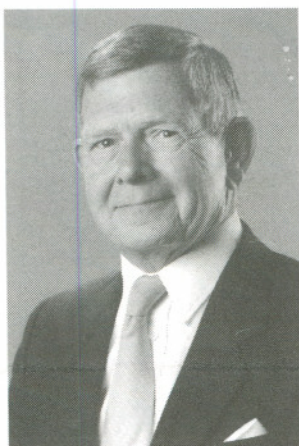


ASSOCIATION of GOVERNMENT ACCOUNTANTS

WASHINGTON CHAPTER NEWSLETTER

February 1991

About Our Speaker This Month



John Franke was appointed Director of the Federal Quality Institute (FQI) December 17, 1989. The Federal Quality Institute, created in 1988, is a quasi-independent organization administered through the Office of Personnel Management (OPM). Its role is to acquaint Federal managers with new methods to improve the quality and efficiency of government services.

John served as Assistant Secretary for Administration at the Department of Agriculture

from March 1983 until his appointment as Director of FQI; from August 1982 until he was confirmed as Assistant Secretary, he served as Deputy Assistant Secretary for Administration at USDA. President Reagan also appointed John to the Board of Directors of the Rural Telephone Bank in January 1984.

He has previously served as Regional Administrator of the Environmental Protection Agency (Region VII). John was elected Commissioner of Johnson County, Kansas, and served in that capacity for nine years (1972-1981). He was elected Mayor of Merriam, Kansas (1971-1972) and served as President of the City Council in Merriam, Kansas (1969-1970). He was a member of that City Council from 1965 to 1970.

In his role as Assistant Secretary for Administration for the Department of Agriculture, John's responsibilities encompassed the following: Departmental Director, EEO; Senior IRM Official; Senior Debt Management Official; Senior Internal Control Official; Senior Procurement Executive (Deputy to the Secretary for Procurement, Minority Development); Committee Management Officer and designated Agency Safety and Health Official. He served as Vice-Chairman of the President's Council on Management Improvement (PCMI) and Chairman of PCMI's Government Operations Committee.

(Continued on page 8)

Register Now for TQM Seminar
See Page 3

February 7, 1991

WASHINGTON CHAPTER LUNCHEON MEETING TO FEATURE

John Franke, Jr.

As Director, Federal Quality Institute, Mr. Franke will discuss the Future of Total Quality Management in the Federal Government

TOUCHDOWN CLUB

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

Social Period: 11:30 a.m. (Cash Bar)
Luncheon: 12:00 noon
Menu: Salmon steak
Cost: \$17.00 (Members)
\$19.00 (Non-members)

Reservations Recommended
Call (703) 758-4080 Thru February 5
NON-MEMBERS WELCOME!
(Uncancelled "No-Shows" will be billed)

Next Meeting: March 7

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PRESIDENT'S MESSAGE



Joyce Shelton

This is the time of year when we focus our attention toward the future with new resolve and best intentions. It is an appropriate time for our February luncheon and workshop theme of total quality management. John Franke of the Federal Quality Institute is an excellent speaker and I hope that many of our members will be able to take advantage of both the luncheon and the workshop.

Due to the hard work and dedicated efforts of your Officers and Board of Directors, the Washington Chapter has regained its position of financial strength. Much of the credit goes to Past President, Doris Chew. Doris resolved the problem we had with the Internal Revenue Service and they returned the amount they had previously collected from us last summer. Yash Parekh, our Assistant Treasurer, also deserves special thanks for his diligent efforts to identify and collect receivables from prior training events. Bob Rogers, our former Treasurer, and Tom Neldrum deserve thanks for their work on the financial records. Rick Polhamus has thoroughly audited our books and made excellent recommendations for improving our controls. All of this set the stage for a successful year in the Chapter. This year we have had three successful educational events and another two are in the offing. Education Committee Chair, Pete Ben-Ezra and the entire Education Committee deserve our praises for their hard work in bringing us timely and quality training programs.

In December, I recommended, and the Officers and Board of Directors approved, our Chapter's donation of \$10,000 to the building fund for the new National Office in Alexandria. I made the recommendation because I believe it is the right thing to do and the Chapter has now recovered from its financial problems and is in a position to do so. The Washington Chapter is not only the founding Chapter of the Association, it is also the premier Chapter. Our members have been and continue to be the leaders in this Association. The health and success of our national organization is very much in our best interests.

