



The Washington Connection

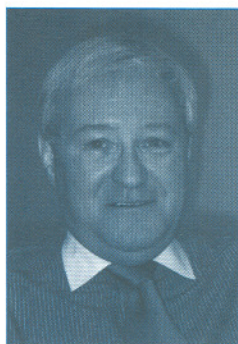
Association of Government Accountants, Washington, DC Chapter

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Federal Executive Profile: A Discussion with William J. Anderson, Jr., CGFM, AGA National President-elect

By Bob Freeman



William J. Anderson

President. We also felt that this would be a good opportunity for the Washington Chapter membership to learn more about their incoming National President.

Bill is a longtime, active AGA member, who feels passionately about AGA's leadership role in financial management. He's been our local Chapter president and regional vice president. He's played key roles in developing and rolling out the CGFM program. He spearheaded the overhaul of AGA's bylaws. In addition, this year he revamped the National Awards program. He works at the United States General Accounting Office, where for the past 27 years, he has devoted his career to improving government financial management.

In July this year, our own Bill Anderson will become AGA's National President. The Washington Connection asked Bill to sit down and discuss his goals for his year as

The Washington Connection (TWC):

What do you believe are the most important challenges for AGA over the next year?

Anderson: First of all I'd like to thank the Washington Connection for giving me an opportunity to speak to members of the D.C. Chapter. Now let's focus on your question. There are several major challenges. First, we need to strengthen our financial foundation for the future. The changes brought by the September 11th tragedy and the downturn in the economy have affected AGA financially. Second, we are going to concentrate on promoting and enhancing the basics that make AGA the leader in our profession. For example, the CGFM program has expanded our potential membership base, and we need to broaden our reach into the wide range of disciplines that make up the entire public sector accountability community. In addition, we also must continue to find innovative ways to serve our members' needs.

continued on page 4

President's Message



Janet McBride, President

The changing of the guard at the Washington DC Chapter is just around the corner, and the gavel of leadership will be passed to Wendy Comes,

your incoming president. Those attending our May luncheon may recall that I was not able to "pass the gavel" to Wendy because it was packed up somewhere. After my successful "all-out" search to locate this wonderful wood carving, I can finally hand it off to Wendy.

It has been a privilege and a pleasure to serve you during the past 12 months. While the President is the most visible of your leaders, the unsung heroes are those who work diligently, out of sight. To those of you

who have given generously of your time, I convey my deepest appreciation. Thanks for holding me up and making me look good.

At the start of my year, I established two goals for our chapter. The first was to put some money in the coffers, and the second was to reclaim our status as an all-star chapter. The DC Chapter's history of fame and fortune had become a little tarnished. I felt that my greatest contribution to the Chapter would be to marshal all forces and put the shine back on our star. Your support, the support of the financial management community, and the tremendous efforts of your Executive Committee made the attainment of the first goal possible. The February conference was very successful and provided sorely needed working capital. The May conference proved to be another success, and the proceeds will allow your next President to get going. With regard to the all-star status, I believe that another victory is at hand.

To attain all-star status, the Chapter must meet or exceed the target established for 6 categories. As you will note from the report of Pat Clark, we met or exceeded the targets for 6 of the 7 categories. We don't know the fate of the 7th category – membership – because the National Office determines the points to be awarded in this category. I am cautiously optimistic that we have achieved our goal here despite the very aggressive goals established for us.

You know my motto – work hard, play hard. Well, the work was hard, but the play more than compensated. I renewed some old friendships and made many new ones. I hope that you shared this experience as well. This Chapter is nothing if it is not a hotbed of fantastic folks. So if you didn't make enough new friends this year, come back next year and try for more. I know that I will. In the meantime, have a great summer!!! •

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Application Hosting Services: An Opportunity to Provide Flexibility To Federal Agencies

by Bill Topoleski

Today's federal financial executives face difficult and often conflicting challenges in managing the business of government:

- Enabling rapid technological change while protecting public interests through prudent technology investments
- Finding and keeping critical IT skills in an increasingly competitive, costly marketplace as federal workforce retirement accelerates
- Acquiring, managing, and deploying large, complex financial and administrative systems quickly and affordably
- Delivering better, faster, cheaper services

Application hosting offers quick access to high-end financial and administration systems at a reasonable price, allowing agencies to address these challenges and to focus on their primary objective: improving service to the citizens.

ASP Offerings

Hosted technology should deliver cost-effective and reliable performance in a highly secure environment for Web-enabled service delivery of administrative and financial applications. For the federal government sector, this service could provide a comprehensive federal financial system that supports the business functions of federal agencies while meeting JFMIP requirements.

Having a broad array of hosting services enables an agency to make the service delivery choice that best suits your short- and long-term agency needs. Pricing is normally a fixed monthly subscription fee based on the services required. Examples of pricing methods include the number of general ledger entries completed per month and the number of system users.

A topnotch ASP should include a comprehensive offering of services to meet an agency's unique business circumstances. These services should include:

- Installation Services that provide a project engineer and support staff that work with the agency to bring the service to operational status
- Operating System (OS) Management Services that include systems programming, OS maintenance, problem resolution support, and systems administration
- Database Management Services that include database installation, testing, tuning, and performance monitoring
- Archive Services that are available on a recurring basis to reduce the volume of online data
- Security Services that include an infrastructure based on firewalls, encryption, intrusion detection, secure facilities, and network traffic isolation, which ensure the integrity of clients' communications and data
- Application Operation Services that include interface management, job scheduling and monitoring
- Disaster Recovery Services which would be available to provide maximize system availability and minimize service disruptions
- Comprehensive disaster recovery services that include backup and secure off-site data and application storage, system and infrastructure redundancy, a client-specific disaster recovery plan, and an annual walk-through testing of the disaster recovery plan

Application Maintenance

The application maintenance capability should include hotline support, application maintenance, and application upgrades for the hosted applications. The support feature allows the Host Provider to take the day-to-day responsibility for critical application operations out of agencies' hands—allowing scarce resources to focus on the business of government.

User Operation

Normally the federal agency retains ownership and responsibility for their own business process management and execution. This includes online transaction processing and reporting, batch file transmission, and data integrity.

Conclusion

The use of application hosting services provides federal agencies with the flexibility to choose the system delivery approach that best serves their business needs. Key benefits include the following:

- Rapid deployment of new applications and technologies
- Access to secure, high-performance, and high-availability technical platforms and infrastructures that position government organizations to take advantage of new technologies
- Access to experts who manage application maintenance and enhancement needs
- Single point of accountability for the performance of critical systems
- Avoidance of increasing investments in highly specialized technical staff
- Scalable, cost-effective delivery of Web-based services
- Flexibility to meet new program priority with existing in-house resources

The use of hosted solutions delivery provides these functionalities without costly systems operations and unnecessary hardware acquisitions. The decision to select an ASP has become a viable alternative method to secure a comprehensive financial system as well as the operations and management of that software. An example of the Application Hosting Services available to the federal government is the AMS Momentum offering currently on the GSA IT Schedule. •

A Discussion with William J. Anderson, Jr.

continued from page 1

TWC: Is there a connection between these two challenges?

