ASSOCIATION OF
GOVERNMENT
ACCOUNTANTS

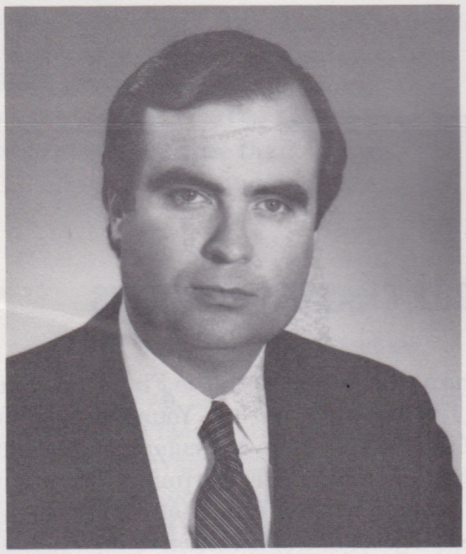
AGA NEWSLETTER

WASHINGTON CHAPTER

APRIL 1986

THURSDAY APRIL 3, 1986

LUNCHEON MEETING TO FEATURE



THOMAS E. DAXON
Principal, Arthur Andersen & Co.

Speaking on
Sound Financial Reporting in the U.S. Government: A Prerequisite for Fiscal Responsibility
at the

SAM RAYBURN HOUSE OFFICE BUILDING
Room B-338, "C" and South Capitol Streets
Near Capitol South Metro Station

Social Period	11:15
Luncheon	12:00
Cost	$10.00 (w/Reservation)
	$12.00 (w/o Reservation)

For Luncheon Reservations Call 527-3225
Telephone Reservations Accepted Thru April 1, 1986

NON MEMBERS WELCOME

All Reservations Guaranteed

Meeting Schedule: • Apr. 3 • May 1

PRESIDENT'S MESSAGE

SUSAN LEE
Financial Management Service

At the February meeting of the Chapter Executive Committee a discussion arose on the purpose of our Chapter scholarship program. Some of the questions that came up were:

Through our scholarship program are we trying to:

—aid worthy students with educational expenses,
—make students aware of the government as an alternative for employment, or
—encourage AGA membership by awarding scholarship to members or their dependents?

These questions are difficult to resolve satisfactorily within the time and format constraints of our monthly Chapter Executive Committee meetings. They also reflect the need to address some even more basic questions concerning the needs and expectations of Chapter members, and whether or not these needs and expectations are being met. Furthermore, are we even heading in the right direction? For this reason a blue-ribbon committee composed of longstanding and active Washington Chapter AGA members has been established and is being headed by *Ron Lynch,* a past Chapter Director and last year's recipient of the Chapter's Outstanding Service Award. The task of the Chapter Evaluation Committee will be to assess the activities of the Chapter and to provide the Officers and Board of Directors with guidance and direction in meeting the objectives of AGA, and in meeting the specific needs of Washington Chapter members. The recommendations of this Committee will be important in formulating the goals and objectives of next year's Board of Directors.

Next year's Officers and four of next year's Directors are being elected this month. As in the past, we have an excellent group of candidates that are eager to serve the Chapter. Since every year it seems that the difference between those who are elected as Director and those who are not is often a matter of only two or three votes, it is important that each of us casts our vote. Your single vote can be the deciding factor, so be sure to vote and submit your ballot by April 15.

At last month's luncheon meeting and in response to my Message, we received comments on the payment policy that should be followed by the Chapter when an individual makes luncheon reservations but cannot attend and is unable to cancel in time or send a substitute. The general consensus is that that individual should be billed the full cost of the lunch, which is $10. Consequently, beginning with this month's meeting, if you are unable to attend a meeting for which reservations were made, you will be sent an invoice for payment **unless** the reservations are canceled by COB on the Tuesday before the Thursday meeting. Of course, we will continue to welcome any walk-ins that we can accommodate.

At this month's meeting we will be honoring some of the top business school students from universities and colleges in the Washington area. *Joyce Shelton,* Director, Cooperation with Educational Institutions, and *Joe Capuano* have been busy working with the local schools to select a student deserving of our recognition. I look forward to seeing you at our meeting.

Susan

Susan

ABOUT CHAPTER MEMBERS

Joel Dorfman, consultant with the Financial Planning and Control Group of Arthur Young & Co., has been awarded the Certificate in Management Accounting. The Certificate marks Mr. Dorfman's successful completion of a comprehensive examination on accounting and related subjects and satisfaction of the required two years of management accounting experience. Congratulations, Joel, on this fine achievement.

