

THE BOTTOM LINE

A Publication of the Kentucky Society of Certified Public Accountants

Volume 8, Number 7

August 1986

Ratcliffe will receive Public Service Award at Fall Awards Banquet



James Ratcliffe, managing partner at the Louisville office of Coopers & Lybrand, will receive the Society's Public Service Award at the Fall Awards Banquet

on Friday, September 12, at the Galt House in Louisville. The banquet will also honor successful candidates from the May 1986 CPA examination and serves as the traditional occasion for swearing in new CPAs.

The Public Service Award honors CPAs who exhibit extraordinary service to the community, either during a single year or for a lifetime career achievement. Ratcliffe and others who were nominated for this year's award served in a variety of capacities on the local and state level. The Awards Committee selected Jim Ratcliffe, in part, because of his service as the chairman of the State Board of Education and chairman of the Kentuckians for Education Task Force.

Also at the banquet, the Kentucky Society Award will be presented to the candidate from the May exam who scores the highest grades in the state. Honorable Mention Awards will go to those candidates who pass all parts of the examination on the first attempt.

New CPAs will receive their certificates at the banquet and will be sworn in by Attorney General David L. Armstrong.

A photographer will be present so that honorees may have photographs taken to be sent with a news release announcing their achievement to hometown newspapers or alumni magazines.

Festivities for the evening begin at 6:00 p.m. with a cash bar in the Archibald Room at the Galt House. Dinner will be served at 7:00 p.m. with the awards presentation immediately following. Tickets are \$25 each.

To reserve a table for your firm or group, contact Diánna Ott at the Society office, 1-800-292-1754 (in Louisville, 589-9239). Tables will seat eight or ten.

CompuFest '86

"What changes are occurring in the information processing industry?"

"The amount of information available to us is doubling every 2½ years. What does this mean for the information processing industry? Are we the cause, or the solution, or both?" These questions and others will be answered at the CompuFest Executives Luncheon, a new event to be held during CompuFest '86, September 16-18.

The luncheon will be held at the Hyatt Regency Hotel, 12 noon, on Wednesday, September 17. Jack Armstrong, senior product manager for Information Center Software at Cullinet Software in Westwood, Massachusetts will be the featured speaker.

Armstrong will present "Information Meltdown," an illustration of changes occurring in the information processing industry and how those changes can affect the way you do business now and in the future.

The Computers & Information Systems Committee, chaired by *Edward C. Ward*, felt that the Executives Luncheon would be an excellent opportunity for Society members and business people to come together with their associates and clients to hear an informative speaker prior to crossing the street to the Commonwealth Convention Center to attend computer related seminars or view the approximately 100 CompuFest exhibits.

Luncheon tickets are \$15 each or \$110 for a company table which seats eight. Those who preregister for three full days of CompuFest seminars may attend lunch free (pre-registration required). To order your tickets, please complete the form on page 5.

What is it?

The AICPA Centennial Logo appeared on the Society's newly-printed letterhead last month, which may have prompted many of you to say "What is it?"

The American Institute of CPAs celebrates the 100th anniversary of the profession in 1987 and a number of events are planned to commemorate the occasion. The Centennial year will officially begin at the AICPA Annual Meeting in Kansas City in October.

According to the AICPA, the Centennial Public Relations Committee selected this logo because it is "bold, modern and forward looking and in keeping with the Centennial theme,



A I C P A 1 0 0
A CENTURY OF PROGRESS
IN ACCOUNTING

'Century of Progress in Accounting.' "

The logo was designed by Anthony Russell, Inc., a New York firm that has designed logos and annual reports for such clients as the American Stock Exchange, Mobil and the National Endowment for the Arts.

The AICPA will provide camera-ready artwork of the logo to any firm wishing to use the logo on its stationery or client newsletter. If your firm is interested in using the logo, contact Dianna Ott at the Kentucky Society office, who will send you the materials you need.

Presidential interview

"CPAs need to become more visible," says Tompkins

We visited Rod Tompkins, the new Society president, last month at the offices of York, Neel & Company in Madisonville, where he is managing partner. During our visit we discussed his goals for his presidential year and talked about some of the major issues facing the profession today.

Q. What is your major goal for your year as president?

A. I want the public to recognize that CPAs are involved, not just in financial and tax matters, but also in local and statewide governmental affairs as well. CPAs should become visible spokespersons for the business community.

Q. What do you think the reputation of the CPA is now?

A. We're held in high regard now among the people we deal with on a day-to-day level, but I think we also want the general public to be aware of our services.

The traditional areas of service — tax, audit and management advisory services — will no longer be the only areas where we'll see CPAs practicing. For example, personal financial planning is rapidly becoming a specialty area of practice. We're now seeing CPAs beginning to offer a much broader range of practice in the advisory services area and not restricted to having revenue come from those three traditional areas of service.

Sometimes I feel that the man on the street looks at us as only income tax preparers — not at our qualifications in

the general sense.