Anderson: Definitely. First, accountability begins at home. Therefore, the National Office has brought in an independent firm to conduct a peer review to look for better ways to serve our membership and to identify real cost savings. We have to find ways to provide more services at a competitive price. Second, as we all know, the audit profession has undergone a tremendous change, while the number of public sector auditors has remained constant or decreased over recent years. This is a signal to us that we have to change in order to grow and meet the needs of the financial management community. Therefore, during my year as president, I will focus on finding ways to expand the membership by attracting financial managers from the entire accountability profession. AGA is the professional organization for government accountability professionals in the 21st century.

TWC: Are there any specific actions that you envision that would immediately affect our membership?

Anderson: Absolutely, we must be positioned and ready to meet new education challenges. Besides our conferences, we need to be ready to develop and present new government courses that take advantage of new

technology. For example, we have sponsored three GASB 34 telecasts and are looking at an internet course on the new independence standard. Currently, we offer the CGFM courses to our members largely in a classroom setting. I want all three CGFM courses to be available in self-study format, i.e., hardcopy, disc, internet. This approach will reduce training costs for individual members by eliminating the need to travel and the need to take several days off from work. Professionals could take it at any time day or night.

TWC: Do you foresee a change in the fee structure for AGA members?

Anderson: It is likely. At the present time, our dues revenue does not fully cover the cost of delivering what we believe to be first-class membership services. As I mentioned earlier, we are first benchmarking ourselves against other associations. Second, we are exploring other avenues of generating revenue, such as our new corporate program, so that we can minimize any dues increase. However, given projected expenses, I don't see how we'll avoid some type of dues increase. I am committed, however, to keeping it as small as possible. One way to reduce the impact on government members may be to transition to a structure similar to other Associations by having tiered fees.

TWC: Are you going to continue to push the CGFM certification program?

Anderson: Absolutely, this is one area in which I feel very strongly. While the AGA has made progress in achieving recognition for the CGFM designation, there is still much more to be done. We need to not only continue our aggressive implementation and marketing strategies but to greatly intensify our efforts at the grassroots until the program has been recognized by everyone as the mark of excellence in the profession. This requires marketing the benefits of professional certification and the CGFM designation to potential candidates and employers. This means that all of AGA, whether you are involved at the chapter, region, section and/or national level, needs to be focused and working at all levels of government, in the private sector, and academia to achieve this recognition. By the end of my year, I want advertisements for public sector financial management positions to include a requirement or preference for a CGFM certification. To that end, we'll meet with federal, state and local representatives to help them better understand the value of the CGFM certification.

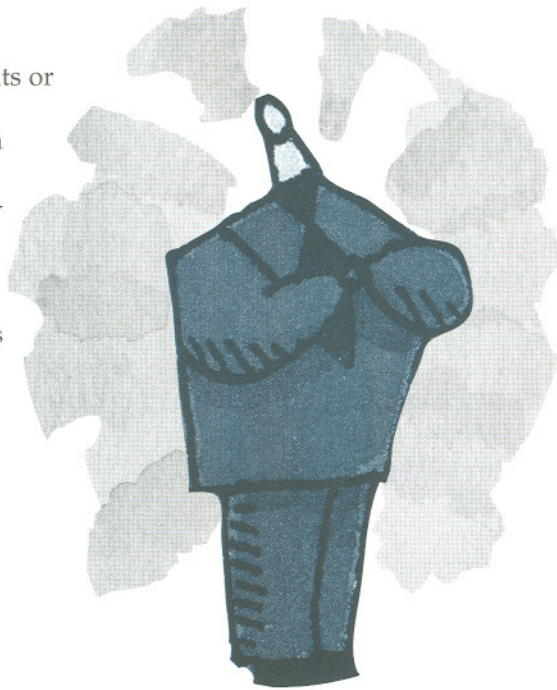
TWC: I want to thank you for taking a few minutes from your busy schedule to meet with us today. Are there any closing thoughts you'd like to leave with our membership?

Anderson: I again want to thank the Washington Connection for giving me this forum. My door is always open to the entire membership. If you have ideas on how we can improve AGA, please call me or send me an email at andersonw@gao.gov. •



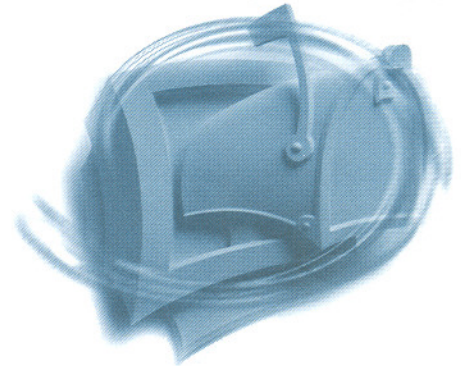
Newsletter Comments or Suggestions?

Do you have any comments or suggestions regarding the newsletter? Do you have an article you'd like to see in print? The deadline for submitting articles to appear in the September, 2002 issue is July 15, 2002. Please send your comments and contributions to the newsletter editor, Diane Wright at diane.wright@ams.com. •



E-mail Mailing List

Would you like to receive e-mail reminders of our monthly meetings and conferences? If so, please go to www.agadc.org to sign up for our mailing list in the Member Services section of the website. •



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Chapters Promoting CGFM to Members Have Two Months Remaining to Win a Free 2002 PDC Registration

At the July 2001 PDC, AGA's Immediate Past National President WA "Bill" Broadus Jr., CGFM, CPA, made a very generous offer—a free registration to the 2002 PDC to each of the four chapters that boasts the largest number of new CGFMs in their chapter from July 1, 2001 to June 30, 2002.

In today's job market, where credentials put you a step ahead of the competition, the CGFM certification informs your employer, your potential employer and your colleagues, that you are serious about your profession and that you have the knowledge, skills and experience to do the job.

Introduce the benefits of certification to individuals in the financial management field—and you will help your AGA chapter earn a free registration to the 2002 PDC! • For more information, please contact Joan Schwartz, deputy executive director of Professional Certification at 800.AGA.7211, ext. 311, or via e-mail at jschwartz@agacgfm.org.

AGA's 51st Annual Professional Development Conference & Exposition July 7-10, Atlanta, Georgia

For 50 years, the AGA's Annual Professional Development Conference & Exposition has been the premier education and training conference for government financial managers and accountability professionals. The 2002 PDC covers the perspectives of all governments: federal, state and local.

