

Overview of the AICPA Volunteer Environment

History of AICPA. The American Institute of Certified Public Accountants and its predecessors have a history dating back to 1887, when the American Association of Public Accountants (AAPA) was formed. In 1916, the American Association was succeeded by the Institute of Public Accountants, at which time there was a membership of 1,150. The name was changed to the American Institute of Accountants in 1917 and remained so until 1957, when it changed to its current name of the American Institute of Certified Public Accountants. The American Society of Certified Public Accountants was formed in 1921 and acted as a federation of state societies. The Society was merged into the Institute in 1936 and, at that time, the Institute agreed to restrict its future members to CPAs.

History of Committees. The use of committees began even before the AAPA was formed in 1887. At the first meeting of what would become the AAPA on December 22, 1886 those present authorized the appointment of a committee to draft rules and regulations. Beyond this first preliminary committee the first Bylaws of the AAPA in 1897 established three committees: Finance and Audit Committee, Committee on Elections, Qualifications and Examinations, and the Committee on Bylaws. The number of committees grew continually over the years. In the 1940s there were 34 committees, by 1960, there were 89, and by 1970, the number had grown to 109. In 1999 the nearly 120 existing committees underwent a re-organization with approximately half of the standing committees being replaced with a volunteer group model that placed an increased emphasis on the use of task forces. The increased use of task forces allowed for more targeted efforts with the task forces being given a specific assignment then disbanding upon completion of that assignment. Also, in 1999 the first tracking and management of task forces began. Collectively, more than 2,000 volunteers contribute to the AICPA's fulfilling its mission.

Need for Volunteer Groups. The AICPA organization consists of volunteer groups and staff working together to achieve the Institute's objectives. Volunteer Groups help present the interests, needs' and attitudes of the membership; and assist the Institute in maintaining high standards of professional practice, promoting the interest of CPAs, serving as a spokesperson for the profession, and providing appropriate services to members. An effective volunteer group structure can generate sound group judgment, provide continuity of thinking, and help bring together a cross section of member knowledge and experience. It also provides for leaders of the profession. The most important reason for organizing a volunteer group is the need for member guidance and representation.

Volunteering for Service. Prospective volunteers can apply for service on a volunteer group via the <http://volunteers.aicpa.org> website. State Societies, firms, firm associations or other members of the AICPA often recommend candidates for committee service. New volunteers should be aware of the time commitment volunteer group service entails. Considering attendance at volunteer group meetings, travel, and time for assignments and other meetings, members can expect to spend about 60-80 hours on volunteer work during the first year. Of course, the amount of time each volunteer member spends on committee activities varies; with

each year of service, a member's time commitment often increases. By accepting appointment to the volunteer group, a volunteer member shows his or her willingness to devote the necessary time and effort to volunteer work.

Term of Appointment. In most cases, a volunteer is appointed for a one-year term, which can be extended to three years. Each year, the chairperson and the staff evaluate each member's contribution to their volunteer group. Customarily, a member cannot be reappointed for a fourth term unless he or she is appointed as chairperson of the volunteer group.

Appointing Volunteers. The appointment of volunteers can be divided into three main categories. The first appointment category (approximately 850 volunteers) includes all committees, subcommittees, expert panels, resource panels, boards and centers, whereby appointment to one of these groups are made during an annual appointments meeting held in July. The second appointment category (approximately 321 volunteers) includes the Board of Directors, Council, Joint Trial Board and Peer Review Board – appointments being made typically in February. The third and last appointment category (approximately 550 volunteers) includes all task force members in which appointment to a task force can occur at any time throughout the year as needed.

Volunteer Year. The AICPA Volunteer Year generally runs from October through October of the following year. The beginning of the Committee Year "officially" begins immediately following the Fall Meeting of Council.

TYPES OF VOLUNTEER GROUPS

All members of the Council, Boards, Committees, Subcommittees, Panels, Centers and Task Forces (hereinafter "**volunteer groups**")

Advisory Committees – A committee designated as an Advisory Committee is not responsible for policy-setting as are regular committees but is appointed to provide the views of membership groups to policy-setting boards and committees.