A special mention of those Treasury Cash Management Award winners who are AGA Washington Chapter members is made here. (An article listing all the receivers of the award is found elsewhere in the Newsletter.):

John Manion, State
Richard L. Angle, Transportation
Robert E. Cavanaugh, Interior
William Kendig, Interior
Larry Wilson, Agriculture
Mary Nugent, Justice
Dennis Polivka, Commerce
Leonard Nahme, Commerce

ASSOCIATION OF GOVERNMENT ACCOUNTANTS WASHINGTON CHAPTER EXECUTIVE BOARD 1985-1986

Officers

President
Susan Lee, Financial Management Service, 535-9693
President-Elect
Gary Palmquist, 633-6194
Secretary
Ken George, Action, 634-9163
Treasurer
Carol Lynch, Education, 472-6155
Past President
Virginia B. Robinson, GAO, 275-9513

Directorate

Cooperation with Educational Institutions
Joyce Shelton, DOT, 426-1306
Education
Diane Bray, DOD, 697-8630
Joseph Rothschild, HUD, 426-6493
Meetings
Judith Boyd, Financial Management Service, 535-9693
Membership
Daniel McGrath, Financial Management Service, 566-3717
Newsletter
Lee Beaty, GAO, 275-9430
Programs
David Dukes, JFMIP, 376-5415
Publicity and Agency Liaison
Marcus Page, Financial Management Service, 566-5038
Relations With National Office
William Kendig, Interior, 343-4701
Research
Gail Young, Energy, 252-4171

Committee Chairs

Awards
Doris Chew, JFMIP, 376-5415
Chapter Evaluation
Ronald Lynch, Arthur Andersen, 862-3324
Chapter Recognition
Jean Bowles, State, 524-1188
Cooperation with Professional Organizations
Gary Patterson, Alexander Grant, 296-7800
Employment Referral
L.A. Isenberg, Agriculture, 447-6090
Newsletter
Anna Wilson, Financial Management Service, 535-9693
Professional Notes
Charles McAndrew, Navy, 695-1070
Public Service Coordinator
Joseph Perricone, HHS, 245-6236
Publications
Loretta Shogren, Justice, 633-3291
Small Business Education
John Cherbini, GAO, 275-9488

PROFESSIONAL DEVELOPMENT CONFERENCE
Baltimore
June 23-25 1986
AGA

ABOUT OUR SPEAKER THIS MONTH

Thomas E. Daxon

Mr. Daxon joined the Office of Federal Services of Arthur Andersen & Co. in December 1983. He is responsible for tracking the impact of Federal legislation and regulation upon nonprofit organizations, and state and local governments. Prior to joining the firm, Mr. Daxon was a partner in Daxon and Snipes in Tulsa, Oklahoma. From 1979 to 1982, Mr. Daxon served as the elected Auditor and Inspector for the State of Oklahoma. His office audited each of Oklahoma's 77 counties and the state as a whole. The office also performed management services and investigative audits. From 1974 to 1978, Mr. Daxon was an auditor for another national firm where he audited several commercial and nonprofit enterprises.

Mr. Daxon also has experience as a state budget official having served as Secretary of the Oklahoma Board of Equalization, the body of state officers legally responsible for certifying the availability of funds for appropriation.

When Mr. Daxon became Auditor and Inspector, Oklahoma was one of six states that had been placed on probation by the Office of Revenue Sharing for performing substandard audits. At the end of his term his staff was one of recognized excellence. He increased the number of CPA's on his staff from one to 26.

During his term, Mr. Daxon introduced the concept of expanded scope auditing to Oklahoma. Each audit contained a specific number of budgeted hours to examine the economy, efficiency and effectiveness of state and county activities. Mr. Daxon also began using outside consultants in areas outside of accounting and finance (e.g., education, correction, family services, etc.) to help assess the effectiveness of government programs.

At the end of his term, Mr. Daxon issued two reports, "Reducing the Cost of State Government" and "Reducing the Cost of County Government," which applied incentive techniques and structural concept analysis to the management of state and local government in an attempt to help cope with a deteriorating revenue picture. Copies of his state report were distributed to every state legislator in the country by the American Legislative Exchange Council.

Mr. Daxon established some of the most stringent quality control standards in government auditing. He also arranged for an outside firm (AA&Co.) to perform a peer review of his office, the first state auditor to do so.

Mr. Daxon has been a participant in many professional, charitable, civic and alumni activities. He has served as membership chairman of the Oklahoma Society of Certified Public Accountants and as Vice Chairman of the Southwest Intergovernmental Audit Forum. He is also a member of the American Institute of Certified Public Accountants, the Oklahoma State Posse Club and Tulsa Zoo Friends Order of the Ostrich.

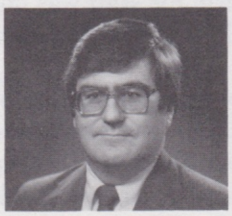
Mr. Daxon received a BS in economics and an MS in geography from Oklahoma State University.