Q. How does this relate to a member who is employed in industry, government or education?

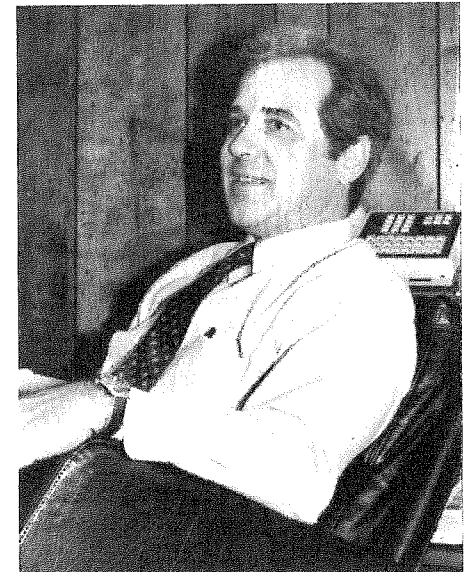
A. The increased visibility goal applies to them as well. The more we promote all CPAs, the more we also enhance the opportunities of the member in industry. Back when I worked in industry, in 1969-70, I couldn't even have the initials CPA on my business card — it was prohibited. Now, of course, that has changed and CPAs in industry, government and education ought to use the CPA designation any chance they get, it increases prestige and implies a certain level of competence for the job.

Another of my goals for this year is to identify the needs of our membership, including the needs of the non-practicing member. I want the member in industry, government or education to know that he or she has equal access to Society services and programs and I encourage them to let me know what we're doing wrong — *and* what we're doing right.

The Board has given some thought to a survey of the membership, we haven't had one since 1980. We need to be sure that our activities are what the members want.

Q. Does the Board have any plans to try to improve the professional liability insurance crisis?

A. I'd like to see the Society become more aggressive in promoting tort



"The Board has given some thought to a survey . . ."

reform legislation, with the objective being to assist the legislature in drafting fair and equitable legislation to address the professional liability crisis. We have received assistance from the AICPA in the form of a draft of a model tort reform bill which has already been used in some 10 states. Hopefully, our part in working with other professional groups toward this end will help solve the frivolous litigation and ridiculous awards for professional malpractice. However, citizens should still be able to sue if it's called for and receive reasonable and sane judgements in cases where there's merit.

(Continued on page 3)

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"Our skills as CPAs are needed . . . so volunteer"

(Continued from page 2)

Q. So you see light at the end of the tunnel?

A. Yes, I do. Enough people have begun to be outraged by the types of litigation and by the astronomical awards that I believe they'll support and help us.

Q. Are there plans for legislative activity in areas other than professional liability reform?

A. We'll be involved with the Revenue Cabinet in drafting state taxation law, primarily with the aim of simplification of future tax laws and with the hope that we can assist in simplifying current Kentucky income tax law. By working with the Revenue Cabinet, I hope we'll avoid another fiasco like what happened with depreciation in July 1985. I think if we become involved early in the legislative process we'll gain the respect needed to be advisors to the legislature. I'm not saying that we'll be involved in the actual drafting of legislation from the revenue standpoint, but we do expect to be called upon to advise in the practicality of the suggested legislation. Even in an off-year, when the General Assembly does not meet, we want Society committees to be involved in legislative activity. After all, we're a highly influential group statewide because our members know, on a personal basis, every member of the General Assembly. We want to build on that network so that they'll lend an ear to our comments and suggestions.

Q. Why have you personally devoted so much time to the Society?

A. It's my livelihood. The Society is the vehicle through which the membership expresses its opinions, and I personally have found a voice through the Society. Groups are much more effective at gaining aims and objectives than individuals are, it's the old saying, "the whole is greater than the sum of its parts," well, we'd all be relegated to being bookkeepers without the strength the Society provides.

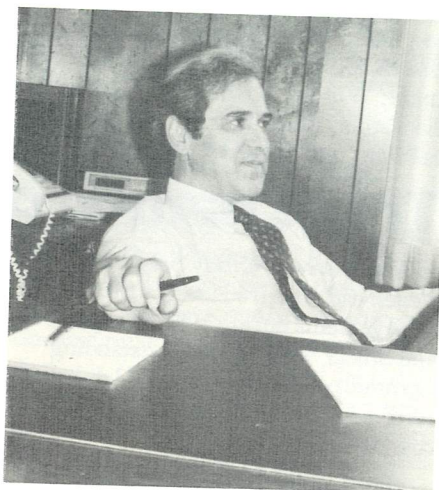
Q. How did you attain your personal goal, to become president of the Society?

A. It takes commitment. In all the organizations I've ever joined I've always liked to be instrumental in helping to set direction. It's my nature, I guess, I've held leadership positions in every organization I've ever been

involved with. There's an attitude out there that someone else will do it, well, I don't believe that. I've always striven to be the best, the top. That's where you can have the most impact. The experience has made me a broader person, and I know it's helped me professionally.

