THE WASHINGTON CONNECTION

ASSOCIATION of GOVERNMENT ACCOUNTANTS

Washington Chapter • P.O. Box 423 • Washington, D.C. 20044-0423 • (703) 758-4080 • December 1998

**** The AGA Washington Chapter Executive Committee wishes you a safe and joyous holiday season and a healthy new year!****

1998/1999
AGA Washington DC Chapter
Monthly Luncheon and CPE Session: "New Tools and Ideas for Financial Managers"
(see page 4 for details)

Thursday, December 3
Grand Hyatt Hotel
1000 H Street, NW
(At Metro Center - 11th Street Exit)

11:30 to 12:00	Social
12:00 to 1:10 pm	Luncheon Meeting (1 CPE):
Announcements	
Lunch	
Luncheon Speaker	
Questions & Answers	
1:15 to 4:00 pm	Afternoon Session (3 CPEs):
1:15 to 2:30 pm	*CPE Session*
2:30 to 2:45 pm	*Break*
2:45 to 4:00 pm	*CPE Session*

Costs:

Luncheon:	Members	$19.00
	Non-members	$30.00
Luncheon & Afternoon	Members	$40.00
CPE Session:	Non-members	$50.00
Afternoon CPE	Members	$30.00
Session Only:	Non-members	$40.00

For reservations, please call the AGA Washington Chapter voice mail line at (703) 758-4080 and select option 1 by Monday, November 30, 1998.

Upcoming AGA Events...

- Holiday Reception and Toys-for-Tots Drive
  December 10 at the Grand Hyatt
- January Luncheon Meeting and CPE Session
  January 7 at the Grand Hyatt
- Champagne Buffet Jazz Brunch (see page 13)
  January 10 at the Market Inn Restaurant
- Chinese New Year Celebration
  February 6 at Charlie Chiang's Restaurant

Luncheon Speaker

John Jones,
Booz, Allen & Hamilton

John Jones is a vice president with Booz, Allen & Hamilton in the Operations Management Group and a specialist in business process reengineering (BPR). He has ten years of consulting experience and six years in line management.

Mr. Jones' specialization crosses all industry groups that Booz, Allen & Hamilton serves. He focuses on assisting top management set up its transformational change agenda and in managing large client teams. Most of the engagements that Mr. Jones has lead are multi-year in length and extend from the identification of reengineering opportunities through the detailed planning required for companies to implement their plans and obtain results. Prior to joining Booz, Allen & Hamilton, Mr. Jones was a member of senior management of Webcraft Technologies, Inc., a leading direct response printing company. In combination with a team of four other executives, Mr. Jones purchased the company in a leverage buy-out from Beatrice Foods. His management responsibilities included vice president of operations for the consumer products division and vice president of marketing for the $100 million custom products division.

Mr. Jones' prior experience includes a management position within Morgan Stanley & Co. in the financial planning & analysis department. He led project teams that evaluated the firm's entry into new businesses and international markets. He also worked with senior management to develop annual business plans for the fixed income and equity divisions. Mr. Jones' has prior consulting experience at Touche Ross & Co., where he performed strategic assessments and operating reviews for clients in the pharmaceutical, commercial banking, communications, retail, apparel, and credit card industries.

Mr. Jones received his BS in Mechanical Engineering and a MBA in Marketing and Finance from Columbia University. During the luncheon he will discuss the recent IRS restructuring and the effort to transform the IRS into a first-class customer service organization.

President's Message

Eva Williams, CGFM, President

Our December monthly luncheon meeting will feature John Jones from Booz, Allen & Hamilton, who will discuss the IRS restructuring. The restructuring effort is a massive undertaking that will make the IRS a first class customer service operation. His presentation will be followed by an afternoon CPE session entitled "New Tools & Ideas for Financial Managers."

The Chapter's CPE calendar for the first half of 1999 is being finalized, and two seminars are scheduled at the Ronald Reagan Building/International Trade Center. On February 25th, we are continuing our discussion of financial management issues with our regional event, "A Financial Management Symposium." We will have government leaders and innovators offer their perspectives on federal financial management issues. On May 4th and 5th, we will focus on a range of topics relating to "New Trends & Changes in Federal Financial Systems." Watch the newsletter, your mailbox, and agency liaison notifications for specifics.

