

# ASSOCIATION of GOVERNMENT ACCOUNTANTS

# THE WASHINGTON CONNECTION

Washington Chapter • P.O. Box 423 • Washington, D.C. 20044-0423 • (703) 758-4080 • May 1993

## WASHINGTON CHAPTER LUNCHEON MEETING

THURSDAY  
May 6, 1993

### SPEAKER



**VICTORIA IRENE MCDOWELL**  
DIRECTOR, ASSET MANAGEMENT GROUP

Touchdown Club  
2000 L Street, N.W.  
(Near Farragut West Metro Stop)

Social: 11:30 (Cash Bar)  
Luncheon: 12:00 NOON  
Menu: Broiled Chicken  
Cost: \$16.00 (Members)  
\$18.00 (Non-Members)

- Reservations strongly recommended.
- Call (703) 758-4080 Voice Mail through May 4, 1993
- Non-Members are welcomed.
- No-Shows are expected to pay.
- Walk-ins are welcomed on space available basis.

## "A NEW DAY FOR RUSSIAN-AMERICAN PARTNERSHIPS: HOW YOU CAN PARTICIPATE"

The Asset Management Directorate provides professional and technical leadership in the implementation of governmentwide asset management programs. It involves managing the risks associated with making or guaranteeing loans, either by Federal agencies or Government-Sponsored Enterprises, managing and ultimately collecting over \$1.8 trillion in loans outstanding and over \$100 billion in accounts receivable, and managing over 100,000 real properties acquired as the result of debtor loan defaults. Ms. McDowell has 18 years of experience in government credit programs at the local, state, and Federal levels. She was with the Agriculture's Farmers Home Administration prior to joining Department of the Treasury in 1986.

\*\*\*\*\*

## THIRD ANNUAL GOVERNMENT FINANCIAL MANAGEMENT CONFERENCE

"Financial Management in Transition"  
July 20 - 21, 1993

Sheraton National Hotel, Arlington, VA

Speaker: Andrew MacDonald  
Comptroller General of Canada  
Cost: \$295

32 concurrent sessions with 13 NEW topics including: Strategic Management, Federal agencies' Centralized Trial Balance System, New Directions for Budgetary Accounting, Accounting Cross-Servicing, and the New Government Debt Collection Contract.

To register contact: Registrar, The Center for Applied Financial Management, Financial Management Service, Room 1100 KSB, Washington, D.C. 20227. Phone (202) 376-1310, or FAX to (202) 376-1371.

**FROM WHERE I STAND**  
**By MARCUS PAGE**  
**PRESIDENT, WASHINGTON CHAPTER**

Back in the September newsletter, I presented a business plan for the 1992-1993 program year. We have reached the end of that program year and it is time for a summing up. We have two ways of measuring the Chapter's progress. Using the standard set by the AGA National Office, we have done very well. Projecting the recognition points for the April and May reporting periods, we will earn the maximum points allowed in all categories but one. Only in the membership category will we fall short of the maximum points to be earned. In total, we expect to earn 13,500 of the 14,000 possible points. That's not bad, but it doesn't tell the whole story.

For that, let's go back and look at the business plan:

1. Communications: This was our first priority for the year. Some progress was made. Our newsletter editor, **I-Ming Clark** did a great job providing a generally, timely and informative newsletter and at a lower cost due to her personal computer skills. The Voice Mail arrangement was used very effectively for our various education events and adequately for our other information purposes. There was some improvement in the member/agency network but we have a long way to go on that. As Chapter President, I made myself available to our members by phone and at the meetings. I would recommend that to future Chapter Presidents. Finally, **Brian Lee** and **Karl Boettcher** have provided a half dozen Chapter social events that have contributed to communications with new and prospective members. I want to thank them for their efforts in that behalf.
2. Education: Thanks to **Nancy Fleetwood** and her committee members, we met all of our goals in this area. All three of our education events were rated as high quality by attendees, were financially successful for the Chapter, and produced a fair number of new members. I was particularly pleased that the three chapter Regional Seminar made a contribution to better inter-chapter cooperation.
3. Member Services: Improvements were made in the job referral arrangement on Voice Mail, in refocusing our awards program, and in creating a new scholarship for a Chapter member. To the down side, we got very little input from members on new services. So, you got what you asked for, few new services.
4. Professional Services: As a Chapter, we have used the newsletter to take stands on some of the accounting and auditing issues of the day. Through editorials, technical articles, and comparative articles on finance in foreign governments, we think we have made some progress here. Our committee to support the Lithuanian Accounting Association has also made a contribution to professional diversity. We still have a long way to go, trying to do accounting research with volunteers who have limited time.
5. Community Outreach: I want to thank **Jeff Williams** and his committee members for their efforts in turning around this area of Chapter program. Given their efforts with the Harvest Project, VITA, Small Business Education, Partners in Education, and a start in refocusing our scholarship program, they have made a strong beginning. What this area needs is more of you to make a commitment to a small amount of time to share our professional opportunities with the community.