Q. Do you encourage your staff to become involved in the Society?

A. I do, but I realize that in a state the size of Kentucky it is sometimes difficult for my staff to be active, simply because of the travel involved. But eve-



"We do expect to be called upon to advise in legislation . . ."



"Holding a Chapter office is a major step to being on the Society's Board and eventually moving into the top leadership positions."

ryone can be involved on a Chapter level, that's the reason the Chapters were formed. I hope that Chapter leaders will see their roles as providing opportunities for members to develop as leaders in their local communities. Holding a Chapter office is a major step to being on the Society's Board and eventually moving into the top Society leadership positions.

Q. One last question, what advice would you give to a student or a young person just entering the profession of accounting?

A. That's a very appropriate question because my daughter Teresa sat for the examination in May, and this is the advice I gave her.

I would tell them to become visible in local community affairs. Those are the activities which develop you on a professional level. Involvement in the local community allows you to meet a variety of people and teaches you how to be aware of client needs and to better serve your clients. Also, as professionals, we should give something back to the communities we live in. Our skills as CPAs are needed by non-profit and charitable organizations in our hometowns, so we should not hesitate to volunteer.

Committees begin work at annual fest

Committee Day is the traditional, if not the official, start of the new Society year and this year on May 30, hundreds of Society members gathered for lunch and some fun at the Executive West Hotel in Louisville.

Brown bags were the theme at lunch as members feasted on fried chicken and potato salad and listened to outgoing president **Wayne Stratton** thank members of the Board and Executive Committee for a successful Society year. Stratton presented three awards, two to outstanding committee chairmen and one for an outstanding CPE discussion leader (see story below), before introducing the new Society President **Rod Tompkins**.

Once again, the Society's Political Action Committee sponsored a contest to win an all-expense-paid trip to the Society Annual Meeting this year at Opryland in Nashville. Each member who had contributed at least \$25 in the

past year to the PAC was eligible for the drawing, won by **William Schmitz** of Louisville.

The following is a list of committee chairmen for 1986-87:

In the Public Relations Program Area, **Ray M. Ware**, program director; **James C. Sparrow**, Accounting Career Opportunities; **Gary L. Stewart**, Awards; **Roger D. Johnson**, Cooperation with Bankers, Lawyers and Other Users of Financial Statements; **Kim Nelson**, Legislation; **Daniel Knopf**, State and Local Taxation; and **Andrew J. Von Lehman**, Public Relations.

In the Membership Services Program Area, **C. Donald Nix**, program director; **Billie Wade**, Membership; **Ed Smith**, Members in Industry & Government; **Windell Bowles**, Members in Education; **Mike DePrie**, Membership Services; and **Robert J. Hardy**,

Insurance.

In the Technical Committees Program Area, **David L. Anneken**, Program Director; **David Jordan**, Accounting Principles and Auditing Procedures; **Eric Wehder**, CompuFest; **Edward C. Ward**, Computers and Information Systems; **William Tichenor**, Management of an Accounting Practice; **Thomas A. Christopher**, Small Business; and **David L. Anneken**, Personal Financial Planning.

And in the Special Committees Program Area, **Joseph C. King**, program director; **Robert W. Tonini**, Annual Meeting; **Gadis J. Dillon**, Continuing Professional Education; **Susan D. Ware**, Long Range Planning; **Craig E. Heller**, Federal Taxation; **Joseph A. Hancock**, Governmental Accounting; **J. Vaughn Holden**, Professional Ethics; and **R. Wayne Stratton**, Nominations.

Three named outstanding

Jim Sparrow, **Cindy Snider**, and **Bill Peden** each received awards for their achievements during 1985-86. Sparrow and Snider were named Outstanding Committee Chairmen and Peden received the first Outstanding CPE Discussion Leader Award.

Jim Sparrow, a partner with Rankin, Rankin & Company in Covington was recognized for his work with the Accounting Career Opportunities Committee last year. Under his leadership, the committee published a brochure outlining the qualifications for the CPA certificate in Kentucky and developed the *Student Guide to Kentucky CPA Firms*. They also instituted a student membership classification, inviting accounting majors to join the Society at a reduced rate. 1985-86 was the first year for each of these programs.



Cindy Snider completed her second year as chairman of the Members in Industry and Government Committee last year and earned her Outstanding Committee Chairman Award for her display of leadership during that time. One of the major committee projects, the annual Conference for CPAs in

Industry and Government, saw a record number of attendees during her tenure. In addition, the committee worked with groups from Virginia and West Virginia to sponsor the Conference for Coal and



Industry Executives. The Board of Directors felt that the committee's work helped meet the unique needs of the non-practicing Society member.

Bill Peden, received the first award given to a CPE Discussion Leader at Committee Day this year. Peden, a partner with the law firm of Ewen, MacKenzie and Peden in Louisville, began teaching Society courses in 1969 and has taught a variety of courses through the years. Last year he taught Estate and Gift Taxation — Advanced and received the rating of 4.9/knowledge and 4.7/presentation on a



5.0 scale. The Outstanding CPE Discussion Leader Award will now be given each year to that instructor who receives the highest ratings from participants.