In the community service arena, I want to remind and strongly encourage each of you to report your community service activities to us for publication in our newsletter's "Community Service Corner." Also, if you haven't already done so, get shopping for that special toy for our Toys-for-Tots campaign. If you can't make our reception, we'll make arrangements to pick up your toy.

In early September, we asked you to join us in working to accelerate the flow of new members and in encouraging present members to retain their AGA Washington DC Chapter affiliation. At that time I challenged each of you to recruit a new member this year and to encourage those members who for some reason may be thinking about dropping out of AGA to retain their membership. If you haven't already met this challenge, I encourage you to please give it a try; if you have, let's see how far you can exceed it—perhaps you can be the Chapter's top recruiter for the 1998/1999 membership year! And bring that new member to our holiday reception!

Under membership social activities, mark your calendar for Sunday, January 10th, to attend our "Champagne Jazz Buffet Brunch" from 11:00 am until 1:30 pm at the Market Inn Restaurant. See page 13 of this newsletter for all the detail. This promises to be another outstanding chapter social and a great way to kickoff the new year.

I want to congratulate the Chapter members who passed the Certified Government Financial Manager (CGFM) examination this year. You should be very proud of your achievement and what it represents in terms of personal commitment and knowledge of government financial management. CGFM is the mark of excellence in government financial management. I also want to congratulate Chapter members Christy Beck, Ron Beers, Miguel Castillo (Chapter Treasurer), and Evelyn Logue on passing the June 1998 Certified Information Systems Auditor (CISA) examination. Again, congratulations to these members on a job very well done.

In closing, I want to thank you for your support during 1998, and I am looking forward to a great year ahead for the Washington DC Chapter. I hope to see you at our 4th Annual Holiday Reception and Toys-For-Tots Campaign on December 10th.

Eva

The Chapter has earned 5,273 points in the Chapter Recognition Program as of October 1998.

Community Service Corner

by Roger Von Elm, CGFM, Community Outreach

The holidays are here and as busy as many of us are, we should not forget about those who are less fortunate. This month the Chapter has done its part to give thanks by making its annual contributions to Project Harvest and the Central Union Mission.

On November 24, several Chapter officers went down to Pennsylvania Avenue, by the Old Post Office Building, to present a check for $500 to the representative of Project Harvest. Project Harvest is an annual food drive aimed at collecting donations for needy families at Thanksgiving. This project, which has been around for many years, now provides over 24,000 Thanksgiving baskets a year for area families.

Just after Thanksgiving, the Chapter presented a check for $500 to Rev. David Treadwell, Executive Director of the Central Union Mission, to support their annual Christmas Bag program and other holiday programs. Each year, the Mission distributes empty shopping bags with the name and clothing sizes for a local child. Volunteers purchase and wrap clothing items and a toy for the child's Christmas. Filled shopping bags overflow through several rooms at the mission this time of year, attesting to the success of the program.

Now it's your turn. AGA's annual holiday reception is your chance to give and receive. Bring an unwrapped toy for the Marine Corps Toys-for-Tots drive as you mingle with other Chapter members and help us celebrate the true meaning of the holiday season!

Your AGA Washington DC Chapter Executive Committee wishes you a safe, enjoyable holiday season and a happy, healthy new year!

Highlights of the October 20, 1998 Executive Council Meeting

by Judy Czarsty, CGFM, Secretary

At the Executive Council's October 20, 1998 meeting the Council nominated the following individuals for National Office: National President-elect, chapter member Bill Broadus; National Treasurer-elect, past president of the Northern Virginia Chapter Julie Bryant; and for Regional Vice President-elect, our Immediate Past President Bill Anderson. Other items of note were:

- The Chapter has earned 5,273 points through October, 1998.

- The Early Career members are planning a social event for early career members in December following the chapter's holiday event on December 10, 1998. The Red Sage Restaurant is the location.

- The Chapter has an urgent need to fill the position of web master. A lot of work has been done to set up a web page. The web master would finish what has been done, set up the page, and maintain the page.

- The chapter has 1,492 current active members. Our goal is 1,769, and we are at 73 percent of that goal.