The conference theme for 2002 is Transforming the Government Enterprise. This year's program is filled with dynamic sessions to help all financial managers deal with the challenges of working in a rapidly changing government environment. The four-day conference has something for everyone. Sessions cover all levels, from basic to advanced. Topics and speakers are selected by volunteer committees of your peers because they know the issues most pressing to you. Complementing the dynamic sessions are unmatched networking opportunities and world-class exhibits by leading suppliers. No other conference provides the opportunity to interact with top-ranking and influential government financial executives along with leaders in private sector financial and technology management. Combine the great educational content and the ability to earn up to 27 CPE hours with exhibits and networking opportunities, and you'll realize that this conference is a must. •

Save Money, Register for PDC Online Today

Take \$25 off the registration fee for the 51st Annual Professional Development Conference & Exposition by registering online at <http://www.agacgfm.org/pdc/index.htm>. AGA's premier educational event, titled "Transforming the Government Enterprise," is set for July 7-10, 2002 at the Hyatt Regency in Atlanta, GA. Go to www.agacgfm.org/pdc today to view the first full listing of the PDC agenda! Printed copies were included in the March issue of AGA's Government Financial Management TOPICS newsletter. •

Looking for New Job Opportunities?

Join AGA on Monday, July 8, 2002 from 9:00 a.m. to 4:00 p.m. at the Hyatt Regency in Atlanta, GA for the Second Annual Government Financial Management Career Fair. A host of top-notch agencies and companies will be on site to recruit and to inform individuals about new job opportunities in the industry. Can't visit in person? Just submit your resume electronically and your information will be forwarded to all recruiters for further action. • For more information, visit <http://partner.brassring.com/cf2002/aga.htm>.

Make Your PDC Hotel Reservations Today!

AGA's 51st Annual Professional Development Conference & Exposition is just around the corner and rooms are going quickly, so act now to reserve your room at the Hyatt Regency Atlanta in Atlanta, GA.

A block of rooms is being held at the Hyatt Regency Atlanta for AGA conference attendees. All attendees are responsible for making, changing or canceling their own hotel accommodations. Please note that a deposit is required to make a reservation. This deposit may be paid by check or credit card. Rates are \$93 for a single room and \$110 for a double room, plus 14 percent tax. Reservations must be cancelled at least 2 weeks prior to the conference or the deposit will be forfeited. To make reservations call 404.577.1234 or 800.233.1234 and mention that you are attending the "AGA PDC."

Slated for July 7-10, 2002, this year's PDC promises three-and-a-half days of outstanding educational sessions, networking opportunities and the latest and greatest in financial management technology and tools on display in our Exhibit Hall.

Offering 27 CPE hours, the conference will feature keynote presentations by Gov. Roy E. Barnes, Governor of Georgia (Invited); Kay Coles James, Director, U.S. Office of Personnel Management (OPM); Connie Nass, State Auditor, State of Indiana; Sean O'Keefe, Administrator, National Aeronautics and Space Administration (NASA); David M. Walker, CPA, Comptroller General of the United States, U.S. General Accounting Office (GAO); and Dr. Alan Zimmerman, Professional Business Speaker, Peak Performance Zimmerman Communi-Care-Network, Inc.

With sessions designed for federal, state and local government financial managers, this is a conference you can't afford to miss. See you in Atlanta! • For more information on the conference visit www.agacgfm.org.

PDC 2002—TRANSFORMING THE GOVERNMENT ENTERPRISE

Professional Development Conference Registration Form

July 7-10, 2002 • Hyatt Regency Atlanta • Atlanta, GA • *Transforming the Government Enterprise* • 30 CPE Hours

*Denotes information to be included in the Directory of Participants unless otherwise noted by registrant.

AGA Member?	Yes	Member #	AGA Chapter	No	Please send me membership information	
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Professional Designation(s)				Badge Nickname*		
Job Title						
Organization						
Preferred Mailing Address		Home	Work	<div style="border: 1px solid black; border-radius: 15px; padding: 10px; text-align: center;">Directory of Participants Please do not include my Phone number E-Mail Address</div>		
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Please let us know of any special needs, including dietary, access, etc.)						
Employment Sector:	Federal	State	Local	Private	Academic	
Employment Sector:	Audit	Accounting	Budget	Financial Management	Financial Systems	Information Technology
Other						

Registration Fees

	Mail/Fax Member	Mail/Fax Nonmember
Early Registration (by June 7, 2002)	\$800	\$1,000
Regular Registration (after June 7, 2002)	\$900	\$1,100

(Register Online at
www.agacgfm.org/pdc
and save \$25!)

Total Amount Due \$

AGA Federal Tax ID #53-0217158

Method of Payment

Registration forms must be accompanied by a check, credit card number or validated government purchase order. If paying for more than one attendee using the same check or purchase order number, make a photocopy of this form, completed for each attendee and enclose with accompanying payment.

Check payable to AGA enclosed	Check #
Validated Government Purchase Order	PO #
(If paying with a purchase order, we must receive the hard copy with your registration form. We cannot process your registration without both of these forms. Purchase orders must be paid within 30 days of the conference.)	
Credit Card: MasterCard	VISA
American Express	Discover
Credit Card Number	Exp. Date
Name as it appears on card	Signature

Cancellations/Refunds/Substitutions

AGA will assess a \$50 processing fee on all refunds. If a registrant is unable to attend the conference, AGA must receive a written request by June 7, 2002 to receive a refund, less processing fee. Confirmed registrants who fail to attend and do not cancel two weeks prior to the conference will be charged the entire registration fee. To receive a refund, you must have written verification from the Conference Registrar that your cancellation was received. Telephone cancellations will not be accepted. Substitutions will be accepted if authorized in writing by the registrant.

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Alexandria, VA 22301-1314
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43rd Annual Awards Presentation and 7th Annual Member Recognition Dinner April 23, 2002

By Douglas M. Gandy, Director of Awards

The 43rd Annual Awards Presentation and 7th Annual Member Recognition Dinner meeting, emceed by President Janet Allen McBride, was an overwhelming success. In addition to recognizing the Chapter's Past Presidents, Chapter members who have belonged to AGA for twenty-five years or more, and this year's Chapter award recipients, our speaker, the Honorable Dr. Natwar M. Gandhi, Chief Financial Officer, District of Columbia was outstanding and the final highlight of the night.

25 Year Members

Stephen W. Kidd
Mary E. Williams
Charles R. McAndrew

Distinguished Leadership Award

Presented to **William H. Campbell**, Associate Deputy Assistant Secretary for Management, Department of Veterans Affairs
For his sustained distinguished leadership and dedication to excellence in government, extraordinary personal integrity and professionalism, and exceptional commitment to public service.

Distinguished Service to the Financial Management Community Award

Robert Freeman, CGFM
Vice President for American Management Systems, Inc., Retired
For his sustained outstanding contributions in advancing government accountability during his 35 years of service.