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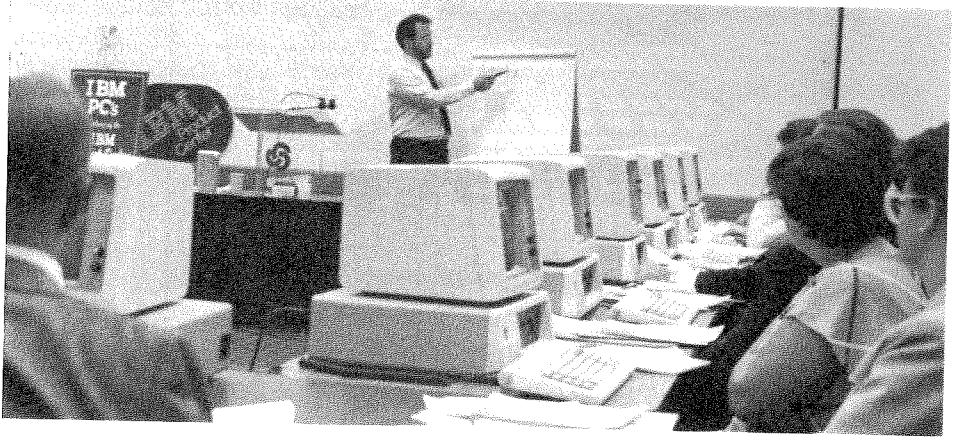
Both hard and soft "wares" to be addressed at CompuFest

Alexander Wrafter, executive vice president for Sales, Marketing and Operations Worldwide with North Star Computers, Inc. will deliver the first of two free keynote addresses at CompuFest '86, September 16-18. Over the past 3 years, Wrafter has set up the European headquarters for North Star's manufacturing, sales and marketing operation covering Europe, Africa and the Middle East. He also serves as resident managing director in Europe, headquartered in Ireland.

Wrafter's presentation, "Multi User Capability vs. PC Compatibility," will be presented on September 16 from 9:45 to 11:00 a.m. "Multi user computers have been around for a long time," Wrafter says, "but are now attracting new interest as an alternative to local area networks. My presentation will include a look to the future of multi user computers versus local area networks and will include North Star's unique approach to this subject."

CompuFest, which again boasts approximately 100 booths from vendors representing the information systems industry, is to be held at the Commonwealth Convention Center in downtown Louisville.

The second keynote speaker, Jack Armstrong, product manager for Information Center Products at Cullinet Software, based in Westwood, Massachusetts will speak on September 17 from



"Hands on" educational seminars are popular features at CompuFest.

9:45 to 11:00 a.m. Armstrong is responsible for the development of strategic plans and product design for Cullinet's information center software, including mainframe, personal computer and micro/mainframe products. He will present "Assessing Inside Information" and notes that "the market for micro-mainframe links is a very confused market. It has been marked by unconscionable product claims and unrealistic demands. It attempts to unite the corporate world of DP with the stylized and individualistic world of personal computers. Underlying it all is the growing realization that links mean more than mainframe data for my PC. In fact, links are exposing the larger issues of 'corporate computing.'" Armstrong will ana-

lyze current product offerings with respect to their ability to resolve the paradox between user needs and corporate concerns. In addition to the morning keynote, he will also be the featured speaker at the CompuFest Executives Luncheon (see page 1 for details).

In all, 61 seminars will be offered during CompuFest '86. For only \$25 per day, you can choose the topics which appeal to you most, and receive free admission to the exhibit hall as well. If you plan to attend any of the "hands on" sessions, please be sure to send in your registration form immediately as these sessions have limited attendance and will sell out quickly. A listing of all the seminars is on pages 6 and 7 and you may use the form below to register.

CompuFest Seminar Registration

Detach and return, with check for appropriate amount, to: Kentucky Society of Certified Public Accountants, 310 W. Liberty Street, Louisville, KY 40202.

Please list the number, shown next to each session on the seminar grid, of each program you will attend. The fee is \$25 PER DAY. Confirmations will not be mailed. You will be contacted if you have registered for a session which is already full. PLEASE KEEP A COPY OF THIS FORM FOR YOUR RECORDS.

	Amount	
September 16	\$25	\$ _____
September 17	25	_____
September 18	25	_____

EXECUTIVES LUNCHEON, September 17, Hyatt Regency Ballroom

I have registered for seminars all three days and am entitled to a complimentary luncheon ticket. I will attend the luncheon.
 I will not attend the Executives Luncheon

Please send me _____ luncheon tickets @ \$15. Amt. Enclosed _____

Please reserve _____ company table(s), which seat eight, @ \$110. Amt. Enclosed _____

Total Amount Enclosed \$ _____

Name _____ Company _____

Address _____ City/State _____

Zip Code _____ Business Telephone _____ / _____



WHERE

Seminars are held on the lower level of the Commonwealth Convention Center. Some special sessions are scheduled at the University of Louisville Computer Lab in the Republic Building, corner of Fifth and Muhammad Ali Boulevard.