NOMINATING COMMITTEE REPORT

Notice of Election of Officers and Directors for the Year Beginning July 1, 1986

A postage-paid ballot is enclosed for the election of four Directors for the Washington Chapter for the year beginning July 1, 1986. In accordance with Article VI of the Chapter Bylaws, the Nominating Committee nominated one candidate for the offices of President-Elect, Secretary, and Treasurer. Since there were no nominations by petition for these offices, the names of the single nominees are not included on the ballot and their election has been certified by the Bylaws Committee. This year four Directors will be elected for a two-year term. There are seven nominees for the position of Chapter Director. No nominations by petition were received for these offices. All Chapter members (except honorary members) may vote for not more than four Directors. Any ballot postmarked after April 15 or received after April 18 is null and void. The results of the election for 1986-1987 will be announced at the Chapter luncheon in May. Please take the time to Vote!

FOR PRESIDENT-ELECT

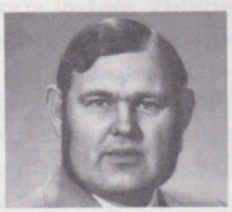


TERENCE J. CONWAY—Member since 1981. AGA Service: National Office Liaison 1984-85; Employment Referral 1983-84; Chapter Secretary 1982-83. Terry, a CPA, is a Systems Accountant in the Office of the Secretary of Defense, Comptroller-Directorate for Accounting Policy.

FOR SECRETARY

HELEN O. SHERMAN—Member since 1975. AGA Service: Research Committee 1985-86; National Federal Government Committee 1985; Education Committee 1975. Helen, a CPA, is Assistant to the Controller, Department of Energy.

FOR TREASURER



VERN ISENBERG—Member since 1966. AGA Service: Chairman, Employee Referral 1985-86. Vern, a Certified Management Accountant, is Assistant to the Assistant Administrator for Planning, Budget, and Finance, Farmers Home Adminstration, Dept. of Agriculture.

FOR DIRECTORS

PICTURE NOT AVAILABLE

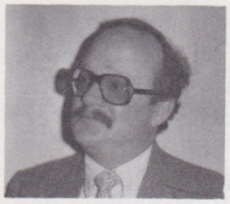
ANNA WILSON—Member since 1984. AGA Service: Co-Editor, Washington Chapter Newsletter 1986-86; Member National Financial Management Standards Board; Member Meetings and Education Committees. Anna, a CPA, is a Systems Accountant, Financial Management Service, Dept. of Treasury.

MICHAEL D. MERSON—Member since 1973. AGA Service: Chairman, National Education Board 1985-86; Member National Education Board and Special Task Force on Review of AGA Education 1985; PDC Technical Program Committee and Speaker 1984-85. Mike, an MBA from Johns Hopkins, has written article for JFMIP and AGA, is Director, Financial Systems Division, FMS, Dept. of Treasury.

KENNETH J. GEORGE—Member since 1975. AGA Service: Secretary 1985-86; Chairman, Financial Management Assistance Committee 1984-85; Co-Chairman, Research Committee 1983-84; Member, National Research Board, 1979-81. Ken, a CPA, is Director of Accounting, The ACTION Agency.

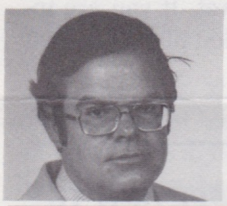
PICTURE NOT AVAILABLE

STEVE VARHOLY—Member since 1977. AGA Service: Member National's Financial Management Standards Board 1984-86. Steve, a CPA, is a past President of the Northern Virginia Chapter of the National Association of Accountants and a Partner at Arthur Young.



ROLF O. WOLD—Member since 1984. AGA Service: Chapter Photographer 1984-86; Member, Membership Committee 1985-86; Member Cash Management Task Force. Rolf is Systems Accountant, Department of Transportation.

LORETTA J. SHOGREN—Member since 1977. AGA Service: National History and Research Committees; Washington Chapter Director and Chair of Employment Referral, Publicity and Agency Liaison, and Education Committee. Loretta has been active in Arlington County on the Fiscal Affairs Advisory Committee and is Director, Policy Directives and Instructions, Immigration and Naturalization, Dept. of Justice.



CHARLES R. McANDREW—Member since 1977. AGA Service: Chairman, Small Business Education Committee 1983-86; Chairman, Professional Notes Committee 1985-86. Charles, who is employed by the Navy Department, has received the Small Business Administration's Certificate of Achievement for his work with the Chapter's small business course.

NEWS FROM NATIONAL

AGA ORGANIZATIONAL STUDIES The two task forces which have been studying AGA's organizational structure and its nominations and elections procedures have both apparently been guided by one purpose: to disperse more of the Association's governing structure away from the Capital Region area. For example, the proposed new National Executive Committee (NEC), under one plan, would have four members-at-large; no more than one of the four could come from the same region, and no more than two of the four could come from a single employer group. This layered nature of the qualifying restrictions raised some controversy over excessive rigidity. However, all signs pointed toward increased "field" participation in AGA's goverance. The details are to be thrashed out at a special meeting of the current NEC on April 1, 1986.