Achievement of the Year Award

Joseph L. Kull, CGFM, CPA
Deputy Controller, Office of Management and Budget
For his outstanding efforts in

improving financial management throughout the federal government.

Education and Training Award

Joint Financial Management Improvement Program Staff

For exceptional contributions to the development, delivery and promotion of Federal Financial Management Systems Requirements and other outreach efforts designed to improve the quality of financial information needed to manage the day-to-day activities of the Federal Government.

Einhorn/Gary Award

W. Fletcher Lutz, CPA

Executive Director AGA, Retired
For his dedication and outstanding service at the chapter and national levels that have significantly enhanced AGA's prestige and stature in the financial management community.

James W. Saylor Award

Eva Williams, CGFM

Acting Office Chief for Cost Accounting and Analysis, Internal Revenue Service
For her outstanding service to the Washington DC Chapter.

President's Awards

John Webb

U.S. Department of Commerce, PTO
For his outstanding contributions and efforts as the Chapter Director of Budget and Agency Liason for the 2001-2002 program year.

Sue Lazich

Software Performance Systems, Inc.
For her outstanding contributions and efforts as the Chapter Treasurer for the 2001-2002 program year.

Steve A. Johnson

KPMG Consulting, LLC
For his outstanding contributions and efforts as the Chapter Webmaster for the 2001-2002 program year.

Phyllis Hunter

Grant Thornton
For her outstanding contributions and efforts as the Chapter Programs Director for 2000-2001 program year and Member Services Director for the 2001-2002 program year.

Diane Wright

American Management Systems
For her outstanding contributions and efforts as the Editor of the Washington Connection for the 2001-2002 program year.

Clarissa A. Kuennen

For her outstanding contributions and efforts as the Chapter Director of Education for the 2002 program year.

David Fitz

KPMG Consulting LLC
For his outstanding contributions and efforts as the Chapter Secretary for the 2001-2002 program year.

Doug Gandy

Farm Credit Administration
For his outstanding contributions and efforts as the Chapter Awards Director for the 2000-2002 program years.

Simcha Kuritzky, CGFM

American Management Systems
For his outstanding contributions and efforts as the Chapter Director of Research and Professional Services for the 2000-2001 program year and Chapter Director of Publications for the 2001-2002 program year.

Karl Boettcher

U.S. Treasury Department, Financial Management Service
For his outstanding contributions and efforts as the Chair of the Early Careers Committee for the program year 2001-2002.

Nicole Allen

Software Performance Systems Inc.
For her outstanding contributions and efforts as the Chapter Special Assistant for the program year 2001-2002.



Community Service Awards

William J. Anderson, Jr., CGFM

General Accounting Office

Karl L. Boettcher, CGFM

Department of Treasury, Financial Management Service

Evelyn A. Brown, CGFM

National Archives Trust Fund Board

Marcia Caplan, CGFM

Department of Veterans Affairs

Linda Lloyd

U.S. Customs Service

Keith E. Fowler

Department of Treasury Internal Revenue Service

Clarissa A. Kuennen, CGFM

Michelle Lewis

Department of Veterans Affairs

Janet Allen McBride, CGFM

JFMIP

Virginia B. Robinson, CGFM

Consultant

Andrew Killgore

Government Printing Office

Meghan Schindler

Naval Audit Service

Patricia L. Wensel, CGFM

Department of Agriculture

Eva J. Williams, CGFM

Department of Treasury, Internal Revenue Service

Editor's News: For Program Year 2001-2002

Your newsletter, *The Washington Connection* received an Honorable Mention Award in the AGA National Newsletter Competition!!!!!!!!!!!!!! Thanks for all your ideas, support and contributions throughout the year.

—Diane Wright, Editor

P.S. This is the last newsletter of the program year. We will be on summer hiatus for July and August. See you in September!



Internet Use

By: Beth Serepca, Audit Manager, NRC, OIG
and Robert Moody, Audit Manager, NRC, OIG

The use of the Internet in the workplace, and associated privacy concerns, represents one of the more troubling issues of our time. While the Internet is fast and inexpensive, Internet usage can pose significant risks if it is not managed or is abused. The various forms of Internet activity have become ingrained in most corporate cultures. Today, roughly 90 million business workers in the United States (U.S. - about two-thirds of all workers) and about 120 million workers outside the U.S. use the Internet. E-mail has replaced the telephone as the primary and preferred method of business communication for those with Internet access.¹

The Internet provides computer access to an ever-expanding storehouse of electronic information through the mass connection of networked computers. Use of the Internet offers tremendous capabilities to employees in terms of access to a wide variety of information sources relevant to their official duties. However, along with tremendous advantages, the Internet provides access to a wide variety of information that may not be consistent with business needs and may be harmful or inappropriate for the workplace. Abuse, misuse, and overuse by employees can:

- In egregious cases, leave employers vulnerable to lawsuits (downloading of sexually explicit material has been viewed as creating a hostile work environment);
- Introduce various security issues, such as the release of confidential, proprietary, or otherwise sensitive information, or a download of unlicensed software or viruses;
- Cause a decline in employee productivity; and,
- Strain network resources.

Implementing a comprehensive Internet usage policy codifies usage guidelines and directives, designed to inform and educate employees about

proper practices with regard to Internet activity. Organizations must also adopt technical measures, including:

- Tools to monitor Internet activity to enforce policy and identify offenders;
- Antivirus utilities to protect against malicious code at all potential points of infection;
- Secure e-mail solutions to protect information traveling across the Internet; and,
- Archiving utilities and storage systems to ensure that messages are deleted or retained as appropriate.²

A recent American Management Association survey³ found that more than three-quarters of major U.S. firms (almost 78 percent) record and review employee communications and activities on the job, including Internet use. This figure has doubled since 1997. Based on recent government audit reports, there is compelling evidence of the same need for surveillance in the Federal government.

A Privacy Foundation study found that many employers regularly monitor employee email and Web surfing.⁴ The study estimated that 14 million employees, or about one-third of the online workforce, were under continuous Internet or e-mail monitoring using commercially available software.

Monitoring refers to the management policies, processes and supporting technology for ensuring compliance with organizational and agency privacy guidelines and the ability to exhibit due diligence. Monitoring also refers to the conduct of internal and external independent reviews and audits to ensure compliance with legislation and regulations.⁵

Currently, general policy is that Federal employees are permitted limited personal use of the Internet if the use does not interfere with official business and involves minimal additional

expense to the Government. This limited personal use should take place during the employee's non-work time. The policy also outlines inappropriate personal uses of government office equipment. These include:

- Personal use that could cause congestion, delay, or disruption of service to any government system or equipment;
- Downloading of malicious files and vulnerable software, and the download and use of unlicensed software;
- Sexually explicit downloading, viewing, storage copying or transmission; and,
- The creation, downloading, viewing, storage, copying, or transmission of materials related to illegal gambling, illegal weapons, terrorist activities, or any other illegal activities otherwise prohibited.⁶

Private industry also uses models for Internet usage. The ePolicy Institute has developed a sample employee Internet usage policy. Employees would sign a statement that acknowledges that the employee has read and agrees to abide by the Internet policy as a consideration for continued employment. The ePolicy Institute also developed Do's and Don'ts to help employers decide what is an acceptable risk for the organization.

