to the first goal of the Society, Professional standards — it was recommended that a Professional Development Board be created so as to provide a continuity of membership and program in the future. It was projected that at some future date a staff director may be hired to give full time leadership for professional development courses and continuing education. The financing of such a program and the responsibilities to be retained by the Kentucky Society Board were considered. The Education and Memorial Foundation was reorganized by changes in the bylaws of the corporation and by the appointment of additional trustees to the Foundation. These trustees were given the responsibility for implementation of a program that would attract funds and personnel to accounting research and careers.

In the category, Membership services — the committee attempted to list services currently being offered by the Society Office. It was recommended that this list be subjected to continuous review for additions or deletions. The committee recommended that an ad hoc committee be organized to consider revision of the meeting structure for the Kentucky Society, particularly to consider the desirability of having an annual convention-type meeting. Further study was called for in the consideration of chapters within the Kentucky Society.

Within the area of Public relations — the committee made no specific recommendations regarding public relations but emphasized the need for continuous consideration of the CPA's professional image in the business world and the community at large.

(Continued on Page 4)

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LOCAL FRANCHISES AVAILABLE FOR QUALIFIED ACCOUNTANTS. Glyn D. Kerbaugh (Danville, (606) 236-3924) and Richard L. Hitchcock (Louisville, (502) 583-5325) are representing PTS in Kentucky. Either of them may be contacted direct.

Around The State

Richard E. Weaver has been appointed Treasurer of Brescia College. Dick has been active in college affairs since 1958, having served as instructor for night school classes as well as auditor. He was formerly associated with Yeager, Ford & Warren in Owensboro.

Windell Bowles was the principal speaker for the September 24 meeting of the Louisville chapter, American Society of Women Accountants — his topic "Business Ethics."

J. A. Steltenpohl was recently promoted from assistant controller to controller of the Louisville Gas and Electric Company.

Michael M. Probus, formerly associated with Humphrey Robinson and Company, has accepted a position with Arthur Young and Company, Indianapolis.

Seymour Weiss has moved his offices to the Speed Building in Louisville.

Sugg and Nolan, Lexington, have just moved to new offices at 1902 Cambridge Drive.

Roger L. Huston has been transferred from the Lexington office of Yeager, Ford & Warren to their Owensboro office.

James R. Jackson has accepted a position on the faculty of Eastern Kentucky University. He was formerly on the staff of Schuette & Taylor, Paducah.

Eugene Bush is Audit Manager for Kentucky Fried Chicken Corp. in Louisville. He was formerly with the L&N Railroad.

Charles A. Mays, formerly a partner of Yeager, Ford & Warren, has become Controller for H. J. Scheirich Co. in Louisville.

Effective November 1, *J. Wesley Huss* will leave San Francisco's Lybrand Office for the London, England office of Coopers & Lybrand.

"Tax Consideration on Wills and Joint Ownership of Property" was the subject discussed by *Lane Peck* at the September 26 seminar held at the Clinton Bank on ownership and transfer of property.

New Officers of the Central Kentucky Society of CPAs are: *Kenneth E. Mayer*, president, *James W. Lynch*, vice president, *Ronald C. Baum*, secretary-treasurer.

Personal Message From The District Director of IRS

Every tax practitioner undoubtedly wants to be kept currently informed of changes in Federal tax regulations and procedures. The Louisville District Tax Practitioners Mailing List is most helpful in this respect, as it makes possible the timely furnishing of such information as it develops.

This service is free. All that is required is the preparation and forwarding of Internal Revenue Form 3975, to the Internal Revenue Service, Attention: Contact Section, P. O. Box 60, Louisville, Kentucky 40201. Form 3975 may be secured from that address or from any Internal Revenue Service office.

Moreover, only those practitioners whose names are on the Mailing List will automatically receive order blanks for securing supplies of forms for the next filing period. I, therefore, earnestly suggest that any tax practitioner whose name is not on the list, submit a Form 3975.

If my suggestion is followed, the receipt of tax forms should be expedited, and you will be apprised of changes in tax procedures as they occur.

WANTED: PUBLIC ACCOUNTANT

College Graduate - accounting major. Partnership opportunity - salary open. Mail personal resume to Shackelford, Goode & Thurman, Public Accountants, P. O. Box 348, Murray, Ky. 42071.

WANTED — Used electric typewriter with decimal tabulation. Harold D. Lanham, 319 S. Main St., Harrodsburg, Ky. 40330. Phone 606-734-9365.

Boss to secretary: "Head that memo 'Strictly Confidential,' Miss Darrow. I want everyone in the office to read it."

Long Range Planning

(Continued From Page 2)

The appendices in this report contained some very informative statistics and projections. For example, a projection of the number of graduates for the next five years from colleges within the State of Kentucky was compiled. Statistical summaries were made of successful CPA candidates, their location, and academic backgrounds. Projections were made of the future membership of the Kentucky Society, and its classification by category of membership. Projected schedules of operating expenses of the Kentucky Society and the anticipated revenues from dues were presented. A map was prepared with the geographical location of the present members of the Society.

This article has attempted to pass along to the Society members the background for the current activity in reorganization of the Society. We hope that each member will ask questions pertaining to those areas, with which he is primarily concerned. We hope also that each member will give consideration to the goals of the Society and its future. Any recommendation that you may have which you feel should be considered by the Board or by the Long Range Planning Committee is welcome. It takes quite a bit of time for professional associations to change their course of direction and/or goals. We must start now to plan for the future!

Library Additions

1968 *Lilly Digest*, an annual publication of Eli Lilly and Company, Indianapolis, contains the operating statistics of over 2300 community pharmacies in the United States. The digest contains 54 summaries of financial data grouped according to annual sales volume and daily prescription activity.

Members desiring a copy of the publication free should write to Mr. George F. Slaven, Jr., Editor, *Lilly Digest*, Eli Lilly and Company, Indianapolis 46206

SENIOR ACCOUNTANT desires work as public accountant or assistant controller, controller. Write Box W, Kentucky Accountant.