MEMBER RETENTION IS UP At mid-February, the National Office announced the results of the first phase of the membership competition program—the retention portion—which ended as of January 31st. Eight chapters met the challenging member retention goals as of the end of January. Last year, only seven chapters had met the goals as of *April 30.* Meanwhile, efforts have now swung to a focus on membership acquisition for the remainder of the membership competition year, which ends on April 30.

INITIAL PDC REGISTRATIONS ARE IN AGA's Education Department had begun to receive a trickle of PDC registrations at mid-February. Next June appears a long way off, but you should be getting your authorizations lined up *now* so as to not miss the early-bird reduced registration fee (deadline: May 30). You won't want to risk a fully-booked hotel either, as sometimes happens. Act now, and meet us in Baltimore on June 23-25!

CHAPTER CONTACTS NEEDED AGA's national committee which handles relations with the AICPA, FASB, GASB, and NASBA is working this year toward widened recognition of comparable government experience as qualifying for a CPA certificate. The committee needs the help of AGA chapters in making this effort successful; it has therefore asked that chapters designate a contact person within the chapter who is both interested and willing to work with the committee in achieving its goal. Chapters were requested to respond by March 3.

ANSWERS TO YOUR QUESTIONS

By Larry Stout
Treasury, Financial Management Service

This column provides information and answers questions asked about the Central Accounting System of the U.S. Government, maintained by the Financial Management Service.

Q: Can an Agency obligate funds before receiving an Appropriation Warrant from the Department of the Treasury?

A: Yes, Statutory Authority allows an agency to enter into contracts or incur other obligations prior to an appropriation (or the realization of revenues) for payment of obligations [only]. This authority may be current or permanent, with or without fiscal year (FY) limitation, and definite or indefinite in amount . . . An agency may *NOT* make expenditures to liquidate obligations incurred by its contract authority. Funds [of this kind] must be appropriated or otherwise become available for payment of the obligations. (See Volume 1, Treasury Financial Manual, Part 2 chapter 4200.) (Note: italics inserted for clarity.)

Q: What is the significance of the TFS 2108?

A: The TFS 2108, Year End Closing Statement serves several purposes; some are: It provides an analysis of an agency's appropriation and fund account balances. It is the means by which agencies restore to their appropriation and fund accounts whatever portion of the previously withdrawn unobligated balances is needed to liquidate obligations. It is also a major source document for the financial data published in the United States Government *Annual Report* and its *Appendix,* which is prepared by the Department of the Treasury. The publication must, by law, be delivered to Congress on the first day of its opening session.

Q: Who is required to submit the TFS 2108?

A: Departments and agencies of the executive branch, including Corporations subject to the Government Corporation Control Act, and agencies of the legislative and judicial branches submit a TFS 2108 report to the Department of the Treasury.

Q: How frequently is the TFS 2108 report required to be submitted, and by what date is it due?

A: As indicated in the title, it is a year-end or fiscal year-end annual report. The reporting month is November. However, the actual reporting date is furnished annually in a Treasury Financial Management bulletin.

Q: What accounts are reopened at year's end?

A: The accounts are:

- General Fund account
- Special Fund account
- Management and Revolving Funds, including Consolidated Working Funds.
- Trust Funds
- The following types of obligational authority is reported for each of the preceding types of accounts:
  - Regular appropriations
  - Transfers to other agenices under the appropriation (transfer appropriation)
  - Authority to borrow from the Treasury, the public, or both
  - Unfunded contract authority.

For more information, please contact James Chambers, Manager, Budget Reports Branch on 566-6841.

This column is prepared by the Accounting Group, Federal Finance, which is a part of the Financial Management Service. The primary mission of the Service is to promote the financial integrity of the Government through sound money management on behalf of the public. Through this column we will provide information and answer questions about the Federal Government's policies, procedures, and practices relating to its financial, accounting, and reporting systems. Questions are welcome and may be sent to Anthony Torrice (see address below) or conveyed by telephone on (202) 566-5844.

ANSWERS TO YOUR QUESTIONS

Question: ______________________

____

____

Optional:

Your Name: ______________________

Agency or Firm/Telephone No. ______________________

____

Send to: Mr. Anthony Torrice, Director
Financial Policy Division
Treasury Annex No. 1; GAO: 3011
Washington, D.C. 20226

CURRENT RECRUITMENT TREND PERMITS OPTIMISTIC FORECAST FOR FIRST TIME IN SEVERAL YEARS

by Danield McGrath
Director of Membership

As of the end of January the status of membership remains good. During January 51 members who were delinquent were reinstated and 7 new recruits added. As a result, our active membership is now at 915. Although 129 members are still on the suspense list (have not sent in their dues for this year and are not included in the active total) our retention rate is now above 86%. This compares to last year's retention rate for the entire year of 87%. Accordingly, it is now safe to forecast that this year's retention figure should exceed last year's. Coupling this with the current trend on the part of individual members at more aggressive recruiting, we should be able to exceed last year's ending total for active membership of 988 (as of April 30) by a modest amount, thus, for the first time in several years reversing what has been a gradual but continuous erosion of the size of the Chapter.