Audit Quality Center – The objectives of the Audit Quality Center include:

- Enhance the quality of member firms' audit practices in the specialized area.
- Provide a forum for member firms to address technical and regulatory matters involving the specialized area of audit practice.
- Develop relationships with, act as a liaison to, and communicate issues to regulators and others for the purpose of representing the auditing profession's views relating to the specialized area of audit practice.
- Advocate solutions and positions to regulators and standards-setters on behalf of member firms in the specialized area.

Board – Based on the Bylaws of the AICPA the term Board is used in conjunction with the following bodies:

- Board of Directors
- Board of Examiners
- Joint Trial Board
- Peer Review Board

Board of Directors - The Board of Directors acts as the executive committee of Council, directing Institute activities between Council meetings. The Board meets five times a year and is responsible for reporting to the Council at least semiannually. The Board of Directors consists of:

- Chairman of the Board of Directors
- Vice Chairman of the Board of Directors
- Regular Members of the Board of Directors (members of the AICPA)
- Public Members of the Board of Directors (non AICPA members)

Board Committees - Board committees are comprised of members of the Board of Directors. The Chair of the Board and the President are Ex Officio Members of all Board committees. The following committees are classified as Board Committees:

- Accounting Research Association – To provide best efforts commitment of financial support to the Financial Accounting Foundation.
- Political Action Committee – Is the Institute’s political action committee and provides financial support for election campaigns of candidates for federal elective office whose views are consistent with AICPA goals.
- Audit Committee – The Audit Committee is primarily concerned with the effectiveness of the audits conducted by the Institute’s Internal Audit Staff and independent certified public accountants.
- Compensation Committee – To Compensation Committee establishes and monitors compliance with compensation policies for AICPA staff.
- Finance Committee – The Finance Committee’s purpose is to maintain the relevance of the Institute’s continuing objectives and contribute to their advancement by reviewing strategy, plans, budgets and material deviations in plans and budgets prior to discussion by the Board of Directors.

Board of Examiners - The Board of Examiners (BOE) is responsible for the supervision and preparation of the uniform CPA examination which may be adopted by state Boards of Accountancies for examining candidates for the certified public accountant certification. The BOE is also responsible for the conduct of the grading service offered by the Institute. The BOE forms the necessary rules and regulations for the conduct of its work, but all such rules and regulations may be amended, suspended, or revoked by the Board of Directors. The BOE may delegate to members of the Institute's staff or other duly qualified persons the preparation of examination questions and the operation of the grading service conducted by the Institute

Council - Council determines Institute programs and policies. It has approximately 263 members with representatives from every state and U.S. territory. The Council may exercise all powers requisite for the purposes of the Institute, not inconsistent with the AICPA Bylaws or with duly enacted resolutions of the membership, including but not limited to the authority to prescribe the policies and procedures of the Institute and to enact resolutions binding upon the Board of Directors, the officers, volunteer groups, and staff. The Council consist of the following type of members:

- At-Large Members of Council
- Elected Members of Council
- Designated Representatives of each state
- Members At Large of Council
- Ex-Officios

Expert Panel Oversight Group - Expert Panels serve under the oversight of the Expert Panel Oversight Group, comprising a chair from the Board of Directors, Accounting Standards Executive Committee, Auditing Standards Board, Professional Ethics Executive Committee and other senior committee chairs.

