

ASSOCIATION of GOVERNMENT ACCOUNTANTS

THE WASHINGTON CONNECTION

Washington Chapter • P.O. Box 423 • Washington, D.C. 20044-0423 • (703) 758-4080 • February 1995

Due to the development of a last minute schedule conflict, our luncheon program for February has undergone some change. The Program Committee has arranged for a very timely program focusing on "Electronic Commerce."

WASHINGTON CHAPTER LUNCHEON MEETING

THURSDAY
FEBRUARY 2, 1995

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

Social: 11:30

Luncheon: 12:00 Noon

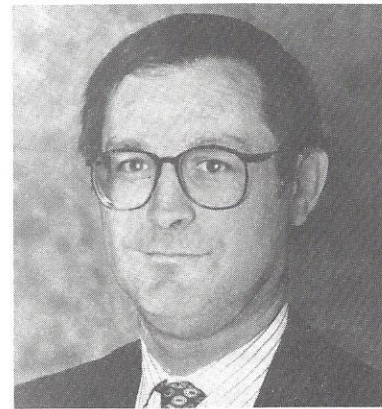
Cost:

Special Associates	\$ 8.00
Associate Members	\$10.00
Retired Members	\$12.00
Full Members	\$16.00
Nonchapter Members	\$18.00

New Members - your first luncheon meeting is free!

- Reservations are urged
- Call (703) 758-4080 by January 31, 1995
- Request sign language interpreter by January 30, 1995
- Non-Members are welcome

LUNCHEON SPEAKER



Mr. G. Martin Wagner

Our luncheon speaker will be Mr. G. Martin (Marty) Wagner. Mr. Wagner's permanent position is Deputy Commissioner, Information Technology Service, General Services Administration. He is currently serving as Co-chair of the Federal Electronic Commerce - Program Management Office (ECA-PMO). This Office, which functions under the auspices of the Office of Federal Procurement Policy, Office of Management and Budget, has the responsibility for ensuring that the government has in place an infrastructure that will enable the accomplishment of the objectives of the Presidential Memorandum of October 26, 1993, entitled, "Streamlining Procurement Through Electronic Commerce." Mr. Wagner's presentation is timely in that July, 1995 represents an important milestone date in the Presidential Memorandum, and agency finance offices will need to be sure they are prepared.

Prior to his current position at GSA, Marty Wagner served as Deputy Commissioner of the Information Resources Management Service, where he was responsible for government-wide programs for acquisition and management of telecommunications and computer equipment, systems, and services. Previously he was Director of the Treasury Department's Office of Telecommunications Management. He oversaw the Department's voice and data communications strategy. In 1988, Mr. Wagner managed the interagency group evaluating the management proposals for Federal Telecommunications System (FTS2000). Before that he spent two years at OMB as issue manager for all government telecommunications. In the eight years prior to his tenure at OMB, Mr. Wagner was at the Environmental Protection Agency where he managed the agency's economic studies of environmental regulation of energy industries.

Mr. Wagner has bachelor's and master's degrees in Engineering from Princeton University. He also has a master's in Economics and Public Policy from Princeton's Woodrow Wilson School of Public and International Affairs.

The President's Message



Pat Wensel, President

AGA's Sixth Annual Federal Leadership Conference is just around the corner - to be held on February 21-22, 1995, at the Hyatt Regency - Capitol Hill. Our own Mitch Laine, conference co-chairman, has organized an outstanding program around the theme "Leading in a Changing Environment: Challenges and Opportunities." The speakers are outstanding and the topics are timely. There is something for everyone and it also qualifies for 16 hours of CPE's. Join me as we honor outstanding leaders in the federal government and the private sector as AGA presents the Andy Barr Award, the Elmer Staats Award and the Distinguished Federal Leadership Award.

I know it's still the middle of winter but it's time for all AGA'ers to be making summer plans for the 44th annual Professional Development Conference in San Diego on July 5-7. This year's theme is "Making the Connection" - connecting on the latest in technology

developments, networking with peers, and taking valuable knowledge back to your agencies and firms. Another important part of the PDC will be the Exposition - a showcase of the latest in technology - managed by Bostrom Corporation, a professional exposition manager. If you register for both the Federal Leadership Conference and the PDC you can take advantage of the multi-conference discount policy and save \$50.