- Community service projects are being developed. Thus far, three projects are in the works. First will be the Chapter Donation to the Project Harvest Fund during the week of Thanksgiving. On December 10, 1998 we will have our annual Toys-for-Tots drive accompanied by the holiday reception. The third project involves working at the American Heart Association's Jazz Brunch on April 18, 1999. The lunch is two weeks after Easter. Chapter members are needed as volunteers for the following committees: Auction, Ticket Sales, and Sponsorship. Shirley Horne is this year's performer.

- A Champagne Jazz Buffet Brunch chapter social event is planned for Sunday, January 10, 1999 at the Market Inn Restaurant. The restaurant is located at 200 E. Street, SW in the District. The buffet features champagne, live jazz, eight different salads including spiced shrimp to peel and Alaskan snow crab legs, nine hot buffet items, a made to order station, pasta, omelets, breads, and fabulous desserts. Make your reservations by January 7, 1999 to (703) 758-4080 Option 5. The cost is $26 per person. See page 13 of this newsletter for more detail.

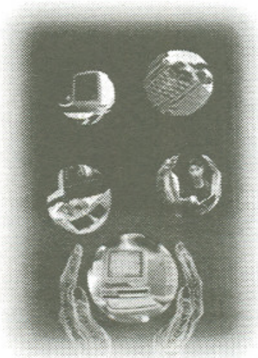
- The next Executive Council meeting will be on November 18, 1998.

Inside the Black Box: Will You Be Ready in FY2000?

by Simcha Kuritzky, CGFM, CPA

Should You Be Worried?

At the October AGA education seminar, GAO gave several presentations on assessments they had conducted of agency preparedness for Y2K. Since the audience was mostly—if not exclusively—accountants, someone asked what percentage of accounting systems would be Y2K compliant in time. The response included the fact that Congress is primarily concerned with *mission critical* systems.



Accounting systems are not mission critical; if they don't work come October, 1999, then the accounting will be put on hold until programmers solve the problem. For most agencies, it won't be the first time financial statements are delayed. Of course, accounting managers ought to have contingency plans for Y2K failure, including plans to acquire the programming and data entry resources necessary to solve and recover from the problem, or even abandon the old accounting system and switch to one that is proven to be Y2K-compliant. However, that is not what prompted me to write this column.

Is Someone Else's Solution Your Problem?

Nightmare Scenario #1: It's January, 2000, and Treasury Financial Management Service (FMS) suddenly discovers its programs to cut checks won't work when the year begins with a "2". The Social Security Administration's (SSA) mission is to distribute funds to eligible elderly, widows, orphans, and so on. They currently rely on FMS to disburse those funds. What will they do if FMS shuts down, even if it is only for a week? Politically, no solution is acceptable if it involves a delay of over a day in disbursing funds.

Nightmare Scenario #2: FMS shuts down with a Y2K problem, and SSA implements its contingency plan—a commercial off-the-shelf (COTS) program that will print checks and stuff them into windowed envelopes. You're an accounting manager at SSA. How are you going to report on what SSA is doing? Your FMS interface is useless, since the disbursements are not in FMS's system.

The programmatic side of SSA has probably worked out an interface between the COTS package and the system that tracks payments to beneficiaries, but did they even consider writing one to the accounting system? It may have been left up to you to prepare contingency plans, and, if you want to avoid a lot of manual data entry, you'd better find out what contingency plans have been made for your agency's mission-critical systems.

Your Contingency Plan for the Programmatic Side's Contingency Plan

It is possible that nothing can be done to mitigate your Y2K problem. For example, it may take too many resources to design, let alone code and test, an interface between the COTS software and the accounting system. On the other hand, it wouldn't hurt to have a copy of any contingency software specifications, especially file lay-outs. If you review your agency's contingency plans today, and see that new software might be implemented in case of Y2K failure, check if you can get some of your requirements inserted into the plan. Is the new software capable of exporting a file with the same (or functionally similar) format to what you are now getting from the failed program? Failing that, does the software even have a built-in export function? Can the software do the necessary accounting, so your staff only has to key in totals from the contingency software's reports? It could save a lot of time and heartache in the future, if you can get your agency's IT people to at least address these issues now.