We owe a special debt of gratitude to two Washington Chapter members. Neil Tierney devoted many hours to make the new building for the National Office a reality. And Virginia Robinson had the unexpected opportunity to resolve the National Office's financial and management problems, while also serving as National President. Virginia's efforts have not ended as she is leading the selection committee in its search for a new Executive Director.

We have and will always have a deep personal caring concern for our National Association of Government Accountants. Being involved and expressing our opinion is a healthy and vital indication of our caring. Providing our unsolicited and unconditional support is also a healthy and vital indication of our caring.

AGA WASHINGTON CHAPTER

Chapter Executive Council for 1990/1991

OFFICERS

President

Joyce Shelton, DOT, (202) 366-1306

President-Elect

Sam Mok, Treasury, (202) 377-9322

Secretary

Steve Swanson, DOT, (202) 366-5643

Treasurer

Joan Bozzonetti, DOC, (202) 377-4593

Assistant Treasurers

Yash Parekh, DOT, (202) 366-5760

Geraldine Beard, JFMIP, (202) 376-5415

Past President

Doris Chew, JFMIP, (202) 376-5415

DIRECTORS

Chapter Awards

Nancy Fleetwood, FMS, (202) 287-0318

Chapter Bylaws & Procedures

Mary Lee Mason, FMS, (202) 208-1393

Student Awards

John Cherbini, C&L, (202) 822-5640

Membership Services

Evelyn Brown, DOC, (202) 377-2679

Programs

Alvin Tucker, DOD, (703) 697-0503

Publicity & Agency Liaison

Joe Willever, OPM, (202) 606-1200

Small Business Education

Lionel Henderson, CSC, (301) 982-2133

VITA

Joyce Charles, Labor, (202) 523-5906

Education

Larry Wilson, USDA, (202) 447-8345

Budget and Finance

Patricia Dews, NARA, (202) 501-6060

CHAIRPERSONS

Chapter Recognition

Jean Bowles, State, (703) 875-6923

Small Business Education

German Guajardo, EPA, (202) 475-9507

Education

Peter Ben-Ezra, USDA, (202) 382-1174

Research

Larry Eisenhart, HHS, (202) 245-6176

Meetings

Warren Cottingham, FMS, (202) 208-2417

History

Judith Boyd, DOD, (703) 697-8281

Budget and Finance

Susan Lee, NARA, (202) 501-6080

Newsletter

Joel Dorfman, DOT, (202) 366-2135

Student Awards

Donald Richardson, PMM, (202) 467-3185

Programs

Diane Bray, DOD, (703) 697-8281

Employment Referral

Bob Loring, OPM, (202) 606-0666

Chapter Procedures

Judi Fuerstenberg, DOE, (202) 586-0140

VITA

Velma Speight, Labor, (202) 501-8825

Geraldine Jasper, Education, (202) 372-5615

Membership Services

Sue Fields, NIH, (301) 496-3417

COMMITTEE REPORTS

Welcome New Members!

The Washington Chapter is pleased to have the following new members join our organization:

Member	Employer	Sponsor
Larry W. Albert	Arthur Andersen & Co.	
John S. Barckley	Treasury, FMS	
Brian L. Butters	Navy	
C. Anita Byrd	Labor	
John L. Catalfamo	Arthur Andersen & Co.	
William E. Daeschner	Navy	Charles McAndrew
Wesley B. Dixon	CBSI	
Frederick D. Doggett	Energy	Stan Sulak
Judith A.W. Ferris	Booz, Allen & Hamilton	
Margaret E. Grayson	Biospherics Inc.	Evelyn Brown
Jay C. Gremillion	Coopers & Lybrand	John Simonette
David N. Hale	Commerce	
Linda A. Halliday	Eagle Systems	
Gordon O. Hansen	Energy	
John B. Harvey	Coopers & Lybrand	John Cherbini
Kurt W. Hyde	Resolution Trust Corp.	Tom Roslewicz
Lisa G. Jacobson	GAO	
David R. Kelly	Treasury, BATF	Stephan Itnyre
Timothy F. Kenny	KPMG Peat Marwick	John Hummel
Frank R. Kesterman	First Oxford Corp.	Joyce Shelton
Thomas S. McFee	HHS	Richard Kusserow
Mary Anne R. Romfh	State	Charles Koeneman
William R. Shupe	Commerce	Lonnie Hunter
Kenny J. Tortorici	USDA	
David J. Touchette	Assoc. Builders & Cont.	
Marilyn J. Vegh	Veterans Affairs	Joyce Shelton
Janice J. White	OPM	James Boyd

We look forward to meeting each new member at our luncheon meetings.