I offer my congratulations to all chapter members that have received their certification as Certified Government Financial Managers. This certification recognizes the unique skills and knowledge required of professionals who specialize in government financial management. If you have not yet applied for certification and would like additional information, please contact Evelyn Brown, our president-elect. Evelyn will tell you what to do and how to do it.

You still have time to serve as a VITA volunteer. Join other chapter members at the Martin Luther King Library from now through April 17. Jeff Williams or John Emery will be glad to tell you where to go, when you are needed, and what to do.

We have decided to continue our reduced lunch prices and free lunch for new members policy through April so you have three more opportunities to bring your new members as our guests. Russ Morris and his committee have arranged some very interesting programs for the rest of the year. See you at the Touchdown Club and bring your new members for a free lunch.

Pat Wensel

Our Chapter has earned 8,102 points in the Chapter Recognition Program through December 1994

Join us in April for the AGA Washington Chapter's special two-day conference focusing on Information Technology

Name: The Latest in Information Technology for Financial Management

Date: April 10 - 11, 1995

Location: Marvin Center, George Washington University

Topics will include:

- The Framework for the use of Technology in Financial Management
- FinanceNet
- Procurement Systems and the use of Electronic Commerce
- Credit Cards Technology Trends including Client Server
- GSA FMSS Software Packages

Watch your mail in February for a flyer!

..... HIGHLIGHTS OF THE JANUARY 4th EXECUTIVE COUNCIL MEETING

- The Council voted to extend the luncheon subsidies through April 1995.
- Sign-up forms for prospective mentors will appear in the Chapter Newsletter and National's *TOPICS*.
- The Past Presidents' Council met for the first time in December and may again meet again later in January.
- The Small Business Workshop will be held from April 13 - June 15. The Community Outreach Committee is looking for someone to head this effort.
- Schedule conflicts have caused the February luncheon speaker to be changed. Marty Wagner, the Co-Chair of the Electronic Commerce Acquisition Program Management Office, will speak on the topic of electronic commerce in today's financial environment.
- March 17th has been established as the tentative date for the Chapter's Social Event.
- National has requested the Chapter's participation on its Ethics Review Committee.
- Nominations are currently being solicited for the National Awards Program and also for the Ron Lynch Scholarship.
- Due to a conflict with the Leadership Conference, the Executive Council's February meeting has been rescheduled to Thursday, February 23rd.

Cis Kuennen, Secretary

WELCOME TO THE FOLLOWING WASHINGTON CHAPTER NEW MEMBERS

Sherry Amos	PeopleSoft, Inc.	James F. Long	Farm Credit Administration
Jennifer Canane	Environmental Protection Agency	Phillip W. Marshall	Bureau of Public Debt
Wesley B. Dixon	Coopers & Lybrand	Francis J. Martinsky	Environmental Protection Agency
W. B. Erwin	Patent and Trademark Office	Michael D. Sciortino	OGDEN Government Services
Veronica D. Freeman	Department of Justice	Ruth Toney	Treasury Department, FMS
Nancy L. Hoglund	Department of Education	Michael R. Tysarczyk	Coopers & Lybrand
Shirley T. Holland	Office of Personnel Management	Stephen J. Varholy	Department of the Interior
Kevin Hrynkow	Department of State		

INTERNET UPDATE

New FinanceNet Library Postings During December 1994

The FinanceNet Internet libraries have been visited more than 275,000 times over the last six months, and subscriptions to FinanceNet listservers have now well exceeded 2,000. New public listservers have been added for "News," "MuniNet," and "GFOA." New FinanceNet postings listed during December 1994 are:

New Lynx Access:

Anyone with gopher access can now reach our well reputed World Wide Web site by telnetting to one of several locations and logging on as "Lynx". Lynx provides most of the features of the Web with the exception of the graphics. Some Internet surfers actually prefer using Lynx because of its increased speed of access compared to normal Web browsers. FinanceNet will shortly be providing its own Lynx access. The Lynx access is available under:

/Welcome to FinanceNet
/FinanceNet WWW Access via Lynx

New Under /Happenings in Financial Management:

- Minutes of Government Accounting Standards Board (GASB) meetings and notices of future meeting dates and times
- AGA December Newsletter
- Announcement: "OPM and Treasury Enter Into Partnership"
- FinanceNet Core Team and Task Forces Minutes
- More announcements from Her Majesty's Treasury (UK)
- Government of New Zealand