6. Membership: Our retention rate was pretty good this year and our social events and education events have produced a steady stream of new members. I thank each of you who went into your offices and talked to other finance people about AGA membership. We will end the year with over 1100 members. We made some progress this year and still need to make more in the future to provide a strong program for both our accounting and auditing members.

7. Health of the Chapter: The Chapter is in pretty good shape. Thanks to the profits from our education events and some cost controls in our expenses, we have done very well financially this year. Our Treasurer, **Joyce Charles**, and Assistant Treasurer, **Pete Nahornyj**, have us on a PC based accounting package. Yes, it's double entry and accrual based. Our Secretary, **Pat Wensel**, has done a great job making sure every thing gets done. We're holding our own in membership, having passed 1100 again. However, this was not a break through year in my way of counting. We have done some of the old things more and sometimes better. We have started some new initiatives. But, we have not yet attracted a significant increase in member participation in Chapter activities and until we do, we can not have the impact that this Chapter should have.

At the May meeting, I will be passing the Chapter leadership to Larry Wilson and a new team. I will thank our current Board of Directors for their advice and hard work. I offer Larry my best wishes for success in the 1993-1994 program year. I will be here to help where I can. I would hope that you will be here for Larry as well.

\*\*\*\*\*

**THE CENTER FOR APPLIED FINANCIAL MANAGEMENT**

**1993 Spring Classes**

Reconciling Differences	May 6	Washington, DC
Reconciling Differences	May 13	Washington, DC
Dollars and \$ense	May 18-19	Atlanta, GA
Dollars and \$ense	May 19-20	Dallas, TX
Dollars and \$ense	May 26-27	New York City
Reconciling Differences	June 10	Washington, DC
Dollars and \$ense	June 15-16	Chicago, IL
Dollars and \$ense	June 23-24	Anaheim, CA
Dollars and \$ense	June 29-30	Washington, DC
Dollars and \$ense	June 29-30	Denver, CO

**Reconciling Differences.** Learn why your agency receives a Statement of Differences for Disbursements or Deposits and how to avoid receiving them in the future. Cost: \$155

**Dollars and \$ense.** Understand why Appropriations Law affects you and how your agency reports interact with Treasury's Central Accounting Requirements. Cost: \$295

To register contact: Registrar, The Center For Applied Financial Management, Financial Management Service, Room 1100 KSB, Washington, DC 20227 (202) 376-1310 FAX (202) 376-1371.

## 1993 CHAPTER AWARD RECIPIENTS NAMED

The Washington Chapter is pleased to announce the following persons as recipients of chapter awards.

**John Adams, Distinguished Leadership.** Mr. Adams is being cited for his outstanding leadership and innovative methods as Department of the Treasury's Regional Director of the Kansas City Financial Center where he has provided customer agencies responsive financial services in an environment of limited resources.

**Carol Graves, Achievement of the Year Award.** Ms. Graves is the Director of Asset Information Management System Division in U. S. Customs Service. She was responsible for successfully leading a team of contract and Customs staff in implementing a new financial system in record time of 15 months from the time of contract award.

**Robert Fry, Special Achievement Award.** Mr. Fry, a Senior Audit Specialist with the Resolution Trust Corporation (RTC), made significant contributions in the audit of RTC operations. He made recommendations concerning RTC's legal division and budget process which will greatly reduce the number of overpayments to outside counsels, the padding of legal expenses and ensured that RTC fully disclose to Congress the range of loss estimates.