December CPE Session

On December 3rd from 1:15 to 4:15 pm (following the luncheon meeting), the Chapter will sponsor a CPE session entitled "New Tools and Ideas for Financial Managers."

The session will provide attendees with a brief discussion and demonstration of new tools and services available to federal financial managers. Each speaker will present a thirty minute session that will introduce interesting products or services and discuss the products applicability in federal agencies. The speakers will be:

- Steve Lynott, Vice President, Software Bicycle Company, Inc. presenting "Using Internet Technology to Manage Key Financial and Organizational Measures."
- Doug O'Brien, Director of Strategic Operations, Federal Division and Katherine Hamilton, Manager, Federal Division, Hyperion Solutions. Their topic will be "Analytic Applications – Federal Financial Intelligent Solutions."
- Patricia Hampson Bennett, Digital Systems Group, will speak on "Successful Implementation of a Federal Financial Management System in Ninety Days."
- Alan Broder, White Oak Technologies, introducing "Using Data Mining for Strategic Business Intelligence."

Plain Language: The Cure for Gobbledygook

By Richard Conoboy

Several years ago, the President signed a memo calling for the federal government to use plain language. Since then, our workers have rewritten many government documents—regulations, orders, rules, and instructions—to make everyone's lives more simple. This is one more example of how we are making government work better and cost less.

A dramatic example of rewriting so that people can understand is eliminating a document altogether! How many times have you seen regulations that just parrot the original law? The Department of Defense boiled its two-volume Joint Travel Regulation to a booklet of less than thirty pages. Fantastic! And, the Office of Personnel Management completely threw out the Federal Personnel Manual. Unfortunately, some personnel specialists hid copies under their desks. What a shame!

I will not try to figure out how bureaucratic language evolved—that is the work of college professors. Today, we can change the way we write. Numbers don't always tell the story, but descriptive text focuses the reader's attention. Clear, concise language helps the citizen deal with the government. We should not only speak and write clearly. We should make our documents visually pleasing and design them so that the important messages are obvious. Throw out the passive voice! Use those pronouns! As Vice President Gore has announced, there is no shortage of pronouns in the United States!

The "No Gobbledygook Award" recognizes achievements in using plain language effectively. Once a month, the Vice President presents the award to government employees—not agencies—who have changed the face of bureaucracy by their use of the pen, White-Out, and the Exacto knife. The results are startling.

The National Partnership for Reinventing Government (NPR) reviews nominations and makes recommendations to the Vice President for the No Gobbledygook Award. Do you have a nomination from the financial community? We encourage your submissions.

You can find examples of previous awards and information on who to contact at NPR on the Plain Language web site at http://plainlanguage.gov. We can also arrange for speakers on plain language for your groups.

December 1998 and January 1999 Courses at The National Capital Training Center, Graduate School, USDA

December 1998

1-2	Activity-Based Costing
7-10	Budget Execution
9-10	Federal Budgeting for Non-Budget Personnel
15-18	Budget Analysis Workshop
14-17	Federal Appropriations Law
18	Federal Appropriations Law Update

January 1999

4-7	Introduction to Federal Accounting
5-8	Budget Formulation
11-12	Accounting for Non-Accountants
12-14	Introduction to Financial Management
19-21	Working Capital Funds
20-21	Government Standard General Ledger
22	Reporting Budget Execution: SF-133
25-28	Budget Execution
28-29	Federal Budget Process

To register for these courses, fax or mail your training form to The National Capital Training Center, Graduate School, USDA, 600 Maryland Avenue, SW., Room 280, Washington, DC 20024-2520, Voice (202) 314-3407, Fax (202) 479-4970. Note: The Graduate School needs instructors to teach accounting courses to federal government employees. Candidates must be able to objectively demonstrate successful training experience in the federal environment and knowledge of the practical application of the subject matter in the work environment. Applicants should have one to five years professional experience in the subject area. Instructional experience is strongly desired. Must be willing to travel to various locations in the U.S.