Financial Systems Update Seminar

An all day seminar titled "Federal Financial Management Systems Update" is scheduled for **April 23** at George Washington University. The seminar will address the following issues:

- Vendors on the GSA Schedule
- Federal government user's perspective
- JFMP Core Financial Systems Requirements
- Cross-servicing
- OMB policy on financial systems
- Treasury's Financial Management Service reviews of A-127 five year plans
- GAO viewpoint

Look for more details in future newsletters.

Total Quality Management Education Seminar

The Washington Chapter will hold a half day seminar on Total Quality Management (TQM) on **February 7** at the Touchdown Club. The program will include the Washington Chapter's regular monthly luncheon meeting. Seminar details are as follows:

TQM: Application for Budget and Financial Managers

Program:

TQM Overview: Concepts and Practices	9:00 a.m. - 10:00 a.m.
Break	10:00 a.m. - 10:15 a.m.
Linking TQM to Budget and Financial Managers	10:15 a.m. - 11:30 a.m.
What Does TQM Mean to Federal Financial Managers?	11:30 a.m. - 12:30 p.m.
Lunch	12:30 p.m. - 1:00 p.m.
The Future of Total Quality Management in the Federal Government	1:00 p.m. - 1:45 p.m.

Luncheon Speaker:

John J. Franke, Jr., Director of the Federal Quality Institute

Confirmed Presenters:

Carolyn Burstein
Federal Quality Institute

Ian D. Littman
Director of TQM Services, Coopers & Lybrand

John Marshall
Principal Associate, McManis Associates

CPE

Credit: Four hours

Cost: \$60 for members; \$70 for non-members (includes lunch). \$5 discount is offered for payment in advance or at registration. We accept Visa or MasterCard.

Reservations:

Telephone reservations may be made by calling the Washington Chapter reservation number at (703) 758-4080 or FAX # (202) 366-7174. Training authorizations should be mailed to:

Association of Government Accountants
TQM Seminar
P.O. Box 423
Washington, D.C. 20044-0423

For prepayment by credit card, call Steve Swanson at (202) 366-5643.

SCHEDULE OF REMAINING MEETINGS

February 7

March 7

April 4

May 2

JFMIP Annual Conference

The Joint Financial Management Improvement Program's (JFMIP) 20th Annual Financial Management Conference will be held on **Monday, March 18, 1991**. This year's Conference theme — **Improving Program Delivery and Stewardship through Modern Financial Management** — will cover how managers can utilize financial management to make their organizations more effective and efficient in the public sector.

The following topics will be presented at the Conference:

Federal Accounting Standards. This session will address some of the issues facing the newly established Federal Accounting Standards Advisory Board.

Technological Developments. This workshop will highlight applying and identifying new technology, electronic data interchange, expert systems, and document imaging.

Improving Operations through Better Financial Management. Examples of how this has been done, using total quality management (TQM) and other methods, from the private sector and other countries will be discussed.

Meeting the Requirements of the CFO Act for Financial Analysis. To meet the requirements of the CFO Act, agencies and their auditors are expected to provide interpretive data which explains historical and projected financial positions. This workshop, focusing on one department's financial analysis, will discuss how agencies can best comply with this type of financial analysis.

In addition, the Donald L. Scantlebury Memorial Awards for excellence in public sector financial leadership will be presented during the luncheon session.

Continuing Professional Education: Six hours of CPE.

Location: Grand Hyatt Hotel
1000 H Street, NW
Washington, DC
(Across from Metro Center subway stop.)

Cost: \$100 per registrant.

Registration: Attendance at this conference can be approved under the Government Employee's Training Act. Training authorizations should be submitted no later than one week prior to the start of the conference. Early submission is recommended. However, late training authorizations will be accepted if space is available. Registration at the hotel starts at 7:30 a.m. The program is from 9:00 a.m. until 4:00 p.m.