CONTINUING PROFESSIONAL EDUCATION CREDIT

All sessions qualify for CPE credit. 75 minute sessions are worth 1.5 credit hours, 180 minute sessions are worth 3 credit hours. Depending upon which sessions you attend, it is possible to earn up to 20 hours of CPE credit at CompuFest '86.

COMPUFEST EXECUTIVES LUNCHEON

If you preregister for three full days of seminars, you may attend the Executives Luncheon free (however, reservations are required). If you plan to attend the luncheon, you **must** check the box on the registration form so we can mail your ticket.

IF YOU'RE COMING FROM OUT OF TOWN

Guest rooms are available for CompuFest participants at the Hyatt Regency, 320 W. Jefferson St., Louisville, 40202 (502) 587-3434. Special room rates of \$58 single and \$68 double have been guaranteed, but you **must** say you are attending CompuFest to qualify for the reduced rates.

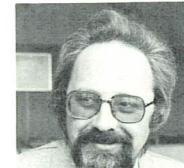
CANCELLATIONS

No refunds after September 12, 1986.

9:45 AM - 11:00 AM

TUESDAY
September
16

1 KEYNOTE ADDRESS
MULTI USER CAPABILITY
VS. PC COMPATIBILITY



Alexander Wrafter, Exec. VP
North Star Computers, Inc.
San Leandro, California

FREE ADMISSION

14 INTRODUCTION TO THE IBM PC
"Hands On"

* 17 LOTUS 1-2-3 MACRO PROGRAMMING
"Hands On"
NOTE SPECIAL SITE/SPECIAL TIME
8:30 AM - 9:45 AM **L/R

* 18 LOTUS 1-2-3 DATA
"Hands On"
NOTE SPECIAL SITE/SPECIAL TIME
10:15 AM - 11:30 AM

WEDNESDAY
September
17

21 KEYNOTE ADDRESS
ASSESSING INSIDE INFORMATION



Jack A. Armstrong
Senior Product Manager for
Information Center Products
Cullinet Software
Westwood, Massachusetts