December 1998 and January 1999 Courses at the Inspectors General Auditor Training Institute (IGATI)

December 1998

2-3	Auditing the Federal Contract Process
7-11	Intermediate Auditing

January 1999

11-12	Contract and Procurement Fraud
11-13	Introduction to Information Systems Auditing
25-26	How to Use IDEA Software
27-28	How to Use IDEA Software

To register for any of these courses or if you have any questions, please call Gale Moore, Registrar, at (703) 805-4501. An SF182, SF1556, other training authorization forms, VISA IMPAC card, or personal checks may be sent to Registrar, IGATI, P.O. Box 518, Ft. Belvoir, Virginia 22060 or faxed to (703) 805-4503. All classes are held at 5500 21st St., Ft. Belvoir, Virginia. Special arrangements can be made to have dedicated classes given on-site. Please call for details.

December 1998 and January 1999 Courses at The Center for Applied Financial Management

December 1998

8-9	Budget Execution Game
10	Reconciling the Statement of Differences
11	Reconciling the Fund Balance with Treasury

January 1999

11-12	Standard General Ledger: (Basic)
12-13	SF 224: Statement of Transactions
13-14	Standard General Ledger: Advanced
14	Reconciling the Statement of Differences
15	Reconciling the Fund Balance with Treasury
15	Standard General Ledger: Upward and Downward Adjustments
20-21	Dollars and $ense: Making Sense of Treasury's Central Accounting Requirements
27	Basic Accounting Concepts

Contact Kimberly Pringle at (202) 874-9560 for more information or fax requests to (202) 874-9629. To register for Center courses, submit an SF-182 to the Registrar, The Center for Applied Financial Management, 1990 K Street N.W., Washington, DC 20227. All courses are held at 1990 K Street location, unless otherwise noted.

Membership '98

By Mike Noble, CGFM, Membership Director

Annual Report and Strategic Plan

AGA just released its 1997/1998 Annual Report. In it they have adopted a new Long Range Strategic Plan that lays the groundwork for the association's continued growth and expansion. In a comprehensive process that spanned nearly a year and involved individuals from all corners of AGA's membership, the Long Range Strategic Plan includes a new mission statement as well as nine goals and objectives. The new mission statement is:

> *"AGA serves professionals in the government financial management community by providing quality education, fostering professional development and certification, and supporting standards and research to advance government accountability."*

The nine goals relate to: Education and Research, Certification, Marketing, Technology, Communications, Programs and Services, Internal Structure and Services, International, and Advocacy. The complete text of the Long Range Strategic Plan can be viewed on AGA's website at *www.agacgfm.org.*

Membership and CGFM Renewals

Annual renewal time is just around the corner. In addition to membership renewals, individuals who were awarded their CGFM in 1996 will also be renewing their certificates. AGA will be mailing out renewal notices in late January. Please respond and renew in a timely manner—remember, those members who do not renew their memberships by May 30 will be suspended from the active rolls.

Non-members who will be renewing their CGFM will be given the opportunity to join AGA and pay the member rates on their CGFM certificate. Non-members pay $60 versus the $20 member renewal fee. A "Time is Running Out" postcard was mailed to all renewing CGFMs in late October reminding them of the December 31, 1998, deadline for obtaining the required 80 hours of CPE. If your CGFM is up for renewal, check to make sure you have achieved this CPE requirement—and don't forget that the educational event after the December 3rd monthly luncheon may be your last chance!

New Members

I am happy to welcome the following people who joined the Washington Chapter during the month of September:

Scott R. Call
Janet A. Erbacher
John C. Fawsett
Michael E. Gilbert, CGFM
Lucia Homick
Alisson M. Horowitz
Beth Hughes-Brown
Brian M. Kilgallon
David M. Legge
Rachel L. O'Malley
John M. Repetti, CGFM
Federico A. Silfa Casso, CGFM
Erin D. Singshinsuk
David K. Smith, CGFM
Diana M. Smith
John R. Socha
Lesley M. Soltys
Felix R. Strelsky
Jeffrey F. Taylor, CGFM
Dennis R. Thompson
DeNelson E. Ward, Jr., CGFM

In addition, the following member transferred his membership to the Washington Chapter:

Ivan Trotsky, CGFM

We are happy to have all of you as members and hope to meet you at a monthly luncheon, an educational event, or at one of the many social activities.