The Do list includes:

- Establish comprehensive, written ePolicies that address employee use of email, the Internet, and software;
- Communicate that the organization's Internet systems are to be used strictly as business communication tools;
- Review the written ePolicies with every employee;
- Incorporate the policy into employee handbooks; and,
- Address ownership issues and privacy expectations.

Internet Use

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The Don'ts list includes:

- Don't rely solely on email to communicate the ePolicies;
- Require that each employee reads, signs, and dates a hard copy of the policy; and
- Don't expect employees to train themselves on the policies.⁷

Conclusion:

In today's workplace, more and more companies and more and more government agencies are depending on the Internet for communication and access to information. While the Internet is fast and cheap, it poses great risk if its use is not managed or if privileges are abused. Both private industry organizations and Federal government agencies have found that Internet usage policies are effective in establishing boundaries for acceptable usage. Those policies benefit both the

employee and the employer. Once the policy is approved, the information must be disseminated on a regular basis. Management must take actions to increase employee awareness of the impact of misuse, monitor use, and block prohibited sites and activity. In addition, management must be proactive in establishing a policy that reflects all uses and their implications to both employees and contractors. Failure to do so leaves the agency vulnerable to threats posed by malicious files and vulnerable software, the download and use of unlicensed software, and the potential legal liability of such activities. •

1 E-Mail and Internet usage policy statistics developed by industry analyst Jonathan Penn for the-infoshop.com. September 17, 2001.

2 Internet information provided by Jonathan Penn, industry analyst for the-infoshop.com web site. September 17, 2001.

3 American Management Association's 2001 Survey on Workplace Monitoring and Surveillance. August 2001.

4 Workplace Surveillance Project of the Privacy Foundation, a research group based at the University of Denver, conducted this study in July 2001.

5 This definition is offered by Robert Parker in an article for the Information Systems Control Journal, September 2001.

6 "Limited Personal Use" of Government Office Equipment recommended by the Federal CIO Council in May 1999.

7 These examples come from the ePolicy Handbook published by the ePolicy Institute in 2001.

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Six Commonly Held Beliefs about the Benefits of Commercial-off-the-Shelf Software *by Bob Freeman*



This is the sixth in a series of articles in which the author examines six commonly held beliefs about the benefits of Commercial-off-the-Shelf-Software. In the first article, published in the January issue of *Washington Connection*, the author identified the six beliefs. In subsequent issues, the author examines each belief with the objective of removing the myths surrounding modern, web-based COTS systems, and providing financial managers with a more informed understanding of the value of these systems.

In this article, the author examines commonly held belief number five:

It is easy to integrate or interface third party systems into these modern COTS products.

As in other cases, this belief is grounded in fact. Modern financial systems can be easily integrated with other applications. Generally, providers of modern financial systems include a toolkit that facilitates this integration. In cases where a toolkit is missing or inadequate, agencies can purchase from third party vendors tools that are designed specifically to link applications. They are known in information technology jargon as "Enterprise Application Integration," or EAI, tools.

EAI tools provide the glue to link data between applications either in batch or real time. Users build tables that define from-to relationships for all data that

needs to be passed between two systems. EAI does the rest. Data in the two systems can be stored in a variety of formats. For example, data in one system can be stored in "flat" files, while data in the other system is stored in a relational database (e.g., Sybase, DB2, and Oracle). EAI knows how to manage the technical details of two different data formats. This is where the easy part ends.

The real work involves analyzing and developing the correct set of rules that the EAI tool will use to integrate data. This analysis requires an in depth understanding of the applications that need to be linked and the business rules to be used when exchanging data between applications.

Applications pose a special set of problems. Applications represent an information technologist's interpretation of a set of accounting, budgeting, acquisition, or business rules. The business analysts may have an imperfect understanding of the application designed to support those rules. Similarly, the designer and developer may have a similar imperfect understanding of the required business rules. This leads to misunderstandings. To make matters worse, the application represents a snapshot in time of the desired business rules. As policies change, rules change and must be incorporated into an application. The designers and programmers who developed the original application may no longer be available; therefore, new IT professionals alter the application to meet changing needs. Over time there may be no one who fully understands the application.

In addition, over time the business of an agency adapts to the weaknesses of an application. This may include everything from processes for entering data to reporting. Certain edits may work improperly. Additional information may be stored off-line. Reports may be sent via inter-office mail. Up to date information may only be available

quarterly. Rules are developed to work around the weaknesses of the application. These artificial rules may affect the interface design. Therefore, the designers of an interface must be able to distinguish between real business related requirements and those requirements that stem from weaknesses in current applications. This takes time and perseverance. This writer saw one instance where it took over a year to develop this fundamental understanding.

In addition, there may be a real incompatibility between applications that must be resolved. For example, application "A" may have values for three data elements that need to be transferred to application "B." Unfortunately, application "B" may not be able to recognize those data elements. Worse yet, application "B" may have the same three data elements, but has defined them differently. The designers then need to work with the business analysts to determine the best way to transfer data between applications "A" and "B." This also takes time and may require a substantial amount of custom code that the EAI tool will use.

If you think that an all-inclusive COTS package will solve integration problems, you're sadly mistaken. The majority of federal money supports programs for which there is no private sector equivalent. Furthermore, these programs often use custom developed management information systems to track funding and program progress. The financial data and some program data from these programmatic systems must be interfaced with a financial management COTS package. Even with the improvements provided by modern technology, integrating third party applications with COTS packages is still a complex process. •

Washington Chapter 2001-2002 Recognition Program Summary

Congratulations! On April 15, 2002, we submitted the fourth quarter Washington Chapter 2001-2002 Recognition Report to the National Office. For your information, I included the summary page of our report in this article. The National Office encourages all chapters to achieve at least 10,000 credits for the year. Our totals, for all of the categories except Membership, exceed the National's level of activity for a well-rounded and "healthy" club. Points for membership are awarded at the end of the program year. Our goal for this program year was for our Chapter

to obtain all-star status. To receive all-star status designation we have to receive 14,000 points by the end of April 2002. The awards will be presented at the 2002 AGA Professional Development Conference & Exposition in Atlanta, Georgia.