To all who have helped in this effort, many thanks and keep up the good work. To those who have not yet contributed there is still time to participate in our One-for-One Recruitment Campaign, so visit, call or write a colleague right now and invite them to join AGA. In this regard remember they need not be an accountant to join. We are a financial management association so consider recruiting people engaged in the full financial management disciplines such as budget, internal control, cash management, credit management, etc. Some of these folks are accountants but many are not.

To facilitate your individual recruitment efforts a copy of the membership application is reprinted on the next page of this newsletter. Please feel free to reproduce it if you so desire. Those wishing to make your pitch using the full application brochure may pick them up at any of the regular luncheon meetings or may obtain them by calling me on 566-3717.

The ranks of Assistant Membership Chairpersons continues to expand with the addition of Leo Warring (Treasury/FMS). However, we still have the need for many more. The time commitment for these positions is minimal and presents an ideal opportunity for members who would like to be active but have not been able to devote the time to the Association's more involved endeavors to participate. It also gives new members a chance to get your feet wet. If you are interested or would like more information please contact me.

ELECTRONIC RETRIEVAL OF DATA

by Robert Geida
Financial Management Service

In recent years *innovation* has been the byword for Treasury systems, methods, and products. Again, something new is just around the corner. *Treasury Bulletin* statistical tables will soon be online and available for computer retrieval.

Financial institutions, investment firms, take notice! This is a convenient, time-saving, up-to-the-minute way of getting the information you need. Look first for twelve summary tables from the "International Financial Statistics" and "Capital Movements" sections to be added to the data base in August. Then, after release of the summer issue of the *Treasury Bulletin,* this information will be regularly provided, for a supplementary charge, to users wanting electronic access. The data base will be updated quarterly, coinciding with the *Bulletin's* publication.

Additional details on this service, including subscription information, will be furnished in the May issue. In the meantime, call Robert Geida, Manager of Financial Management Service's Reports Management Branch, for the latest facts: (202) 566-9419.

LEGISLATIVE PROPOSALS AFFECTING THE ACCOUNTING AND AUDITING PROFESSION

(Editors Note: Michael Barrett, Jr., Chief Counsel and Staff Director, Subcommittee on Oversight and Investigations, House Committee on Energy and Commerce, spoke on "Legislative Proposals Affecting the Accounting and Auditing Profession" at the Chapter's luncheon meeting on February 6, 1986. Following is a summary of his remarks.)

Mr. Barrett stated that the Committee is very concerned about the number of corporate failures where accounting firms had issued an "Unqualified" opinion and also the number of accounting firms being sued for inadequate disclosure.

To improve disclosure, Congress passed legislation in 1975 which gave the SEC authority to establish accounting requirements that take precedent over other Federal agencies' accounting rules and procedures when the SEC believes investors are not adequately informed. Mr. Barrett stated that Congressman Dingell directed that a review be made of the implementation of the 1975 law. As part of the Congressional oversight, the Committee had various representatives of the profession testify as well as public accounting firms provide 10K-type information. As part of the Committee's

(continued on page 12)

EXECUTIVE COMMITTEE MEETING REPORT

by Ken George, Chapter Secretary

The Washington Chapter Executive Committee met at noon on Thursday February 27th for the sixth regularly-scheduled meeting of the 1985/86 year.

The minutes of the January 30th board meeting were approved; motion made by Gary Palmquist, and seconded by Doris Chew.

There was no Treasury's report presented.

The revised FY'86 budget was presented by Gary Palmquist. After discussion, a $3,000 expense for student scholarships was dropped from the proposal. Revised budget then approved with a motion from Judith Boyd and seconded by Joe Rothschild.

Susan Lee presented, for information only, three pieces of correspondence.

a. NOM 86-04 on setting up a committee on government experience being accepted for earning a CPA certificate. National would like someone from our chapter to be this committee.

b. A letter from Marymount College thanking us for the donation on behalf of Susan King, our December speaker.

c. A letter to Jerry Murphy congratulating him on his appointment as the Fiscal Assistant Secretary at Treasury.

Attendance at the monthly luncheons was discussed concerning—

(a) Walk-ins without reservations;
(b) Reservation no shows; and
(c) New telephone number to call for reservations.

Doris Chew discussed nominaitons for national awards—no board action necessary.

Joyce Shelton discussed the scholarship program and who to give scholarships to and by what means. The board decided not to give scholarships this year, motion by Ken George, seconded by Judith Boyd.