Payment Information: Individuals with a sponsoring agency should submit an approved training authorization or purchase order. The purchase order should include a complete mailing address and phone number for each participant. Individuals without a sponsoring agency should submit a registration form and a check payable to the USDA Graduate School to cover the \$100 conference fee. VISA, MasterCard, or Diners Club will also be accepted. All authorizations, checks or nominations should be sent to:

JFMIP Conference
USDA Graduate School
600 Maryland Avenue, SW
Washington, DC 20024

Since there will be a large number of registrants, we will not notify nominees of acceptance. All registrants will be accepted, unless otherwise notified. For further information on registration, contact Isabelle Howes on (202) 447-7124.

Deadline: The deadline for all registrations is **March 8, 1991**. Cancellations must be in writing and received by March 8, or a billing will be made. Substitutes will be accepted.

Minutes of Chapter Executive Committee Monthly Meeting

Minutes for December 19, 1990

by Joel Dorfman for Steve Swanson, Chapter Secretary

Call to Order: President Joyce Shelton called the meeting to order at 12:10 p.m.

Secretary's Report: The minutes from the November CEC meeting were reviewed and approved.

Treasurer's Report: Joan Bozzonetti presented a Statement of Financial Position as of November 30, 1990. The Statement of Financial Position indicates the net worth of the Chapter is in excess of \$37,000. Joan also presented a Statement of Revenue and Expense for the period July 1, 1990 to November 30, 1990. The Statement of Revenue and Expense indicates revenues in excess of \$23,000 and expenses in excess of \$14,000 with a net income to date of in excess of \$8,000. The statements do not include the projected profits from the December 10 Chapter educational seminar held on Debt Collection and Credit Management.

Committee Reports on Activities

Audit Report: Joyce Shelton presented written copies of Rick Polhamus's final audit report of the fiscal year 1989-90 financial statements. The auditor's report indicated that the financial statements "fairly present the financial position of the Washington Chapter of the Association of Government Accountants as of June 30, 1990." Rick also compiled revised financial statements reflecting "immaterial adjustments" discovered during the course of the audit.

In addition, a written management letter was provided to the CEC providing recommendations for improving the financial management of the Chapter. Several recommendations were made regarding improved controls over accounts receivables generated from Chapter educational events.

Joyce Shelton asked that the Board review the audit reports and vote to accept the reports at the next CEC meeting.

Education: Peter Ben-Ezra reported that the December 10 education event was very successful. He indicated that final financial data is not yet available. Based on the attendance and fixed costs, a net profit in excess of \$8,000 is projected from the event. Judi Fuerstenberg indicated that the Chapter should consider recording educational events for further dissemination of information. Joyce Shelton suggested that the educational events could generate articles for the newsletter.

Peter Ben-Ezra reported that a one half day program on Total Quality Management is being developed for February 7. In

(Continued on page 5)

(Minutes continued from page 4)

addition, an all day program titled: "Federal Financial Management Systems Update" is being planned for April 23 (change from original date of April 25).

Joyce Shelton reminded the CEC that the Chapter can accept credit card prepayments for educational events.

Newsletter: Joel Dorfman reported that the January newsletter was mailed out on December 19.

National PDC: Joyce Shelton reported that AGA National is reconsidering holding the 1993 Professional Development Conference in the Washington area. Joyce indicated that we are going to prepare a new bid for the 1993 PDC. Doris Chew is working on the proposal.

Membership: Joyce Shelton indicated that she will pursue the requirements and potential costs of developing a Washington Chapter membership directory.

AGA National Office Building Fund

Joyce Shelton proposed to the CEC that the Chapter make a pledge of \$10,000 to the Building Fund for the new AGA national headquarters building. Joyce indicated that the Chapter is now in a strong financial position and that it is important that the Washington Chapter support the National Office. After some discussion, it was determined that a quorum was not present to vote on this proposal. The CEC agreed that ballots should be faxed to all of the elected officers and directors to vote on this issue. Subsequent to the meeting, the CEC voted in support of the proposal.

Next CEC Meeting: The next CEC meeting is scheduled for January 17, 1991.

Adjournment: Joyce Shelton adjourned the meeting at 1:15 p.m.

AGA Professional Development Conference

The AGA's annual professional development conference will be held on **June 24-26, 1991** at the Westin Crowne Center, in Kansas City, Missouri. Look for more details in future newsletters and AGA National mailings.