FREE ADMISSION

36 INTRODUCTION TO THE IBM PC
"Hands On"

**L/R

* 39 ADVANCED LOTUS 1-2-3 TECHNIQUES FOR ACCOUNTANTS
"Hands On"
NOTE SPECIAL SITE/SPECIAL TIME
8:30 AM - 11:30 AM

THURSDAY
September
18

41 SELECTING A SOFTWARE VENDOR

45 COMPUTERS FOR LAW FIRMS

48 WORD PROCESSING: CHANGING
TECHNOLOGY

51 PORTABLE COMPUTERS AND RELATED
APPLICATIONS

55 INTRODUCTION TO THE IBM PC
"Hands On"

**L/R

* 58 LOTUS 1-2-3 MACRO PROGRAMMING
"Hands On"
NOTE SPECIAL SITE/SPECIAL TIME
8:30 AM - 9:45 AM **L/R

* 59 LOTUS 1-2-3
"Hands On"
NOTE SPECIAL SITE/SPECIAL TIME
10:15 AM - 11:30 AM

* These sessions will be held at the University of Louisville's

11:30 AM - 12:45 PM

1:30 PM - 2:45 PM

7

2 GENERAL ACCOUNTING SYSTEMS	3 COMPUTERIZED IN-HOUSE TAX PREPARATION	4 COMPUTERIZED IN-HOUSE TAX PREPARATION
5 SOFTWARE CONTRACTS: LEGAL CONSIDERATIONS FOR BUYERS/SELLERS	6 ACCOUNTING APPLICATIONS FOR MICROS: THE SELECTION PROCESS	7 FINANCIAL PLANNING FOR SMALL BUSINESS: MODELING WITH THE MICROCOMPUTER
8 USE OF MICROS FOR CASH FLOW PROJECTIONS IN SMALL BUSINESS	9 IMPLEMENTATION OF NEW COMPUTER SYSTEMS: AVOIDING TRIAL AND ERROR	10 COMPARING COMPATIBLES: THE REAL STORY
11 INTRODUCTION TO NETWORKING	12 LOTUS 1-2-3, INTERMEDIATE "Hands On" **L/R	13 LOTUS 1-2-3, ADVANCED "Hands On" **L/R
14 DATABASE DESIGN SITE/SPECIAL TIME 10:30 AM **L/R	15 INTRODUCTION TO LOTUS 1-2-3 SPREADSHEET "Hands On" **L/R	16 INTRODUCTION TO LOTUS 1-2-3 DATABASE/GRAPHICS "Hands On" **L/R
<p style="text-align: center;">EXECUTIVES LUNCHEON</p> <p><i>Information Meltdown</i> Jack Armstrong</p> <p style="text-align: center;">Hyatt Regency Ballroom 12 Noon - 1:30 PM</p>		
22 NETWORKING VS. MULTI-USER SYSTEMS	23 THE EXECUTIVE WORKSTATION	24 USING MICROS FOR EFFECTIVE CASH MANAGEMENT
25 FILE TRANSFER FOR BUSINESS ACCOUNTING	26 INTRODUCTION TO INFORMATION SYSTEMS AUDITING	27 IN-HOUSE PROCESSING FOR THE COMMUNITY BANK
28 IN-HOUSE COMPUTING VS. THE COMPUTING SERVICE COMPANY	29 IBM SMALL BUSINESS SOLUTIONS	30 PC NETWORKING: TODAY AND TOMORROW
31 HOW TO USE "HIGH TOUCH" TO SELL "HIGH TECH"	32 INTRODUCTION TO DATA PROCESSING	
33 THREE WORD PROCESSING PROGRAMS CONTRASTED	34 LOTUS 1-2-3, INTERMEDIATE "Hands On" **L/R	35 LOTUS 1-2-3, ADVANCED "Hands On" **L/R
	37 INTRODUCTION TO DOS "Hands On" **L/R	38 INTRODUCTION TO IBM DISPLAYWRITE 3 "Hands On" **L/R
	*40 ADVANCED LOTUS 1-2-3 TECHNIQUES FOR ACCOUNTANTS "Hands On" NOTE SPECIAL SITE **L/R	
42 THE DATA PROCESSING DEPARTMENT AS A PROFIT CENTER	43 INTERNAL CONTROLS FOR YOUR COMPUTER OPERATIONS	44 USE OF COMPUTERS IN YOUR TAX PRACTICE
	46 INTRODUCTION TO FOURTH GENERATION LANGUAGES	47 PURCHASING MANAGEMENT SOFTWARE
49 DOS PROGRAMMING: TAKING CONTROL OF YOUR SYSTEM	50 NEW CPA TRAINING TECHNOLOGIES	
52 COMPUTER PLANNING, IMPLEMENTATION & MANAGEMENT	53 LOTUS 1-2-3, INTERMEDIATE "Hands On" **L/R	54 LOTUS 1-2-3, ADVANCED "Hands On" **L/R
	56 INTRODUCTION TO dBASE III "Hands On" **L/R	57 INTRODUCTION TO IBM DISPLAYWRITE 3 "Hands On" **L/R
58 DATABASE DESIGN SITE/SPECIAL TIME 10:30 AM **L/R	*60 LOTUS 1-2-3 TIPS FOR THE EXPERIENCED USER "Hands On" NOTE SPECIAL SITE **L/R	*61 ADVANCED USES OF DOS "Hands On" NOTE SPECIAL SITE **L/R

Lab, Republic Building, Fifth and Muhammad Ali Boulevard.
basis. Preregistration is required.

Major new developments on the national scene

Events affecting the public accounting profession are taking place daily, both at the national and the state level.

Although we realize some, if not all, of this information has already appeared in print, we wanted to recap it here for the benefit of those who may have missed it earlier.

The Financial Fraud Detection and Disclosure Act of 1986

A bill introduced in the House of Representatives (HR 4886) would require independent auditors to detect and disclose illegal and fraudulent activities, and to report these activities to the appropriate regulatory and law enforcement agencies. The bill further requires auditors to evaluate the internal control systems established by corporations to determine whether those systems ensure that corporate assets are being handled properly and lawfully.

HR 4886 was introduced by Rep. Ronald Wyden, D. — Oregon, who is a member of Rep. John Dingell's House Energy and Commerce Committee's Subcommittee on Oversight and Investigations.

The so-called "Dingell Hearings" have taken place over the past 18 months but this is the first bill to actually be introduced as a result.

At first, many thought the bill would only apply to the very large CPA firms, since it dealt with audits of publicly held corporations. However, some now believe that the bill, as written, could apply to virtually any client involved directly with any government agency. Thus, HR 4886 could have a profound impact on all CPA firms, and all members should be aware of its progress.

The Anderson Committee Report

On July 15, Society President *Rod Tompkins* and Executive Director Ben Gratzler traveled to Chicago to attend an AICPA-sponsored meeting to expose the report of the Special Committee on Standards of Professional Conduct for Certified Public Accountants. This committee, known commonly as the "Anderson Committee," after its chairman George D. Anderson, was formed in October of 1983 with the charge "to study the relevance and effectiveness of

professional standards in today's environment." The Committee was asked to consider the changing economic, social, legal and regulatory climate and, in light of that consideration, to —

1. Evaluate the relevance of present ethical standards to professionalism, integrity, and commitment to both quality service and the public interest.
2. Consider the role of the Institute in the process of establishing standards of professional conduct.
3. Recommend a course of action.