**Nancy Fleetwood, Education and Training Award.** Ms. Fleetwood is the Chief of Accounting Division in the Administrative Office of the U.S. Courts. She is being recognized for planning and delivering one of the most successful and outstanding training programs in recent Washington Chapter history.

**I-Ming Clark, Chapter Service Award.** Ms. Clark is the Senior Staff Accountant in the Office of Accounting and Internal Control, Departmental Offices in the Department of the Treasury. Ms. Clark is being recognized for her outstanding contributions in serving as the Chapter's newsletter editor. Due to her personal commitment and initiative, she has reduced the monthly newsletter expenses by around \$400 each month.

These awards will be presented at the Chapter's May 6, 1993 luncheon meeting at the Touchdown Club.



### NEW PC/NETWORK-BASED ACCOUNTING SERVICES

Financial Management Service  
Department of the Treasury

The Center For Applied Financial Management announces a new accounting service available to Federal agencies. The Center's Accounting Cross-Servicing Staff can provide, install, and implement a PC/network-based Core financial software package for agencies through an interagency agreement.

The Center recently completed testing and evaluating the only DOS/Unix based Core financial system currently available on the General Services Administration (GSA) Mandatory Multiple Award Schedule for Financial Management System Software (FMSS). The FMSS, through its client/server architecture, makes use of the DOS/Unix-based networks currently installed in most Federal agencies. The software is ideally suited for agencies that cannot afford expensive mainframe-based financial software or that do not have access to (or need) mainframe capability.

The new system is an integrated, flexible, menu-driven financial management system. The software also offers an automated interface to the Financial Management Service's (FMS) Electronic Certification System (ECS). This interface eliminates the need to manually produce payment schedules that are forwarded to FMS' Regional Financial Centers for payment. The FMSS also provides accurate and timely external reports and comes with an ad-hoc reporting capability for special needs.

For more information about The Center's PC/network-based accounting services or mainframe cross-servicing on a reimbursable basis, call Fran Leonard or Ken Semler on (202) 376-1380.

**RECONCILIATION SERVICES**

**Financial Management Service  
Department of the Treasury**

Agency finance offices make monthly reconciliations with the Department of Treasury's financial records. If an agency's monthly Statement of Transactions (SF-224) does not agree with Treasury's existing records, the Financial Management Service (FMS) issues a Statement of Difference. In a process similar to balancing a checkbook, an agency should use the FMS-6652 for deposits and FMS-6653 for disbursements to reconcile its records with Treasury's records each month.

Reconciliation plays a critical role of ensuring accuracy of reporting. Each month, Treasury reports the Federal government's financial position based upon the financial information submitted by agencies. These reports directly impact budgeting decisions. Should the records be inaccurate, the federal government would use inaccurate financial information when making financial decisions. Inaccurate records will also impact an agency's budget, as the agency actually may have more or less funds available than its records indicate.

In response to this situation, FMS's Center for Applied Financial Management has expanded its services to provide Reconciliation Services to agency finance offices and their regional and/or foreign locations. The Center offers financial consulting assistance and education services on a reimbursable basis. Reconciliation Services include the following types of assistance:

- Reconciliation of existing Statement of Differences;
- General ledger reconciliation;
- Review of current reconciliation practices and procedures to recommend improvements that increase the accuracy and efficiency of the process; and
- Reconciliation training for an agency's financial personnel.

The Center's accountants and accounting technicians with expertise in Treasury reporting and the reconciliation process can assist an agency's financial staff in identifying problems with the current reconciliation process, developing solutions, and improving future performance. In the first of two phases, The Center will conduct an in-depth analysis of an agency's current systems and reconciliation process. Based on the initial findings, the second phase will focus on training the financial personnel to conduct the reconciliation and provide assistance with the reconciliation of existing differences.

The Center's reconciliation customers currently include the International Trade Administration of the Department of Commerce, the Federal Emergency Management Agency (FEMA), the Immigration and Naturalization Service of the Department of Justice, and the Department of State.