Expert Panel - Following the AICPA's committee restructuring effort in 1999 the Board of Directors approved the establishment of Expert Panels that focus on identifying industry-specific business reporting issues with an emphasis on audit and accounting. Panels have been established in areas in which the membership and the public have a high stake and in which the AICPA can add significant value. Expert Panels serve under the Expert Panel Oversight Group. The Expert Panels enable standards setters, such as Accounting Standards Executive Committee, Auditing Standards Board, Financial Accounting Standard Board (FASB), and the General Accounting Standards Board (GASB) to continue to leverage the AICPA membership's industry expertise, as well as provide a means for the profession to liaise with outside groups, such as regulators. Current Expert Panels include:

- Depository Institutions Expert Panel
- Employee Benefits Plans Expert Panel
- Health Care Expert Panel
- Insurance Expert Panel
- Investment Companies Expert Panel
- State & Local Government Expert Panel
- Stockbrokerage and Investment Banking Expert Panel

Joint Trial Board – The Joint Trial Board consist of 36 members elected for a three year term by the Nominations Committee and ratified by Council. The Joint Trial Board provides for uniform enforcement of professional standards by adjudicating disciplinary charges against state society and AICPA members. Its decisions affect both AICPA and state society memberships.

Executive Committee - An executive committee is the standing parent group responsible for Policy-setting in an area of activity. The Board of Directors acts as the executive committee of Council, directing Institute activities between Council meetings. Other Executive Committees include:

- Accounting Standards Executive Committee
- Assurance Services Executive Committee
- Business and Industry Executive Committee
- Professional Practice Executive Committee
- Consulting Services Executive Committee
- Employee Benefits Audit Quality Center Executive Committee
- Forensic and Valuation Services Executive Committee
- Governmental Audit Quality Center Executive Committee
- Information Technology Executive Committee
- PCPS Executive Committee
- Personal Financial Planning Executive Committee
- Pre-Certification Education Executive Committee
- Professional Ethics Executive Committee
- Tax Executive Committee
- Women's Initiative Executive Committee

Nominations Committee - As outlined in the Bylaws of the Institute the Nominations Committee is to be composed of eleven members of the Institute, elected by the Council in such manner as the Council shall prescribe. The responsibility of the Nominations Committee is to make nominations for the following:

Peer Review Board - The Peer Review Board is responsible for establishing and conducting a peer review program (program) for firms enrolled in the program. Quality in the performance of accounting and auditing engagements by its members is the goal of the program. The program seeks to achieve its goal through education and remedial, corrective actions. This goal serves the public interest and enhances the significance of AICPA membership. The Board also reevaluates the validity and objectives of the program to ensure the program continues to enhance the quality of accounting and auditing practices of public accounting firms and to explicitly recognize that protecting the public interest is an equally important objective of the program.

Senior Committees and Boards - The following committees and boards are designated senior by virtue of resolution of Council implementing the AICPA Bylaws. Note: that in a few instances some of these committees may also be designated as Senior Technical Committees.

- Accounting and Review Services Committee
- Accounting Standards Executive Committee
- AICPA Peer Review Board
- Auditing Standards Board

- Board of Examiners
- Professional Practice Executive Committee
- Consulting Services Executive Committee
- CPE Advisory Committee
- Employee Benefits Audit Quality Center Executive Committee
- Governmental Audit Quality Center Executive Committee
- Information Technology Executive Committee
- Personal Financial Planning Executive Committee
- PCPS Executive Committee
- Professional Ethics Executive Committee
- Tax Executive Committee

Senior Technical Committees and Board - The following senior technical committees and boards are authorized to make public statements - without clearance from Council or the Board of Directors - on matters relating to their area of practice:

- Accounting and Review Services Committee
- Accounting Standards Executive Committee
- AICPA Peer Review Board
- Assurance Services Executive Committee
- Auditing Standards Board
- Professional Practice Executive Committee
- Consulting Services Executive Committee
- Forensic and Valuation Services Executive Committee
- PCPS Executive Committee
- Personal Financial Planning Executive Committee
- Professional Ethics Executive Committee
- Tax Executive Committee

Subcommittee - A subcommittee is a standing group which may be entirely or partially composed of some of the members of the related executive committee or committee or may be composed entirely of other persons. The work of a subcommittee is subject to overall review by its related committee or executive committee.

Task Force - Since the Volunteer Group restructuring effort that took place in the fall of 1999 there has been an increased emphasis on task forces rather than formal “standing” committees, panels or boards. Also, beginning in 1999 the Volunteer Services Team began tracking and maintaining information on task forces. Task forces are intended to be fast paced groups that

focus on a single issue or project.