The Committee's report, entitled *Restructuring Professional Standards to Achieve Professional Excellence in a Changing Environment*, has been issued and was mailed to all AICPA members during June. We hope all Society members who are also AICPA members noted receipt of the report and found the time to give it careful attention. The recommendations outlined in the report will have a profound impact upon the profession if they are eventually adopted and implemented.

As planned now, the special report will be exposed to all AICPA members
(Continued on page 9)

Introducing a New

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CPA REVIEW

PREPARE NOW FOR THE NOVEMBER EXAM!

Classes are taught every Saturday at the University of Louisville, Belknap Campus.

Schedule of Classes

Date

Time

Seminar

AICPA exposes new professional standards

(Continued from page 8)

this fall. All state CPA Societies have been asked to sponsor a series of member forums to acquaint members with the report and provide feedback to the AICPA, hopefully in time for the October Council meeting in Kansas City.

A special meeting of the Institute's Council would be held in January to give final approval to the plan, after which it would go out to the entire membership for approval by mail ballot, and become effective July 1, 1987.

Highlights of the Committee's proposal are:

— a restructuring of the Code of Professional Conduct, to make it a more positive-sounding document. Also, many of the rules would apply to *all* members, rather than just those in public practice.

— the establishment of a peer review program, coordinated by the AICPA and the state societies. Any CPA in public practice would have to work for a firm that participates in a peer review program as a requirement of membership in the AICPA.

— the rule prohibiting the acceptance of contingent fees would be modified to allow an engagement for a contingent fee, but independence will be lost for that client.

— accepting commissions for the referral of products or services of others by a member in public practice would be allowed, provided a body "designated by Council" has determined that the acceptance of that commission would not create a "conflict of interest." It is planned that the senior technical committees of the Institute would be the "bodies designated by Council" in the new rule.

— completion of 120 hours of qualified CPE courses every three years, with a minimum of 20 hours of courses each year, would be a requirement for membership in the AICPA, regardless of whether the member is in public practice or not.

Remember, these are only the highlights of the Anderson Committee's report. Again, all members are urged to read the entire report carefully and be prepared to provide comments when the opportunity arises.

As mentioned earlier, the Society has agreed to schedule a series of member

forums across the state to discuss this report. In addition to the input we will receive from these forums, members are encouraged to submit written comments to the office at any time concerning the report.

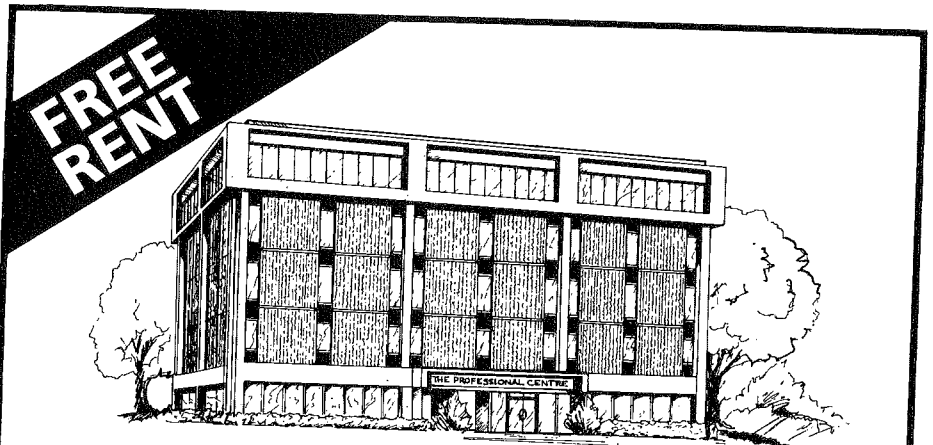
Tax Reform

We could write a book about this topic, but by the time you read this, the Tax Reform Act of 1986 may have already been passed and is on its way to

the President's desk for signing.

Two provisions in today's version of the bill have caused concern. One is that partnerships, S corporations and professional service corporations must adhere to a calendar fiscal year. The other is the inclusion of a portion of book income in the determination of the corporate alternative minimum tax.

The Society has joined with the
(Continued on page 10)



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Introduction to Enable (2½ days) September 29, 30 (9am-4pm) and October 1 (9am-noon)	\$330	\$300
Introduction to dBASE III (2 days) September 8 and 9 (9am-4pm) October 6 and 7 (9am-4pm)	\$300	\$275
Programming in dBASE III (2 days) September 17 and 18 (9am-5pm)	\$375	\$350
WordStar Professional (2½ days) August 18, 19 (9am-4pm) and August 20 (9am-noon) Oct. 22, 23 (9am-4pm) and Oct. 24 (9am-noon)	\$330	\$300
WordStar 2000 (2½ days) September 10, 11 (9am-4pm) and September 12 (9am-noon)	\$330	\$300
WordStar 2000+ (3 days) September 10, 11 and 12 (9am-4pm)	\$375	\$350
DisplayWrite 2 Word Processing (2½ days) August 25, 26 (9am-4pm) and August 27 (9am-noon) Oct. 15, 16 (9am-4pm) and Oct. 17 (9am-noon)	\$330	\$300
DisplayWrite 3 Word Processing (3 days) August 25, 26 and 27 (9am-4pm) Oct. 15, 16 and 17 (9am-4pm)	\$375	\$350
Multimate Word Processing (2½ days) September 22, 23 (9am-4pm) and September 24 (9am-noon)	\$330	\$300
MultiMate Advantage (3 days) September 22, 23 and 24 (9am-4pm)	\$375	\$350

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Anderson Committee report

(Continued from page 9)

AICPA in an effort to have these two provisions amended. By the time you read this you may know if we were successful or not. If not, and you feel strongly about either issue, you may want to communicate with our Federal legislators.