Joyce also mentioned that the April luncheon will include the annual student achievement awards presentation.

Herb McLure discussed his first meeting of the Public Employees Round Table.

Bill Kendig, reporting on our liaison with National AGA, stated that the major issue was the voting process for national office. There is a backlash of resentment from state and local members on the write-in election of the president in 1985.

Advertising in the newsletter was also discussed but a decision will be tabled until next year.

The meeting was adjourned at 1:30 P.M.

CALENDAR OF EVENTS

Michael Barnes, Representative for Maryland's 8th Congressional District, will be guest speaker at Montgomery-Prince George's Chapter's April 9 dinner meeting. Social begins at 6 p.m.; cost is $14. Location is the Lanham Ramada. Call Frank Marshall, 755-4671, for reservations.

The Northern Virginia Chapter's next dinner meeting will be held on April 15 at the Springfield Imperial 400. Ms. Sandra Stephenson, Counsel in the law firm of Krivit & Krivit, will speak on 'The Auditor's Responsibility in Report Presentation." Social hour begins at 6 p.m.; cost is $13. Call Marlin Starling, 756-2915, for reservations.

Keep your calendars open for Washington Chapter's educational events, which include:

- A TGIF Lunchshop on April 18. Done jointly with the Association of Federal Investigators, this lunchshop will be held at Health and Human Services and will feature a discussion on "Computer Matching—Successful Applications and Problems." Attendees may bring their own lunch, or, for a $5 cost, share in the buffet. Non-members are encouraged to come. Members bringing non-members will pay only $3. Reservations are required. Call Joe Rothschild, 426-6493, for details.
- A 1½ day Workshop on Governmental Accounting, Budgeting and Auditing on May 21 and 22. In addition to the Washington Chapter AGA, the American Association for Budget and Program Analysts and the Washington Chapter of the Institute of Internal Auditors will co-sponsor the event. More details will be provided in our May Newsletter.
- A workshop on the "Federal Agencies Financial Report" requirements is planned for June. Details for this workshop have not yet been finalized, but will be provided in our May Newsletter.

Plan Now For The PDC June 23-25, 1986 Baltimore, MD

GPO IG SEEKS AUDITORS

The Government Printing Office's Inspector General has several auditor positions available in grades GS 5 through 12. Send 171 to GPO, Employment Branch, Stop PSE, Attn: J. James, Washington, DC 20401. For info, call (202) 275-2863.

DISTINCTION IN CASH MANAGEMENT

On January 28, 1986, the Department of Treasury, recognizing the excellence of those individuals who have made a remarkable contribution to advance the Government's Cash Management efforts, held its second annual awards ceremony. Awards were presented by James A. Baker, III, Secretary of the Treasury, and W.E. Douglas, Commissioner of the Financial Management Service, to the following recipients:

HONORARY AWARD FOR DISTINCTION IN CASH MANAGEMENT

Jerry Campbell	Calculon Corp.
Charles Glendining	Mellon Bank
Fred Cohen and J. Craig Leiby	Peat, Marwick, Mitchell & Co.
John Manion	State
Ronald Adolphi	Defense
William Onsted	Private Sector Council
Edward Sweeney	Private Sector Council

SECRETARY'S CERTIFICATE AWARD

Richard Angle	Transportation
John Boddie	Air Force
Robert Cavanaugh	Interior
Patricia Jackson	Commerce
William Kendig	Interior
C. Morgan Kinghorn	EPA
Wayne Lamont	Agriculture
Eugene Niff	Justice
Robert Niffenegger	Justice
Ronald Nunnery	Agriculture
Virgil Pittman, Jr.	GSA
Sonya Stewart	Commerce
Forest Surrett	Energy
James Taylor	FEMA
Larry Wilson	Agriculture
Wilt Zanders	Labor

CASH AWARD FOR DISTINCTION IN CASH MANAGEMENT

William Beck	Energy
Shirley Brown	HHS
Alan Lewis	EPA
Richard Petrocci	Fed. Home Loan Bank
Marshal Simerly	VA
Patricia Bobo	Transportation
Dori Delphi	Transportation
Sherly Lee	Transportation
Gwendolyn Daniel	Transportation
Judy Evans	NASA
Jimmy Wilson	NASA
Iris Russell	NASA
David Brockmeier	VA
Ernest Klint	HUD
David Neverman	Agriculture
Patricia Ryan	Commerce
Carol Walton	HHS
Judy Christman	HHS
Donald Demitros	HUD
Thomas Greene	HHS
Mary Nugent	Justice
William Prentice	Commerce
Dennis Polivka	Commerce
Paul Voorhees	Commerce
John McGuffin	Commerce
Douglas Day	Commerce
William Webber	Commerce
Johanna O'Connor	Commerce
Leonard Nahme	Commerce