Our Chapter continues to sponsor community and social events. The events will be included in our next report to the National Office. Please send your AGA and community service activities to me at clark-patricia@dol.gov. Have a happy and safe summer. •

Washington Chapter Recognition Program Summary								
2001-2002								
Report Due Dates Section		8/15/01 1st Qtr	11/15/01 2nd Qtr	2/15/02 3rd Qtr	4/15/02 4th Qtr	TOTAL	MAX	Percent
I	Chapter Administration	950	1,140	400	375	2,865	2,000	145%
II	Chapter Meetings	210	518	650	650	2,028	2,000	101%
III	Newsletter	140	800	870	950	2,760	2,000	138%
IV	Chapter Education Events	1350	1,000	600	1500	4,450	3,000	148%
V	Membership	—	—	—	—	—	2,000	0%
VI	Community Service	725	825	350	6,000	7,900	2,000	395%
VII	Chapter Awards Program	—	—	—	1,400	1,400	1,000	140%
Monthly Total		3,375	4,283	2,870	10,875	21,403	14,000	—
Cumulative Total		3,375	7,658	2,870	21,403	—	—	—

Points are awarded for Membership and Chapter Awards Program at the end of the program year.

CGFM News & Notes

AGA Answers Questions About Earning the CGFM Certification

Q: How can I prepare for the CGFM Examinations?

A: There are a number of ways to study for the CGFM examinations:

- By attending the instructor-led training courses offered in conjunction with Management Concepts. For a schedule of upcoming classes, please visit our website at www.agacgfm.org/cgfm/cgfm_study.htm.
- By purchasing the comprehensive online course that lets you take The Governmental Environment training class in the convenience of your home or office. For more information, go to www.agacgfm.org/cgfm/cgfm_coursehome.htm.
- By referring to the reading list that will help you study for the examinations: www.agacgfm.org/cgfm/cgfm_prepare.htm. To help you choose which publications are best for you, we suggest first looking at the list of the main topic areas covered by each of the examinations: www.agacgfm.org/cgfm/cgfm_exam.htm.
- By calling your local AGA chapter to find out if there are any study groups or other resources available to help you prepare for the CGFM Examinations.

Q: What is the experience requirement for the CGFM?

A: Certification candidates must have at least two years of professional-level experience in government financial management prior to their designation as a CGFM. The experience requirement is not necessary to sit for the examinations; however, documentation of professional experience must be filed before the designation can be granted and the certificate issued. •

Job Announcements

Job Type	Series	Agency	Announcement No.	Close Date	Contact
Auditor	GS-0511-05/7	Dept. of Ed.	WA122684CG	6/21/02	478.757.3000
Auditor	GS-0511-07/12	AID	01-37	6/30/02	202.712.4189
Accountant	AD-0510-13/13	US Capitol Police	02.06	6/30/02	202.224.9817
Accountant	GS-0510-12/13	USDA	OCFO-02-06	8/30/02	202.720.3366
Supv. Accountant	AD-0510-13/14	US Capitol Police	02.11	6/30/02	202.224.9817

If your organization would like to list job announcements in the newsletter, please send announcement information to diane_wright@ams.com.

Golf Tournament

Membership Services and Early Careers in partnership with the Association of Military Comptrollers (ASMC) are sponsoring a golf tournament at Fort Belvoir, Virginia. The tournament will be at the Gunston Course on Monday, June 17. Format for the 18 holes will be Captain's Choice with a shotgun tee time start at 8:00 am. Entry fee is \$65.00 per person which includes picnic style lunch, golf cart, green fee & prizes. Foursomes are created as needed. If you have a group of 2, 3 or 4, please ensure that they all pay with the same registration. To register, please contact (KPMG/ASMC) Gail Powell at 202.533.3860, gbpowell@kpmg.com or Craig Silcox at 202.533.4296, csilcox@kpmg.com. Make checks payable to ASMC and send to KPMG, LLP attn: Gail Powell 9th Floor, 2001 M St., NW, Washington, D.C. 20036. If you would like more information on this activity, you can also contact AGA /DC chapter representatives - Ronald Longo at 202.533.4014, rlongo@kpmg.com or Karl Boettcher at 202.8743611, karl.boettcher@fms.treas.gov. •



Launch of New Government Benefits Website

Deputy Secretary of Labor Cam Findlay, along with Office of Management and Budget Associate Director for Information Technology and E-Government Mark Forman and other federal government officials, officially launched the Gov-Benefits Web site April 29, 2002. Gov-Benefits is one of the President's first e-government initiatives to be launched. The website brings together information on services and benefits from across the federal government and makes them more accessible and easier to understand. The site is easy to use and will bring citizens to the information they need quickly and effi-

ciently. The website does not require users' names, phone numbers, Social Security numbers, or any other information that could be used to identify them. Website users simply answer a series of questions about themselves, and then GovBenefits returns a list of government benefits they may be eligible to receive along with information about how they can apply. For more information, please visit www.govbenefits.gov. •

Be a CEAR Reviewer

Are you interested in serving as a reviewer with AGA's Certificate of Excellence in Accountability Reporting (CEAR) Program? We are continually seeking senior-level (GS-14 and above) individuals representing the CFO offices, IG offices and private firms who can volunteer their time and expertise to serve in this critical capacity. Reviewers read one Accountability Report, evaluate it using AGA's checklist, submit detailed recommendations for improving the report, and discuss all recommendations during a team meeting. Visit www.agacgfm.org/cear/cearreviewer.htm for all the details including benefits of participation, eligibility, level of commitment and an application form. •

Take No-Cost CGFM Exams at PDC

Join the ranks of the thousands of distinguished professionals who hold the CGFM certification—at no cost to you. If you have thought about earning the CGFM designation, but haven't had the time or money, here is your chance to take the examinations at the PDC and help the CGFM Program at the same time. By participating in beta testing of the updated CGFM Examination questions, candidates can provide valuable feedback on whether the new questions are reliable and valid. • Interested? Send your name and telephone number to ksilver@agacgfm.org.