Social Activities

Mark your calendars for the following social events:

December 10, Thursday, 11:00 am to 2:00 pm, AGA has its annual Holiday Reception and Toys-for-Tots Drive at the Grand Hyatt Hotel. The reception is free to members but the price of admission is a toy for the Toys-for-Tots Drive sponsored by the U.S. Marine Corps.

January 10, Sunday, 10:00 am to 1:30 pm, we will have a Jazz Brunch at the Market Inn in Washington. This was a fun event last year and the food is good!! The cost is $26 per person and you can register by calling the AGA voice mail line. See page 13 for all of the details.

February 6, Saturday, 6:00 to 9:00 pm, will again bring a Chinese New Year celebration at Charlie Chiang's Restaurant on Wisconsin Avenue (in the Van Ness Center). We promise you an exotic menu, excellent food, and lessons on how to use chopsticks! Registration will also be on the AGA voice mail line at (703) 758-4080.

The Officers and Directors
of the

Association of Government Accountants
WASHINGTON DC CHAPTER

cordially invite AGA Washington DC Chapter Members to a

HOLIDAY RECEPTION
and
TOYS FOR TOTS CAMPAIGN

featuring complimentary
deli buffet and beverage,
holiday music, and
your Washington DC Chapter colleagues

Grand Hyatt Washington
1000 H Street, NW
Washington, DC
(at Metro Center - 11th Street Exit)

Thursday, December 10th, 1998
11:00 a.m. - 2:00 p.m.

Toys-for-Tots Campaign *- Get in the holiday spirit and donate a new unwrapped toy (in many cases, this is a child's one and only present, so each toy should have a perceived value of $10 or more) or monetary contribution to the Marine Corps Reserve TOYS FOR TOTS campaign. Please make your tax-deductible checks payable to the TOYS FOR TOTS FOUNDATION.*

Door Prizes *- Members drawings for Dinner for two at Grand Hyatt Washington and Jazz Buffet Brunch for Two at the Market Inn. Must be present to win.*

Non-Chapter members *are welcome to attend at a cost of $35.00 per person or join AGA's Washington DC Chapter at the door and begin benefitting from AGA membership immediately.*

R.S.V.P. *by December 7, 1998 to (703) 758-4080, option 4*

AGA's Long-Range Strategic Plan

The following is an excerpt from AGA National's web page concerning the Association's Long-Range Strategic Plan. The entire plan can be found on the AGA National web page at www.agacgfm.org.

AGA's Long-Range Strategic Planning Committee and National Office staff have been charting the course for AGA's future. In December 1997, Virginia S. Brizendine, CGFM, Chair of the Long-Range Strategic Planning Committee, presented the proposed mission statement, goals, objectives and strategies for the Association to the National Executive Committee (NEC). After in-depth discussion, the NEC adopted in principle the proposed strategic plan.

The Association's long-range strategic planning effort began in June of 1997 at the 46th Annual Professional Development Conference & Exposition in Phoenix, Arizona. In a "Strategic Thinking Room," using a computerized survey, conference attendees identified important external issues and events that are likely to affect AGA over the next three to five years; AGA operational, communication and program strengths and weaknesses; and competition or potential strategic alliance partners. In July, a second survey was sent to the National Board of Directors and other members to obtain additional information.

In September, the next phase of the long-range strategic planning process started with a planning retreat at the Coopers & Lybrand offices in Rosslyn, Virginia. Using Groupware software on networked computers, the Long-Range Strategic Planning Committee began developing the Association's long-range strategic plan. During the two-day retreat, the committee generated over 200 pages of data, which dissected the Association's mission statement, goals, objectives, programs and audience. By the end of the retreat, a draft mission statement and nine goals had been established. During the next two months, the mission statement was refined, objectives for each goal were developed and strategies were outlined to achieve the objectives.

As AGA enters the final phases of its strategic planning process, we now turn to our Membership for the vital support that is needed to move forward. As such, we would very much appreciate your review and comments on the proposed strategic plan. Your input and support is very important as we chart the course for AGA's future. Thank you for taking time to provide your comments.

Charles W. Culkin, Jr., CGFM
Executive Director

AGA Mission Statement

AGA serves professionals in the government financial management community by providing quality education, fostering professional development and certification and supporting standards and research to advance government accountability.