National Office Address Change

The national office of the Association of Government Accountants (AGA) is planning to move into its new headquarters building on January 21. The telephone number for AGA National will not change (703 684-6931). However, the mailing address will change to the following:

AGA National Office
2200 Mt. Vernon Avenue
Alexandria, Virginia 22301

The easiest and surest way of changing your mailing address for all Chapter and National Office mailings is to mail a notice with the new address and an AGA mailing label with the old address to the AGA National Office.

Dollars and \$ense

The Accounting Policy Staff (APS) of the Financial Management Service (FMS) has developed a two-day seminar which leads participants through the labyrinth of Treasury's central accounting requirements. During the seminar, instructors from APS relay their financial expertise through unorthodox presentations to those involved in financial reporting.

The seminar unravels how FMS processes receipt and expenditure information through Treasury's central accounting system. Beginning with a detailed explanation of the central accounting system, participants are then told how appropriation theory relates to financial reporting, how Treasury's central accounting requirements affect financial reporting, and how certain financial reports relate and eventually contribute to governmentwide reports.

Once participants grasp how FMS weaves financial information together in Treasury's central accounting system, instructors describe techniques which reduce headaches during report preparation. These techniques help participants analyze, reconcile, reclassify, adjust, and assure the accuracy of certain financial data. Particular emphasis is placed on the critical nature of consistency within the reporting process.

FMS offers the seminar on a reimbursable basis of \$195 per person within the DC area. Additional costs will be incurred for instructors' travel outside the DC area. Five sessions have been scheduled for 1991 and are listed below with dates, times, and location. To make reservations or if you have any questions, please call the Accounting Policy Staff on (202) 208-1751 or FTS 268-1751.

Course Title:	DOLLARS AND \$ENSE
Dates - 1991:	March 19-20, April 23-24, May 21-22, July 23-24, and August 27-28
Time:	9:00 a.m. to 4:00 p.m. each day
Location:	Westpark Hotel, 1900 North Fort Myer Drive Arlington, Virginia 22209
Cost:	\$195 per person
Reservations:	Phone (202) 208-1751 or FTS 268-1751 (not later than 10 days prior to the date you wish to attend)
Education Credit:	This course is approved for 16 Continuing Professional Education (CPE) credits
Billing Instructions:	Mail completed SF-182 to: U.S. Department of Treasury Financial Management Service Financial Operations Branch Administrative Accounting 1401 14th Street, NW 2nd Floor West, Room 253D Washington, DC 20227 Attn: Mrs. Peggy Linhoss

Note: Please insure that the SF-182's include your agency location code (ALC) and all accounting classification information.

TECHNICAL TOPICS

Introducing Total Quality Management

by Ian D. Littman and John Simonette of Coopers & Lybrand

Government agencies face challenges that are more difficult and complex than any faced by our nation in peacetime. They must cope with seemingly intractable deficits, steady growth in demand for traditional services, new and unusual requirements brought on by a drug epidemic and a highly competitive world economy, and increasing disillusionment with government's ability to serve the needs of its citizens. We can no longer "throw money" at these issues. The only realistic solution is improve performance, providing more and better services for each tax dollar spent. We believe TQM is the best, and perhaps the only method government can use to meet these challenges.

What is TQM? There are as many definitions of Total Quality Management as there are groups that use it. In fact, one of your first tasks in introducing TQM to your organization is to help your colleagues arrive at a working definition of it. Before you can do this, your people must come to terms with a new meaning of quality. It includes:

- The physical attributes of a product or service, how it is made, and its cost, timeliness of delivery, reliability, and utility.
- The degree of confidence of users that products and services will meet their expectations.
- The intended and unintended effects of products and services (and the way they are made) on employees, users, and society as a whole.

This means quality stands for productivity, efficiency, leadership, strategic planning, morale, ethical behavior, and about every other aspect of operating an organization. Hence, the concept total quality. This is the reason most people consider TQM a "philosophy," or set of guiding principles, of managing operations.

Another key term: process. A process is the way work is done. A process might be preparing a budget, processing an invoice, or interviewing a job applicant. TQM focuses on building quality into processes. This is a major departure from traditional management, which concentrates on inspecting for quality after products and services are made.