Since the definition of what constitutes a task force has varied greatly from one individual to the next the following definition is provided:

Task forces are working groups that typically focus on a single issue or project. They operate in support of and under the auspices of another volunteer group (committee, panel or board). While the duration of task forces may vary considerably, they should be organized to have relatively short lives, accomplishing their objectives on single issues or projects rapidly, and then being disbanded. Also for purposes of definition the Volunteer Services Team will only track a task force with an intended working life of over three months and if the task force meets separately from the volunteer group the task force supports.

Since task forces do not follow the Volunteer appointments process the basic information on a task force must be provided to the Volunteer Services Team by the Staff Liaison as soon as the task force is created, members are added or removed, and notification must be provided when a task force disbands.

Establishing a Task Force. The following information should be reported to the Volunteer Services Team at volunteerservices@aicpa.org or faxed to 212-596-6104 immediately upon formation of a task force.

1. Task Force Name
2. Do you wish this task force to appear on the Volunteer Services website and therefore be available to receive new applicants? YES / NO
3. Area of AICPA Establishing Task Force (i.e., Tax, Ethics, etc.)
4. Reporting Relationship. What volunteers groups (committee, panel, or board) does the task force report to?
5. Current Task Force Volunteer Member Information. For each member provide the following:
 - Last Name
 - First Name
 - Middle Initial
 - AICPA Membership Number (if available - except for non-members)
 - Firm or Company Affiliation
 - Business Address (Street Address, city, State, Zip) Office Phone-Fax-Email Address
6. Estimated Number of Meetings - annually or for the anticipated duration of the group
7. Task Force Chair – The vast majority of task forces have a Chair. In rare instances a Chair is not designated.
8. Task Force Staff Liaison – All task forces must have at least one liaison assigned. Multiple liaisons are also allowed.
9. Task Force Objective: One or more brief paragraphs describing what is the purpose,

goal, or objective of the task force.

10. Date Task Force Formed

11. Estimated Completion Date – Date when objective is estimated to be completed and task force disbanded.

On receipt of this information, a group number will be assigned by the Volunteer Services Team. Upon data entry of the information for a new task force the roster for the task force will immediately be viewable via the Volunteer Services website at <http://volunteers.aicpa.org>

Recommendations: Task Force members are typically identified by the Chair and Staff Liaison of the task forces parent group. Also, the Volunteer Services Team has the capability to search the Volunteer Database for individuals who have provided skills based information thereby identifying individuals with very specific skills as potential candidates to serve on Task Forces.

Appointments: A task force and its members are appointed by and report to the chair of the related executive committee, committee, subcommittee or panel.

Tax Technical Resource Panel – Tax Technical Resource Panels (TRP's) act as a primary resource to the Tax Executive Committee (TEC) in representing members and the public interest by identifying issues, in developing technical and policy recommendations on those issues, and in suggesting or developing related practice aids to assist members in complying with the law; to recommend formation of task forces and assist the TEC and its constituent committees in monitoring task forces activities; and to maintain appropriate liaisons with government, industry and other professional organizations. TRP's are intended to be small and proactive, with members who are current and knowledgeable in the assigned technical areas.

Current Tax Technical Resource Panels:

- Corporations and Shareholders Taxation
- Employee Benefits Taxation
- Exempt Organizations Taxation
- Individual Income Taxation
- International Taxation
- Partnership Taxation
- S Corporation Taxation
- State and Local Taxation
- Tax Accounting
- Trust, Estate and Gift Taxation

Virtual Grassroots Panel (formerly the Group of 100) - The Virtual Grassroots Panel (VGP) began as the Group of One Hundred (G100) is a prestigious cross functional group of members from various segments of the profession that was created in concert with the establishment of the new committee model (following a committee restructuring that took place in 1999).

Historically, the purpose of the group was to uncover and prioritize emerging issues, capturing the "hottest" issues and market opportunities so that the profession can rapidly respond with appropriate actions. Coinciding with the beginning of the 2003-2004 committee year the Virtual Grassroots Panel underwent significant change going from a group that met in-person to a strictly virtual online survey based group.