The long-range strategic plan features nine (9) parts which correspond to AGA's nine goals. On AGA National's web site you can go to each part individually or you can scroll through the entire plan. AGA's nine goals are as follows:

1. *Education and Research*
2. *Certification*
3. *Marketing*
4. *Technology*
5. *Communications*
6. *Programs and Services*
7. *Internal Structure and Services*
8. *International*
9. *Advocacy*

Collective Cooperation

by Brig. Gen. Roger W. Scearce, U.S. Army, Deputy Director and Ken Sweitzer, Deputy Director for Contract Pay and Disbursing, DFAS

One of the biggest challenges facing the Defense Department in an era of downsizing and constrained resources is how to preserve the technical superiority of the force at a price the department can afford. As defense budgets shrink, it is clear that the role, scope, and effectiveness of support functions such as acquisition, logistics, and finance and accounting will play a critical role in our ability to provide warfighters with the strategic edge on the battlefields. These support functions, by ridding themselves of inefficient business practices, will provide savings the Department needs to plow back into the fighting forces.

The support communities are trying to realize operational efficiencies. Outdated and inefficient processes and practices are being replaced or standardized. Technological tools are being applied to labor intensive tasks. What is less clear, is the effectiveness of these initiatives across the spectrum.

More often, when one support function realizes efficiencies, it is canceled out by operational inefficiencies created in another support community. Initiatives that streamline one community could bring another community to its knees. For example, implementing electronic commerce without understanding the impact on the acquisition community or our vendors could result in information gaps and delays in issuing the contract or making payment.

Thus, the challenge in the support area is to not work at cross-purposes and to collectively achieve greater efficiencies, resulting in DoD-wide savings, while not impeding warfighters. Minimally, support communities must appreciate and understand each other's roles and missions and how they are interdependent. Over time, these communities have become functionally isolated. In an era of increasing defense budgets this isolation was less of a problem for policy makers. Additional resources could be applied, obscuring the operational inefficiencies between communities. Those days are behind us. We can no longer afford to examine and analyze our processes and apply independent solutions to the inefficiencies. Although we must continue to be innovative in approaching our problems, we must work together to implement solutions that complement everyone's efforts. Then savings critical to our future will be delivered.

The finance and accounting function is assuming a prominent role in helping the department realize savings. The bill paying function directly affects the price program managers pay major weapons suppliers under DoD contracts. For example, untimely contractor payments affect the price the department pays for its goods and services. Late payments negate opportunities for discounted purchase terms and often result in prompt payment interest penalties tacked onto the cost of contractor-supplied goods and services. Untimely payments affect the cashflow of contractors, driving up production costs. Contractors increase their prices based on these added costs.

Additionally, the detailed information we require contractors to furnish in support of a contract payment indirectly affects the unit price the department incurs. When a contractor modifies its accounting and billing systems to accommodate DoD requirements or procurement and payment practices, costs for DoD goods or services increase.

Problem disbursements erode the program manager's ability to get the most bang for their buck from contract procurements. The department's ledgers are out of balance when a disbursement is made or applied incorrectly, or cannot be matched to the correct obligation funding the procurement. This could result in use of an overspent appropriation or could require current year funds to pay for procurements that should be paid with expiring appropriations. Problem disbursements degrade payment efficiency, the disbursing process, and accounting report accuracy through additional manual work created.

Missing, incorrect, or incomplete data causes payments to be rejected from the automated process and must then be reworked and paid manually. If disbursing officers do not have confidence in the data that supports a payment, they can contribute to the problem by insisting on revalidating every voucher they certify for payment. Without exception, rework costs are passed to all DoD customers through higher DFAS unit costs.

These problems could be more manageable if program management, acquisition, and finance communities partnered with each other when the procurement process begins. For example, the inclusion of multiple accounting classification reference numbers (ACRNs) on contracts continues to cause problems. Multiple ACRNs magnify the complexity of paying contracts, increasing payment delays and resulting in Prompt Payment Act interest and delayed payments to contractors. Multiple ACRNs on contracts also complicates the prevalidation process which requires consistent information between contract payment and accounting systems. When these systems do not have the same contract value and accounting data for the ACRN, adjustments or reconciliations are required, potentially delaying payments to contractors. Repricing and return actions necessitate a recalculation of every ACRN on a contract. This results in delayed payments to contractors. The Deputy Undersecretary of Defense for Acquisition and Technology and the Undersecretary of Defense, Comptroller, acknowledge that none of the contracting, finance, or accounting systems in use today can cope with the detail we are attempting to collect through the use of multiple ACRNs.