The term customer includes external users of the final product and service outputs of an organization. It also means the people inside an organization that use the outputs of other internal groups. So everyone in an organization is at once an internal customer, and an internal supplier of products and services of other internal customers.

Therefore, we define TQM as: **A management philosophy of involving everyone in an organization in controlling and continuously improving processes to meet customer expectations.**

Many people in government feel that TQM is nothing new. In a 1989 survey of federal executives, Coopers & Lybrand found that six out of ten felt that TQM is just a new way of packaging tried-and-true management techniques. But just looking at the techniques of TQM is a mistake. It represents a major philosophic change in the way organizations operate.

TQM represents a significant shift in the way managers manage and workers work. In conducting our research for a book Coopers & Lybrand is publishing later this fall "Excellence in Government - Total Quality Management in the 1990's" we found that the best public sector organizations do the same things as great private companies:

- They know who their customers are, and strive to please them;
- They have a vision of excellence, and pursue it relentlessly;
- They trust their employees, and give them authority to control and improve their work;
- They are never content with the status quo;
- They take risks; and
- They cut red tape wherever they find it.

How relevant is TQM to the accounting and finance operation of a federal agency? As already indicated, TQM is not confined to special parts of an organization. The mission, customers, and processes may differ, but the need to deliver quality services is the same for an accounting and finance operation as for any other line or staff function in that agency, whether it be a personnel department, a procurement operation, or a grants management function.

A key concept of TQM is that it is the customer and not the provider who defines quality. Thus the provider must continually work on improving the process to deliver quality services such as paying a vendor on time or producing timely and relevant financial reports for management.

Hopefully, you have not relegated TQM to being just another fad or the latest buzz word around town. In fact, the federal establishment has made some real progress the past few years toward making TQM a meaningful part of government. Witness, for example, creation of the Federal Quality Institute in 1988. Several agencies have been actively pursuing quality improvements and gotten a lot of recognition. Also, OPM administers a federal TQM contract in which any federal organization can easily and quickly order TQM consulting or training services without competition up to \$600,000 per task order.

We invite you to take a look at your accounting/finance operation from a quality management perspective and begin thinking about ways to improve the critical processes you manage to serve your many customers better. There's plenty of help to get you started but whether you go it alone or obtain assistance, the key is your commitment to continuous quality improvement.

Debt Collection and Credit Management Seminar

by Mickey Hostetler, Department of Transportation

On December 10, 1990 the Chapter held a seminar on **Debt Collection and Credit Management** at the Touchdown Club. The seminar was cosponsored with the Department of Treasury's Financial Management Service. The following are highlights of the seminar.

Frank Hodson, Executive Associate Director, OMB, spoke to the attendees on the new OMB policy on guaranteed loans and the Federal Credit Reform Act of 1990. Mr. Hodson noted that guaranteed loans represent 75 percent of the Government's credit portfolio. OMB's new Bulletin on this subject establishes Government-wide standards for the guaranteed loan process (OMB Bulletin No. 91-05).

Justine Rodriguez, Acting Deputy Associate Director for Economic Policy, OMB, spoke on the new regulations requiring lenders to determine how many loans are likely to become delinquent. Ms. Rodriguez noted that agencies will be required to ensure that subsidy appropriations are available before guarantees or loans can be given. The default probability should be estimated and a risk category should be determined at the onset. She also indicated that the actual loan experience—from beginning to end—should be tracked because Congress will be looking at the quality of program data and will also note whether defaults are higher or lower than expected, including the reasons for any changes in the loan profile. Ms. Rodriguez emphasized that agencies will need to connect subsequent events by year, program, and risk category.

Robert Ford, Deputy Assistant Attorney General for Debt Collection Management, DOJ, noted that DOJ has established a central intake facility for debts forwarded to Justice for collection. He added that the centralization facilitates the handling of the vast amount of data associated with this process. However, he said that the level of outstanding debt reflected since the formation of his central intake facility is much lower than that noted in the past when the operation was decentralized. Mr. Ford recommended that agencies examine the data reported in their SF-220, Schedule 9 reports to ensure accuracy.