The objective for the new VGP states, "The purpose of the Virtual Grassroots Panel is to provide input and feedback - via online survey questions, conversations and emails - to the Institute's leadership, its Strategic Planning Committee, state societies and others regarding current events in the accounting profession, AICPA initiatives, emerging opportunities and threats, and most importantly, "forward-looking" items for the profession.

Volunteer Group - The term Volunteer Group is sometimes used as a general term to include the following types of groups; Committee, Subcommittee, Expert Panel, Technical Resource Panel, Board and even Task Force (refer to their respective definitions for actual differences).

The most important reason for organizing a volunteer group is the need for member guidance and representation. Volunteer groups may be needed because staff does not have the authority for actions in a given area, or may be formed to insure that appropriate member interests are represented on a given issue or activity.

Virtual Group. Members in some cases may serve on a volunteer group in a virtual capacity, i.e. never meeting in person but rather conducting their work within an online internet / email based environment. One type of virtual member participation has entailed the online support to one or more specific volunteer group. A second form of virtual participation involves the online participation in various online surveys to provide targeted feedback in specialized areas.

Each year the AICPA receives several thousand applications from members and non- members to serve on AICPA volunteer groups. Since the number of open volunteer positions is far less than the number of available applicants a great deal of member expertise and talent goes unutilized. From time to time various virtual members using online communications have contributed in support of existing volunteer groups. The most recent use of virtual members has been in the support of Accounting and Auditings' eight Expert Panels.

PUBLIC STATEMENT AUTHORIZATION

Most of the AICPA's Volunteer Groups are composed of Institute members appointed by the chair of the board for a term of one year (reappointments may bring service total to three years). Of these Volunteer Groups, 14 have been designated as Senior Committees (appointments must be approved by the Board of Directors), and 11 of these 14 (known as Technical Committees) have the authority to make public statements on matters related to their areas of practice without clearance from the Council or the Board. The Senior Committees are listed in the following table.

Public Statement Authorization

	YES	NO
Accounting and Review Services Committee	X	
Accounting Standards Executive Committee	X	
AICPA Peer Review Board	X	
Assurance Services Executive Committee	X	
Auditing Standards Board	X	
Board of Examiners		X
Professional Practice Executive Committee	X	
Consulting Services Executive Committee	X	
Employee Benefits Plans Audit Quality Center Executive Committee		X
Forensic and Valuation Services Executive Committee	X	
Government Audit Quality Center Executive Committee		X
Information Technology Executive Committee		X
Personal Financial Planning Executive Committee	X	
Professional Ethics Executive Committee	X	
Tax Executive Committee	X	
Women's Initiative Executive Committee	X	

DEFINITIONS OF VOLUNTEER ROLES

There are currently 27 volunteer roles available within the Volunteer System as shown below. In some cases a particular role, such as Treasurer should be self explanatory and therefore no definition is provided - where appropriate details on the functions of each role are provided.

Current Roles

Alternate Chair	Executive Director	Secretary
Assist. Treasurer	General Counsel and Secretary	Secretary-Treasurer
Board Chair	Immediate Past Chair	Senior Vice President
Board Liaison	Member	Staff Liaison
Chair	Member At Large	State Reps
Chairman	Non-Member	Technical Secretary
Co-Chair	Past Chair	Treasurer
Elected Members	President	Vice Chair
Ex Officio	Public Member	Vice President

Board Chair. The Chairman of the Board of Directors presides at key meetings of members of the Institute, the Council, and the Board of Directors. The chairman is responsible to appoint committees and boards as provided for in the Bylaws. The Chairman also acts as a spokesperson for the Institute and appears on its behalf before other organizations. The Vice Chair of the Board is normally appointed to be Chair of the Board during the annual meeting of the Nominations Committee (usually held in February).