Here's how you can write to members of Kentucky's Congressional delegation in Washington, D.C.:

Senator Wendell H. Ford, 173-A Russell Building, Washington, D.C. 20510.

Senator Mitch McConnell, 120 Russell Building, Washington, D.C. 20510.

Representative Carroll Hubbard, Jr., 2182 Rayburn Building, Washington, D.C. 20515.

Representative William H. Natcher, 2333 Rayburn Building, Washington, D.C. 20515.

Representative Romano Mazzaoli, 2256 Rayburn Building, Washington, D.C. 20515.

Representative M. Gene Snyder, 2188 Rayburn Building, Washington, D.C. 20515.

Representative Harold Rogers, 206 Cannon Building, Washington, D.C. 20515.

Representative Larry J. Hopkins, 331 Cannon Building, Washington, D.C. 20515.

Representative Chris Perkins, 1004 Longworth Building, Washington, D.C. 20515.

Society to feature course on new tax law

Watch your mail for an announcement of a special four-hour course dealing with the new tax law. The course, presented by the Society's Federal Taxation Committee, will be a general overview of the major tax changes in the bill.

The course will be presented in Lexington, Louisville and Madisonville, and will be scheduled for sometime in September, as soon as possible after President Reagan signs the bill into law.

For more information, contact CPE Coordinator Carolyn Bowen at the Society office.

September 26, Executive West — Louisville How to Start & Market a Personal Financial Planning Practice	\$140	\$155
September 29, Harley Hotel — Lexington Basic Concepts in Estate Planning	\$110	\$125
September 29, 30, Harley Hotel — Lexington Accounting & Auditing Annual Update Workshop	\$220	\$250
October 2, 3, Executive West — Louisville Corporate Income Tax Returns Workshop	\$270	\$300
October 6, Executive West — Louisville Forecasts & Projections: Application of New AICPA Standards	\$150	\$165
October 6, 7, Executive West — Louisville Partnership Income Tax Workshop	\$220	\$250
October 7, Executive West — Louisville Compilation and Review of Financial Statements	\$130	\$145
October 9, Harley Hotel — Lexington Reporting and Disclosure Problems for Small Business	\$110	\$125
October 10, Harley Hotel — Lexington S Corporations	\$120	\$135
October 15, Executive West — Louisville Purchase, Sale or Liquidation of Corporate Business	\$110	\$125
October 16, Executive West — Louisville Problems of Closely Held Corporation	\$110	\$125
October 17, Executive West — Louisville Tax Planning for the Closely Held Corporation	\$110	\$125
October 20, 21, Harley Hotel — Lexington Estate and Gift Taxation	\$220	\$250
October 23, 24, Holiday Inn South — Louisville Accounting & Auditing Annual Update Workshop	\$220	\$250

Please print or type one form per person. Form may be reproduced for multiple registrations.



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Mail your check and registration form to: Kentucky Society of CPAs, 310 W. Liberty, Suite 701, Louisville, KY 40202

Classifieds

Guidelines for Classifieds

Advertisements must be submitted prior to the tenth of the month in order to appear in the next month's issue.

Cost is 25¢ per word (\$10.00 minimum). Send requests in writing to THE BOTTOM LINE, 310 West Liberty Street, Louisville, KY 40202. You will be billed when the ad appears.

POSITIONS AVAILABLE. Von Lehman & Company is seeking qualified professionals at all levels. If you are looking for top compensation and excellent career advancement, contact or send resume to Andrew J. Von Lehman, Von Lehman & Company, 211 Grandview Drive, Fort Mitchell, KY 41017 or call (606) 331-3300.

FOR RENT, CONDOMINIUM, Clearwater, Florida. One bedroom, fully equipped, sleeps four, heated pool, covered parking, \$275.00/week. Call (606) 331-0055.

VACATION, Palmetto Dunes, Hilton Head Island. Three bedroom, 4 bath villa, all amenities. September through May, \$325 per week. June through August, \$600 per week. William Motsch, (502) 499-1835.

POSITION AVAILABLE. CPA, 2-5 years audit and tax experience in public accounting. Excellent future opportunities. E.O.E. Send resume to: Cotton and Allen, PSC, 100 East Liberty, Suite 600,

Louisville, KY 40202, Attn: David L. Chervenak.

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