Susan Gaffney, Acting Deputy Associate Director for Financial Management at OMB, spoke on the new CFO legislation, noting that OMB is willing to work with agencies on implementation. Ms. Gaffney said that, in most cases, the CFO will be a Presidential appointee in large agencies, and an SES in small agencies. Exceptions will be considered. The CFO will report directly to the head of the agency. In addition, OMB will have two newly created positions: a Deputy Director for Management and, under that office, a Controller. Both positions will be Presidential appointees.

The CFO Act requires all Government agencies subject to the Act to prepare audited financial statements, on an annual basis, for their revolving funds, trust funds, and funds associated with substantially commercial operations. The first set of statements must be produced by March 31, 1992 for the period ending

September 30, 1991. The CFO Act also designates selected agencies to produce audited financial statements for all of their funds. These agencies will be phased in as follows:

FY Ending 9/30/90:

- Social Security Administration
- Veterans Affairs
- Department of Agriculture
- General Services Administration
- Department of Labor

FY Ending 9/30/91:

- Army
- Housing and Urban Development

FY Ending 9/30/92:

- Air Force
- US Customs Service
- Internal Revenue Service

Ms. Gaffney also said that 5-year financial plans will be required of agencies, with the first one being due to OMB by August 31, 1991. OMB will consolidate the information provided by all agencies and forward it to Congress beginning January 31, 1992. OMB will also be required to report by June 30, 1993, the benefits of these 5-year plans. Ms. Gaffney said that task forces have been formed to "move out" on these new requirements.

Ms. Gaffney also added that during the financial review conducted at five agencies this past summer, Price Waterhouse recommended the consolidation of OMB Circulars A-123, A-127, and A-130. OMB is going to work on this possible consolidation during the next six months.

With reference to the newly formed Federal Accounting Standards Advisory Board, Ms. Gaffney said that the members consist of three individuals from the private sector, and one each from Treasury, GAO, OMB, DoD, the Congressional Budget Office and a civilian agency. The Board is awaiting final clearance before proceeding.

Marvin Markus, Managing Partner for Kidder Peabody, Inc., New York, New York, recommended that the Government consider the methodologies used by the private sector in the area of portfolio management.

Victoria McDowell, Director, Credit Administration Division, FMS, announced that the Schedule 9 form will be revised due to the extensive use of the debt category entitled "Other." Ms. McDowell explained that this category is used by agencies at least 50 percent of the time. Therefore, additional categories will be created to facilitate identification of the type of debt, and the category "Other" may be eliminated during the revision of this form.

Tom Stack, Chief, Credit and Cash Management Branch, OMB, spoke to the group about the future of credit management and debt collection. Mr. Stack commended the Department of Education for being the first agency to use a collection agency in recovering debts, and he said that this process has been successful in the Government.

THIS AND THAT

Other Chapter Meetings

Montgomery/Prince George's Chapter

Date and Time: February 13, 1991
 5:30 p.m. (social)
 6:45 p.m. (dinner)

Location: Holiday Inn, College Park

Speaker: Judge Gerald Devlin
 "White Collar Crime"

Cost: \$16

Reservations: Gary Fishbein (202) 366-6074

Northern Virginia Chapter

Date and Time: February 20, 1991
 5:30 p.m. (social)
 6:30 p.m. (dinner)

Location: Sheraton National Hotel
 Columbia Pike & Washington Blvd.
 Arlington

Cost: \$18

Reservations: Andrea Walker (202) 619-3066

Note: This meeting will follow a program on the CFO Act. This program will run from 1:00 to 5:00 p.m. at the Sheraton.

About Chapter Members

Kathryn Melvin has joined the Department of the Treasury's Departmental Office. Kathy was formerly Chief of the General Accounting Branch, Accounting Operations Division, Department of Transportation's Office of the Secretary.

Joe Kenny has left the Department of Energy's Office of Financial Management and Controller to become a foreign service officer with the Department of State.

Chapter Recognition Program

As of the end of November, the Washington Chapter has earned 5966 points.

(About Our Speaker continued from page 1)

John is listed in *Who's Who In America*. He received the 1986 "Man of the Year" Executive Excellence (IRM) Award, the 1987 Public Employee's Roundtable Award "Excellence in Public Service" and in 1987 the ASPA "Outstanding Public Service Award."

John has served with the United States Marine Corps. He and his wife, Midge, reside in Burke, Virginia. they have three married sons.



P.O. Box 423
 Washington, D.C. 20044
 February 1991



FIRST CLASS MAIL