Board Liaison. Acts as the ears of the Board of Directors to certain volunteer groups.
Note: Except as otherwise provided by Council, and except for committees of the Board of Directors, such as the Committee on Audit, no public member on a senior or permanent committee or board may serve as its chair. An effective volunteer group needs a chair that will accept responsibility, foster creativity, and keep the group focused. The smooth management and creative achievements of any volunteer group often reflect the chair's ability and efforts.

Chair of a Volunteer Group. The Chair of a Volunteer Group is responsible for presiding over the meetings of the group and to provide direction over the activities of the group. With the exception of task forces the Chair is also responsible during the Volunteer group Year to recommend individuals for succeeding years, evaluate members of the group, and communicate any changes in the objectives or membership of the Group to the Volunteer Services Team at volunteerservices@aicpa.org.

Designated Representative. Each state society designates a single Institute member to represent it on the Council for a term of one year. A Designate Representative can be reappointed each year for a combined term of service not to exceed six consecutive years.

Elected Members. Elected Members are members of Council who are directly elected by the membership in their respective states. The number of Elected Members is allocated in two ways, somewhat analogous to the allocation of senators and congressmen for each state whereby the first is a fixed amount and the second is based on population. First, each state by default is allowed to recommend one Elected Member of Council. Second, each state is allowed to recommend additional Elected Members, the number being based on the proportion of Institute members enrolled from each state. This second category of Elected Members based on proportion of AICPA members is set at 85 members, however the allocation of the seats is re-evaluated and adjusted if necessary every five years.

Ex-Officio. Past Chairs of the Board of Directors and Past Presidents of the AICPA.

Members-At-Large. Seven Institute members, without regard to the states in which they reside are elected annually by the Council as Members-At-Large to serve on Council.

Member – of a volunteer group. The term member is often used in a general sense to reflect any participant of on a volunteer group.

President. The president of the AICPA has the responsibility for the execution of the policies and programs of the Institute, act as a spokesperson for the Institute, and perform such other services as may be assigned to the President by the Council and the Board of Directors

Public Members. Public Members are non-CPA volunteers who sit on the Board of Directors – by the Bylaws there are three public members.

Secretary of Institute. The secretary of the Institute has the usual duties of a corporate secretary and performs such other related duties as may be assigned to the secretary by the president

Staff Liaisons. The staff liaison should assist the volunteer group at each meeting to the fullest extent possible by researching and providing background information. This includes providing appropriate reference materials for each meeting; identifying the elements of a problem; listing the questions that need answering; participating in the discussion; endeavoring tactfully to persuade members to adopt a sound decision; alerting the volunteer group when it is deviating from AICPA policy or exceeding its authority; and accepting whatever final decision is reached unless the issue is so important that a higher authority should be consulted. The staff liaison is responsible for preparing the agenda, drafting the minutes or highlights (including attendance), as appropriate, of each meeting (with review and approval by the volunteer group chair), and the staff liaison is responsible for coordinating volunteer group activities and sharing information with other AICPA volunteer groups and staff as appropriate. The staff liaison may also be called on to help the volunteer group identify goals, for us on major issues, create new programs, draft reports, and organize and implement activities approved by the volunteer group. The staff liaison should play an active role and can lead the volunteer group in the form of guidance and assistance toward a desired end.

Vice Chairman of the Board. The Vice Chairman of the Board shall be chairman- nominee of the Board of Directors and presides in the absence of the chairman at meetings of the Institute, the Council, and the Board of Directors. The Vice Chairman is currently assigned the responsibility to recommend appointments to all volunteer groups. These recommended appointments are subject to ratification during the annual Fall Council meeting. The Vice Chair is selected during the annual meeting of the Nominations Committee, usually held in February each year. Although there are no specific requirements to become the Vice Chair normally this individual will have been a member of the Board of Directors.

Virtual Member. An individual who is a member of a Virtual Group and supports the AICPA in an entirely virtual internet based capacity. One type of virtual member participation has entailed the online support to one or more specific committees. A second form of virtual participation involves the online participation in various online surveys which provide targeted feedback in specialized areas.