For further information on The Center's Reconciliation Services, contact Susan Beakes or Terry Hurst at (202) 376-1320.

\*\*\*\*\*

**MEMBERSHIP**

This Chapter needs the next generation of accountants and auditors who are currently in and coming into Government as members. Sometimes the price of our dues is an obstacle. But this can be handled through special membership categories. We need your help to get this word out. Go to the new employees in your office, and talk to them about AGA and the special deal we have just for them.

1. Those in their first year of employment in finance qualify for a \$14.00 National membership rate as a Special Associate Member.
2. Those in their first five years in finance qualify for a \$28.00 National membership rate as an Associate Member.

These are very attractive rates for AGA membership for people starting out. **GO SELL!**

\*\*\*\*\*

**EDITOR'S NOTES**

**I-Ming Clark**

In this last issue of the newsletter for 1992-1993, I wish to express my appreciation to the Chapter for its support I received while serving as the newsletter editor. I have fully enjoyed the experience and the challenge. Thanks to everyone who contributed articles during the year. It is a key component for the success of our newsletter. I also would like to give my special thanks to **Marcus Page**, President, and **Pat Wensel**, Secretary, for all of their assistance and encouragement.

## ACCOUNTING IN LITHUANIA

By Diane Dogan Hilliard  
Department of the Treasury

For those of you who haven't heard, the Washington AGA Chapter has adopted the newly formed 250 person Lithuanian Accountants' Association. This was precipitated by a letter from the president of the Lithuanian Accountants Association requesting assistance in any form - books, articles, technical assistance, etc., all of which we have provided in a modest form.

Having made this commitment, it seems appropriate to share a little about the state of accounting in Lithuania, which is mirrored in the other two Baltic countries and the former Soviet Union Republics. It doesn't exist. Under the Soviets, Lithuania was limited to a budget reporting and execution system, which, even today, is very precise. Under the Soviet system, everything was centrally planned. The republics were held responsible for executing the plans. As a result, a financial accounting system is truly foreign - and not something the public or private sector is familiar with. This has to be taken into account in any effort to introduce or even suggest an accounting system. The introduction has to start with describing what one is, and why it is necessary or useful.

This does not reflect the capability of the Lithuanians, who, as a whole, are extremely well educated, industrious, and intelligent. The equivalent of Accounting 101 is the highest level of accounting that has been taught in Lithuania in the past 50 years of Soviet occupation.

What is happening now? Lithuania has agreed to adopt the International Standards of Accounting for financial transactions. At this time, they are not complete enough to be useful. Lithuania has also expressed its intention to use a standard chart of accounts for its governmental/official operations. Obviously, Lithuania needs assistance to transition from this stage to a condition where it can control its cash, and where it has a standard array of basic financial systems in place.

Still, this is a country with a cash society and no accounting system. What and how does one audit? There are no guaranteed traceable money flows. This is compounded by an environment where controls and audits, which are in truth inspections, are interpreted with some suspicion as "big brother" revisited. As in Russia, this has contributed to a user friendly environment - entrepreneurs who take the money and run, and illegal activities. Obviously, tax revenues which should reach the Ministry of finance don't.

The West needs at least one "success story" among the countries under former Soviet rule - a model to show that democracy can work. It is generally agreed that the Baltic countries are the most "doable." Of the Baltic countries, many believe Lithuania is the most likely candidate for success, having put the most on the line to obtain its independence. Perhaps the Washington AGA chapter can help in some small way to provide the financial infrastructure to allow the country to return to a financially and socially stable society, as it was in the 1930s.

\*\*\*\*\*

### SUMMARY OF LUNCHEON SPEECH

By Pat Wensel

Our speaker for the April 8 general meeting was Clyde G. McShan, II, Deputy Chief Financial Officer/Director for Financial Management of the Department of Commerce, and nominee for AGA national president-elect. Mr. McShan spoke of the influence that AGA has exerted and reiterated some of the initiatives undertaken by AGA to bring about improvements in Federal financial management. These included:

- Working toward passage of the Chief Financial Officers Act;
- Sending a letter to President Clinton sharing AGA's thoughts on what can be done to ensure the kind of change that is needed to "reinvent Federal financial management" and restore our citizens' trust in government. This letter highlighted five issues that AGA believes are critical to a meaningful reform, including that appointees to CFO and Deputy CFO positions need to be professionally qualified financial managers with strong leadership experience and the need for strong support for the Inspectors General, as IG positions become open, the selection of individuals professionally qualified in auditing and investigations so that there is a proper mix of these skills in these key positions;
- Convincing cabinet level management that they must pay attention to what's going on in financial management;
- Encouraging Treasury and the Office of Management and Budget to become more efficient by having one data base with common data elements to serve all reporting needs;
- Looking at financial management systems - a system to meet all the needs of Federal agencies, such as the DFAS implemented by DOD;
- Encouraging cross-servicing for accounting services.

Mr. McShan concluded by saying that AGA must continue to be proactive in speaking out for change. In his opinion, "We can make a difference."

**BALLOT**

TO ELECT OFFICERS AND DIRECTORS FOR THE CHAPTER EXECUTIVE COUNCIL,  
WASHINGTON CHAPTER, 1993-1994.

You may vote for one candidate for each officer position or write in an alternate. **All alternates must have at least 50 votes to be considered.**

**OFFICERS**

**DIRECTORS**

**President-Elect**

Patricia Wensel   
Farm Credit Administration

Other \_\_\_\_\_

Peter Ben Ezra   
Department of Agriculture

I-Ming Clark   
Department of the Treasury

Frank Derville   
Department of Veterans Affairs

**Secretary**

Alan Strelser   
Department of Agriculture

Other \_\_\_\_\_

Mitchell Laine   
Department of Education

Jeffrey Williams   
Department of Agriculture

**Treasurer**

Judith Fuerstenberg   
Department of Energy

Other \_\_\_\_\_

Other \_\_\_\_\_

Please place this ballot in an envelop and send it to:

Nominations Committee  
AGA Washington Chapter  
P. O. Box 423  
Washington, D.C. 20044

The postage stamp on the back of this ballot is validation that you are an AGA Washington Chapter member.

**BALLOTS MUST BE RECEIVED BY THE COMMITTEE NO LATER THAN MAY 20, 1993.**

**AGA WASHINGTON CHAPTER  
CHAPTER EXECUTIVE COUNCIL  
FOR 1992/1993**

**OFFICERS**

**PRESIDENT**  
Treasury (202) 622-0560  
**PRESIDENT-ELECT**  
USDA (202) 720-8345  
**SECRETARY**  
FCA (703) 883-4029  
**TREASURER**  
Labor (202) 219-5906  
**PAST PRESIDENT**  
GL Associates (202) 662-8882

Marcus Page  
Larry Wilson  
Patricia Wensel  
Joyce Charles  
Samuel T. Mok

**DIRECTORS**

**PLANNING**  
USDA (202) 720-8345  
**MEMBERSHIP**  
DOT (202) 366-0269  
**MONTHLY PROGRAM**  
Grant Thornton (202) 861-4150

Larry Wilson  
Evelyn Brown  
Richard Willett

**ADMINISTRATION**

GSA (202) 501-0246

**EDUCATION**

U.S. Courts (202) 273-2160

**PROFESSIONAL SERVICES**

DOC (301) 427-3237

**BUDGET & FINANCE**

FMS (202) 208-2417

**COMMUNITY OUTREACH**

USDA (202) 254-8385

**MEMBER SERVICES**

DOL (202) 219-4822

**COMMUNICATIONS**

DOE (202) 586-0140

**PUBLICATIONS**

DOD (703) 697-0536

**REGIONAL V.P.**

HHS (301) 496-4701

**NEWSLETTER EDITOR**

Treasury (202) 622-0934

Patricia Dews

Nancy Fleetwood

Joan Bozzonetti

Warren J. Cottingham

Jeffery Williams

Velma Speight

Judi Fuerstenberg

Ronald Adolphi

Joyce Woodford

I-Ming C. Clark

<p><i>Association of Government Accountants</i></p>	<p><b>THE WASHINGTON CONNECTION</b></p>
---	---

**P. O. Box 423  
Washington, D.C. 20044**

**FIRST CLASS MAIL -  
PLEASE EXPEDITE**