NEW MEMBERS

Gary W. Amlin	DOD
Judith B. Czarsty (Sponsor: Steven Czarsty)	GAO
John J. Dzik	GSA
Michael Fontana (Sponsor: Laverne Isenberg)	Dept. of Corrections (Florida)
Carol M. Israel (Sponsor: Susan Lee)	FMS (Treasury)
Leon Snead	NASA

New members welcomed at February meeting. Flanked by President **Susan Lee** (L) and Membership Chairman **Dan McGrath** (R) are new members (seated l. to r.) **Evelyn Ragland** and **Yolanda Finney,** and (standing l. to r.) **Bromley Atterburg, Delores Jones,** and **Dan LeClair.**

Application for Membership — Association of Government Accountants

NAME OF APPLICANT: Mr. ______ Ms. ______ Mrs. ______ Miss ______

LAST NAME | FIRST NAME | MIDDLE NAME | JR, II, III, OTHER

MAIL ADDRESS: ______

STREET NUMBER | STREET NAME

CITY | STATE | ZIP

OFFICE TELEPHONE ______ AREA CODE | NUMBER | EXTENSION

HOME TELEPHONE ______ AREA CODE | NUMBER | EXTENSION

I wish to become a ______ (TYPE) Member of AGA. I wish to join the Washington, D.C. Chapter.

EMPLOYER ______ Government: Federal ☐ State ☐ Local ☐ Private Employer ☐ Academia ☐ Other ______

TITLE OF MY POSITION ______

TYPE OF WORK PERFORMED: Administration ☐ Accounting ☐ Auditing ☐ Budgeting ☐ ADP ☐ Other ______ DESCRIPTION

EDUCATIONAL BACKGROUND:

SCHOOL	LOCATION (STATE)	YEAR FROM	YEAR TO	MAJOR	DEGREE

ACCREDITATIONS AND CERTIFICATIONS:

	STATE	CERTIFICATE NUMBER	YEAR
☐ CPA			
☐ CIA			
☐ CMA			
☐ Other ______ DESCRIPTION			

FINANCIAL MANAGEMENT EXPERIENCE: (List most recent experience first)

EMPLOYER	LOCATION	TITLE	POSITION SERIES AND GRADE	MONTH/YEAR FROM	MONTH/YEAR TO

Date of application ______ Signature of applicant ______

Signature of sponsor (optional) ______ NAME

______ SPONSOR'S AGA MEMBERSHIP NUMBER

Send one year's national dues with this application to: **AGA,** 727 South 23rd Street, Arlington, VA 22202. Make check payable to AGA.

Remitted herewith is $______

BECAUSE IT CONCERNS ME . . .

by Gary Palmquist
President Elect

I appreciate the supportive calls and comments you've given me about these articles. I also appreciate the letter that poured in.

As you might know, I'm trying to get you talking by being controversial. We should be aroused. This may be one of the most interesting times for government accountants ever. We are king. Everyone is worried about money—how we get it; how we spend it; and how we count it. That is our profession.

Unfortunately, we have allowed the amateurs to have the fun we should be having. The amateurs are highlighting the problems. The amateurs are proposing the solutions. The amateurs are in the headlines. I believe the amateurs are in-charge because we 1) are unable to think of issues in a practical real-world manner; and 2) cannot articulate our ideas.

As accountants we seem more able to think about and discuss capturing the asset value of Boulder Dam on a balance sheet and depreciating it on the income statement than discussing why a cash deficit is less relevant than accrued profit or loss. The current focus on cash basis accounting ignores the importance of fixed asset expenditures. The current focus also ignores questions accountants usually ask about income/debt ratios. Maybe we let the amateurs talk because they can get more excited than we can.

DID YOU KNOW . . .

By Charles McAndrew

This month we are featuring the Office of Financial Management of the U.S. Department of the Interior. Some of the major activities of this Office include (1) work with the Commission on Fiscal Accountability of the Nation's Energy Resources in its investigation of the irregularities in payments to and accounting for oil and gas royalties due the Federal Government, Indian Tribes and States; and (2) work in areas such as cost recovery, consolidation of payroll and accounting systems, cash management, debt collection, unemployment compensation, and internal controls. Some of these activities are listed below:

—**Payroll Systems.** As a result of an Office of Financial Management study, completed in October 1982, the Department made a decision to utilize a single payroll/personnel system (PAY/PERS). A gradual phasing-in of bureaus not already on PAY/PERS was started at that time and completed by September 1984. The PAY/PERS system is managed by the Bureau of Reclamation; in addition to Interior, the system serves the Department of Education, Selective Service System, Alaska Power Administration, Western Power Administration, and the Federal Labor Relations Authority. In addition to centralizing the data processing portions of the system, in the fall of 1985 the Department decided to consolidate ten separate bureau payroll input offices into one office. As of December 31, 1985, all payroll offices were assigned to the Bureau of Reclamation (BOR) for administrative control, with physical consolidation scheduled for May 1986. This will result in a 25% reduction of FTEs and an annual savings of approximately $1 million.