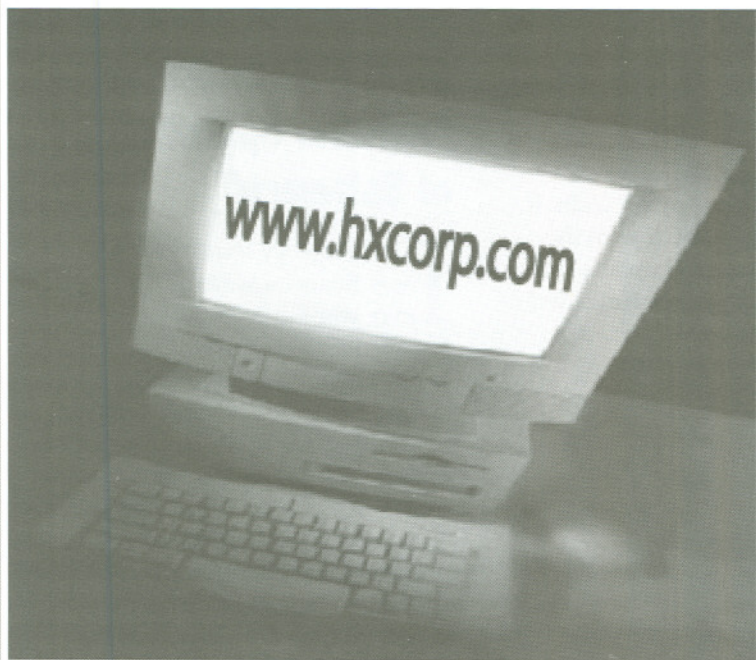
New International Guidance Helps Auditors Address eCommerce Risks

Increasing use of the Internet for business-to-consumer, business-to-business, business-to-government and business-to-employee eCommerce introduces new elements of risk that accountants need to consider when planning and performing the audit of financial statements. To assist auditors in identifying and assessing these risks, the International Federation of Accountants (IFAC's) International Auditing Practices Committee (now the International Auditing and Assurance Standards Board [IAASB]) has issued a new practice statement, Electronic Commerce - Effect on the Audit of Financial Statements.

Electronic Commerce - Effect on the Audit of Financial Statements may be downloaded from the IFAC Web site (www.ifac.org/store) for \$22; print copies may be purchased for \$25 plus shipping by calling 1-212-286-9344 or placing an order through the online bookstore. •

AGA Relief Effort Raises Nearly \$18,000

AGA has raised \$17,944.19 as of May 7, 2002 for the AGA Relief Effort. All proceeds will be divided evenly among the families of the three AGA members who were killed in the Sept. 11 attack on the Pentagon. All donations must be received in the National Office by Friday, July 12, to be included in AGA's contributions to the families. Credit card donations can be made at www.agacgfm.org/news/form_donation.htm. AGA thanks the many people who have supported this effort. •



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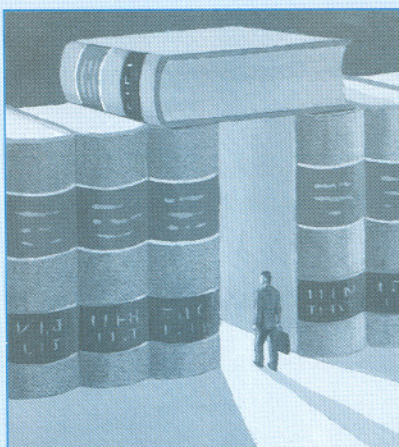
Computer Maintenance
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Communication Services
IT Services & Solutions

FMSB Tackles Proposed Standard Changes

AGA's Financial Management Standards Board (FMSB) recently commented on two proposals that would change government accounting and auditing standards. On April 24, 2002, the FMSB provided lengthy comments on the exposure draft of the changes to the General Accounting Office's (GAO) Government Auditing Standards proposed in the 2002 revision. The board also commented on the Federal Accounting Standards Advisory Board's (FASAB) technical bulletin exposure draft, Assigning Costs and Liabilities to Agencies That Result From Legal Claims Against the Federal Government. •

Please visit www.agacgfm.org/academy/fmsb.htm to view all the FMSB comments.

Have You RENEWED Your CGFM Certification This Year?



To retain the CGFM designation, certificate holders must RENEW their CGFM at the beginning of every year. If you have not RENEWED your designation, please call our Customer Service department at 800.AGA.7211, ext. 205 or 206. If you have not RENEWED your CGFM because you have not met the 80-hour CPE requirement, please call our Office of Professional Certification at 800.AGA.7211, ext. 313. •

CPE Opportunities

In need of CPE?

Have you visited AGA's online professional development center? Visit www.agacgfm.org/cpeonline/index.htm now to take advantage of great courses, affordable prices and desktop convenience.

AICPA Issues Proposed Standard on Fraud Detection

The American Institute of CPAs (AICPA) has released a draft of a revised audit standard on Consideration of Fraud in a Financial Statement Audit. If adopted, this updated standard will replace the current standard with the same name (Statement on Auditing Standards No. 82). The proposed update provides auditors with additional guidance to improve the likelihood that audits will detect material misstatements of financial statements due to fraud. •

Read the exposure draft at http://www.aicpa.org/members/div/auditstd/consideration_of_fraud.htm.



JFMIP White Paper—"Parallel Operation of Software"

Is your agency transitioning to a new financial system? If so, you may want to consult JFMIP's White Paper, "Parallel Operation of Software: Is It A Desirable Software System Transition Technique?" This document assists agencies in developing appropriate risk mitigation strategies when transitioning to new financial systems. The guide is especially useful when implementing commercial off-the-shelf software where existing business processes must be reengineered to avoid software customization. •

For more information, please visit the JFMIP website at <http://www.jfmip.gov/jfmip>.

CGFM Courses Offered at AGA's PDC 2002

Register today for Certified Government Financial Manager (CGFM) Courses 2 and 3, held in conjunction with AGA's 2002 Professional Development Conference (PDC) and Exposition in Atlanta. Course 2, Governmental Accounting, Financial Reporting and Budgeting, is a three-day course worth 24 CPE hours set for July 8-10 and July 11-13. Tuition is \$570. Course 3, Governmental Financial Management and Control, is a two-day course worth 16 CPE hours set for July 6-7. Tuition is \$420. Register by calling Management Concepts at 703.790.9595. Please note the tuition costs are not included in the price of the PDC registration. See you in Atlanta! •

For more information, visit www.managementconcepts.com/financial/cgfm_atlanta.asp.

FMSB Comments on Orange Book

AGA's Financial Management Standards Board (FMSB) has called for more study of issues raised in an Exposure Draft of changes to the Orange Book while supporting the President's Council on Integrity and Efficiency's efforts to provide uniform guidance.

The Orange Book, formally titled the Federal Cognizant Agency Audit Organization Guidelines, gives federal agencies guidance needed to carry out cognizant responsibilities outlined in the U.S. Office of Management and Budget's Circular A-133. The guide is used by inspectors general from various federal agencies when they perform their reviews of nonfederal auditors. Board Chairman James M. Williams, CGFM, wrote that the FMSB recommends a short-duration task force to evaluate several issues, particularly those related to AU Section 9339, the representation letter and the ethics enforcement process. Such a task force, Williams wrote, could "make major improvements not just in this guidance document but also in the federal agency/auditee/nonfederal auditor relationship."

"The Orange Book contains extremely important guidance and will potentially impact thousands, perhaps tens of thousands, of auditor and auditee organizations, the AICPA Ethics Division, state boards of accountancy, federal offices of inspectors general and other federal agencies," he wrote in a January 29 letter to John H. Fisher, CGFM, of the U.S. Department of Health and Human Services.