(Continued on next page)

(Collective Cooperation, Continued)

Contractors are realizing payment delays and the resulting cash flow deficiencies are the direct result of the complexities posed by multiple ACRNs on contracts. They will provide the information program managers hope to collect; however, program managers should constantly reassess the need for data collected through multiple ACRNs. DoD vendors need to team with DFAS and program managers during the pre-award phases of a contract so only the essential ACRNs are included.

Another area which would benefit from the collaboration of program management, acquisition, and finance/accounting communities is in the award of mixed contracts: contracts with special billing provisions, and those using inappropriate or outdated contract clauses. Mixed price contracts represent a combination of fixed price and cost reimbursable contract line item numbers (CLINs) within a single contract. These features significantly contribute to the complexity in paying contracts and result in many payment-related problems and inefficiencies. Early inclusion of DFAS in the acquisition process will enhance communication and minimize financial and program execution problems. A number of recent success stories in these areas show this cooperation is paying off.

For example, the Columbus Center helped transition from the Titan IV contract to successor contracts. This transition was a monumental undertaking due to the age of the contract, coupled with the fact that it was a "mixed" contract. The CLIN to ACRN accountability linkage was lost. Columbus convinced the program office to maintain financial integrity of the successor contracts by ensuring a clear ACRN to CLIN relationship. In addition, Columbus' involvement showed the other parties the value of complete, accurate contractual documents being forwarded to the appropriate paying office.

Another success story involves using Performance Based Payments (PBP) in the acquisition process for some McDonnell Douglas contracts. Columbus has been converting from progress payments to PBP, and PBP invoices have been paid on time and without problems. Columbus was also instrumental in the post-award contract modification with Decision Systems Technologies. The modification prevented discrepancies and/or contractual omissions that would have severely affected payments.

In summary, the program management, acquisition, and finance/accounting communities have a vested interest in each other's success. Unquestionably, the finance/accounting community recognizes that our individual efforts to resolve problem disbursements are limited without the assistance and cooperation of the other communities. By enhancing the finance and accounting functions we better support the needs of program managers, at reduced costs, and minimize the instances where replacement funds are necessary. In the final analysis, each community is dependent upon the capabilities and effectiveness of each other. Collective cooperation is the key—unless we strategically embrace this principle we will do a disservice to the warfighter and to the American taxpayer for years to come.

Positions Available

The Library of Congress, Financial Services Directorate is hiring two grade 12 Operating Accountants. One will be in the Disbursing Office involved in a variety of accounting and cash management activities. The other will be in the Accounting Division, Financial Reports and Control Section, involved in a variety of accounting, financial statement, and other reporting activities. All positions are located at The Library of Congress, 101 Independence Ave., SE, Washington, DC across from the U.S. Capitol building. For information on the announcements, expected to be open during November and December 1998, please call Byron Colvin at (202) 707-2190.

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The Washington Connection accepts advertisements that would be appropriate for our membership, i.e., ads which relate to the financial management profession and which do not conflict with the Association's goals and objectives. Advertisement prices are:

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November 4, 1998

The Honorable Anthony A. Williams
Mayor-Elect
District of Columbia

Dear Mr. Williams:

The Washington DC Chapter of the Association of Government Accountants (AGA) congratulates you on your election as Mayor of the District of Columbia. We are extremely pleased that the prestigious Office of Mayor of one of the nation's largest cities is being undertaken by one of our Chapter's members—a distinguished, highly qualified and dedicated financial manager. We offer you enthusiastic encouragement and support as you meet the challenges of this important position.

We cordially invite you to be a guest at one of our upcoming monthly luncheon meetings. I look forward to having the opportunity to personally offer you my congratulations. Again, please accept the best wishes of your 1,600 colleagues from AGA's Washington DC Chapter.

If there is anything we can do to assist you, please call me at (202) 535-9701 extension 3234.

Sincerely yours,

Signed,
Eva J. Williams, CGFM, CPA
President

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