—**Accounting Systems.** In September 1984, the Department initiated a contractual effort (called Financial Integration Review for Management - FIRM) to study methods of increasing the efficiency of Departmental administrative accounting/payment operations through the consolidation of administrative payment centers and integration of accounting systems. The objectives of FIRM are to (1) determine the number and locations of administrative payment centers required in Interior, and (2) determine the number and type of administrative accounting systems needed to process bureau accounting data. The FIRM study involved an extensive review and evaluation of the administrative accounting/payment software for its applicability to Interior's needs. The study entailed the collection of detailed bureau/office staffing/workload data; the development and use of standard systems evaluation criteria; the development of alternative approaches; the performance of cost/benefit analyses; and the formulation of recommendations; including (1) appropriate consolidations, (2) staffing implications, and (3) computer hardware needs. This was supported by cost/benefit analyses. The final report of the FIRM study was submitted in December 1985, and is under review at present.

—**Cash Management.** The Office has moved aggressively in cash management, particularly in the receipts area; the Department's receipts from such things as minerals leases and land rentals exceed its total expenditures. Included in DOI's cash management activities is the wire transfer of major receipts and use of lockboxes for other receipts. Interior is also utilizing wire transfers for advances and expenditures and has dramatically increased the use of direct deposit/electronic funds transfer for payroll disbursement (over 50% of all permanent employees). In addition, through the use of Diners Club credit cards and the monitoring of outstanding cash balances, the Department has significantly reduced outstanding travel advances.

—**Unemployment Compensation.** From 1981 to 1985, DOI's unemployment compensation bills totaled more than $50 million, with annual costs nearly doubling in each of the last two years. The rapidly increasing unemployment compensation (UC) costs clearly presented a need to exercise more effective control. The Office of Financial Management directed a study of the Department's UC program to (1) determine the

continued on page 12

DID YOU KNOW *continued*

effectiveness of present UC systems in controlling costs, (2) identify what modifications or changes were needed in the UC program, and (3) determine the course of action that should be taken to reduce and control costs. The study involved a thorough review of the UC claim and billing and payment processes and discovered numerous problems. To address the Department's most significant concerns, the Office established a model departmental UC system which was used to focus on improved management of the UC program and strengthen controls. So far, substantial improvements have been made through the use of contractor assistance to bureaus and improvements in internal controls. In order to save contracting time and cost, the Department is utilizing a contract issued by the Department of Agriculture.

—**Internal Controls.** Since the issuance of OMB Circular A-123 in 1981, the Office has been a leader among Federal agencies in the development of cost-effective measures to implement the requirements of both the Circular and the Federal Managers' Financial Integrity Act (FMFIA). To assist bureaus in the implementation process, the Office developed extensive bureau guidance, including the publication "Guideline for Conducting Internal Control Reviews." In the summer of 1985, this Office led an interagency study, for the President's Council on Management Improvement (PCMI), to analyze paperwork created in implementing the FMFIA; identify effective, less paper-intensive processes that were developed by agenices; recommend actions to reduce paperwork; and improve implementation of the FMFIA. In response to the PCMI study recommendations, the Office has (1) assisted in revising OMB Circular A-123, (2) streamlined Interior's internal control process to focus on high risk areas and introduce other concepts in the study report, (3) provided presentations on Interior's Management Evaluation Process to senior departmental officials, and (4) developed a training package on Interior's 1986 control evaluation process.

Any questions, please call Bill Kendig or Jim Carter in the Office of Financial Management on 343-8425.

Don't forget to call me on 695-6615 or 695-1070 with your items of interest in financial management, systems development projects, recent audits, or similar items of interest.

LEGISLATIVE PROPOSALS *continued*

efforts, GAO issued a report in September 1985 which showed that 19 Federal agencies issued accounting rules.

Mr. Barrett said that the Committee staff has completed its work and is in the process of writing a report. He believes that the public accounting firms need to take action to strengthen the profession, but does not see new legislation. He believes the Committee will support the need for (1) more meaningful financial statements, and (2) new rules that would require companies to report the status of Government contracts. Also, Mr. Barrett believes there is a need for the self-regulation of internal auditors since public accounting firms rely on the work of internal auditors.

NEWSLETTER

PUBLISHED BY THE WASHINGTON CHAPTER
ASSOCIATION OF GOVERNMENT ACCOUNTANTS
P.O. BOX 423
WASHINGTON, D.C. 20044

APRIL 1986

First Class Mail
U.S. Postage
Paid
Washington, DC
20013
Permit No. 3232

PROFESSIONAL DEVELOPMENT CONFERENCE
Baltimore
June 23-25 1986
AGA

TIME-VALUE MAIL—
PLEASE EXPEDITE