The FMSB also made dozens of specific recommendations. For a full text of the comment letter, and all other FMSB pronouncements, go to <http://www.agacgfm.org/academy/>.

The 21-member FMSB, comprised of professionals with accounting and auditing backgrounds in all levels of government, academia and public accounting, comments on proposed standards and regulations of interest to AGA members. Local AGA chapters and individual members are encouraged to comment separately. •

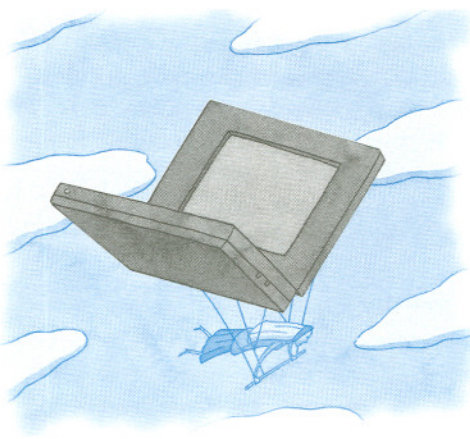
Frequent Flier Miles Rule Finalized

By Tanya N. Ballard, Government Executive

The General Services Administration published final rules for the new frequent flier mile benefit in the Federal Register. The fiscal 2002 Defense Authorization bill, signed into law in December, included a provision allowing civil service, military and Foreign Service employees to use frequent flier miles obtained on government travel for personal use. Prior to the law's passage, federal employees were not allowed to use their frequent flier miles because the 1994 Federal Acquisition Streamlining Act (Public Law 103-355) prohibited them from accepting promotional items, including frequent flier miles, they received while traveling at the government's expense.

The provision drew overwhelming support from Congress, where legislators argued that allowing federal workers to keep their frequent flier miles would help federal retention and recruitment efforts. •

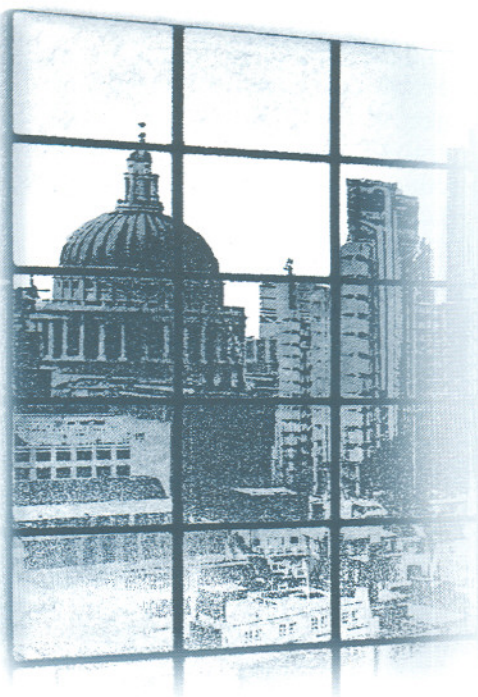
Full story: <http://www.govexec.com/dailyfed/0402/041202t2.htm>.



Inside the Black Box

Debit and Credit Activity

By Simcha Kuritzky, CGFM, CPA



What Goes In and What Goes Out

Last month, I wrote about reporting balances as positive or negative versus debit and credit. This month, I'm going to discuss how the balances are put together, and what affect this has had on the Standard General Ledger (SGL).

Four or Two?

The numbers that we use have signs, and they are either positive or negative. The postings to accounts are either debits or credits. Does that mean there are only two possible postings (positive = debit, negative = credit), or do all four possibilities exist (positive debit, negative debit, positive credit, and negative credit)? If there are four, how does one determine which activity is considered debit and which activity is considered credit?

Transfer Example

For example, SGL account 4170 Transfers—Current-Year Authority is debited when funds are transferred in and credited when funds are transferred out. The two-value approach only recognized those two possibilities. However, the four-value approach says that

a reduction to transfers in is not the same as an increase to transfers out. Hence, a negative debit is not the same as a positive credit. Does this distinction really matter? I've seen occasions where the auditors want to separate debit and credit activity, and so want activities that normally debit to include credits when they are backed out or posted for a negative value. For account 4170, if a credit was posted to back out an erroneous debit (i.e., one not supported by an SF-1151 non-expenditure transfer document), it makes sense to link the two transactions somehow, so that if accountants reconcile the debit activity of that account with Treasury's records of transfers in, they see this activity as an error and a backout, rather than as an error which has to be netted against a similar error in the transfers out. On the other hand, perhaps the reconciliation should only be done for both transfers in and out simultaneously, so as to make the debit/credit distinction unimportant.

In cases where this distinction really does matter, the SGL Board has set up multiple GL accounts to capture the activity separately. The SGL Board recently added accounts 3102 Unexpended Appropriations—Transfers-In and 3103 Unexpended Appropriations—Transfers-Out to separate these activities, so account 4170 does not have to. In a similar vein, upward and downward adjustments are in separate accounts, and rescissions credit a different account from the one the original appropriation debited.

I've also seen cases where agencies have added subaccounts because the SGL had not set up multiple accounts to segregate activity the agency needed to report or track separately. For example, one agency split SGL account 4310 Anticipated Recoveries of Prior-Year Obligations into subac-

counts 4311 Anticipation of Recoveries and 4312 Recoveries Realized. At the time, account 4310 debits were reported on a separate line from the credits on the Statement of Budgetary Resources, but since then, account 4871 was added to handle this split. Today one of the few areas where the statements make a distinction not easily found in the SGL is to segregate purchases of assets funded by authority (debit to the asset account) from disposals of assets (credit to the asset account). Of course, an unfunded transfer-in of an asset (which is a debit) or a purchase refund (which is a credit) would cause similar problems in calculating funded purchases, so simply separating debit and credit activity would not always be sufficient. Several agencies I work with capture this information by using separate subaccounts to 5700 Expended Appropriations Used, one for expenses and another for purchases of assets.

Conclusion

If it is important to distinguish between the various types of activity in an account, then it is best to set up separate subaccounts for this. If it is not important, then analysis of a particular account should include all activity, both debit and credit. Debits and credits should simply be the means by which an account balance is increased or decreased, and not used as a signal for different types of activity. •

Comments, suggestions, and critiques are welcome. Send them to Simcha.Kuritzky@ams.com, and not to the AGA.

The giant who triumphed through sheer tenacity inspires us every day.

During WWII he never fired a weapon, flew a plane, or drove a tank, but Winston Churchill was crucial to the Allied victory. His passionate eloquence and tenacity roused his nation: "We shall fight on the beaches...we shall fight in the fields and in the streets, we shall fight in the hills; we shall never surrender."

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