New Under /Closely Related Networks/BudgetNet/Federal/GAO Budget Issues Documents:

Brad Leonard, Coordinator for BudgetNet, has posted a series of interesting abstracts of Federal budget related publications in the BudgetNet directory on FinanceNet. Documents include reports and testimony from the General Accounting Office. The titles of new documents posted during January are:

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Budget Estimates and Actual Results 1992 • Tax Expenditures: Magnitude and Effects • Scorekeeping for Public Buildings • Rescissions: Use and Impact • Budget Reconciliation | <ul style="list-style-type: none"> • Performance Budgeting • Reducing Costs through Management Reforms • Budget Estimates and Actual Results • Investment Budgeting |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

The URL's for the FinanceNet servers are:

<http://www.financenet.gov>
<gopher://gopher.financenet.gov>

FinanceNet was established by Vice President Gore's Office of the National Performance Review, with operations provided by the National Science Foundation. For more information on FinanceNet, send a blank e-mail message to "info@financenet.gov" or contact B. Preston Rich, Co-Chair, FinanceNet Core Team, at: Internet, "preston.rich@nsf.gov"; Voice, (703) 306-1282, or (Fax) (703) 306-0287.

SUMMARY OF LUNCHEON SPEAKER'S REMARKS by *Cis Kuennen, Secretary*

Mr. Edward DeSeve, the Presidential nominee for Controller of the Office of Management and Budget, spoke at our January luncheon meeting. Mr. DeSeve selected the theme of "Keep on Truckin'..." The topic seemed especially pertinent in the realm of financial management today. As financial managers and taxpayers, we are facing the fundamental questions of public finance: "Who gets what and who pays for it?" Taxpayers and governments at all levels are grappling with the basic issues of the role of government, the cost, and the results.

The challenge for financial managers is to define our role. Mr. DeSeve recommended all financial managers get copies of the CFOs' and IGs' vision statements. They help set out the relationship between financial managers and program managers. Financial managers must provide useful and timely financial information in order to answer the question of what taxpayers are getting for their money. Mr. DeSeve said each of our organizations should be prepared to answer what goods or services they're providing at what costs while Congress debates the question of what government should provide. Financial managers have the role of bringing vital program and financial information together in a meaningful way. We must embrace this role if we are to manage change.

Mr. DeSeve, alluding to an article by Hal Steinberg recently published for the AICPA, said he believes that we are in a time of continuity in financial management. This continuity began in the late 1980's when reforms

spawned requirements for better financial systems, higher quality information, and more accountability. It continued with the CFO Act and the GPRA's and GPMA's emphasis on performance standards and results. With changes in A-11, if organizations can well-define their mission and performance they will stand a better chance in the budget process. The continuity chain moves on now with the NPR's "Phase II" call for bold ideas. After finding that many of our present systems, built on the premises of mistrust and centralized, micromanagement, are too expensive to maintain and counterproductive, the call will go forward for new financial and operational systems, ones based on trust, opportunity, and performance. In the future, the axiom will be "If there's performance, there will be resources and flexibility."

As the government-wide assessment of continues, the Vice-President will once again ask Departments and Agencies to examine their core missions. We will be challenged to look carefully outside of our operational roles to identify functions that can be privatized, terminated, or performed in a better way in order to accomplish the fundamental governmental restructuring that the American public is demanding. As financial managers and taxpayers, we have the unique insight and opportunity to look at how our missions are funded; whether we should continue; or if someone else could accomplish them better. In the meantime, we should all remember to "Keep on Truckin'..." in these difficult times of challenge, change, and opportunity.



MEMBER PROFILES



Evelyn A. Brown is currently the Acting Chief, Financial Reporting in the Office of the Secretary (OST), Department of Transportation. Prior to her current position, she was Chief, Accounting Services, also at OST.

Evelyn has also worked at the Department of Commerce. There she held the position of Director of Accounting in the International Trade Administration and previously was a supervisory accountant in the Maritime Administration.

Earlier in DOT Evelyn was Chief, General Accounting and Chief, Financial Systems in the Federal Transit Administration.

Since joining the Washington Chapter of the Association of Government Accountants in 1974, Evelyn has been one of its very active members. She has served as secretary, co-chair of programs, membership director, and VITA volunteer and has worked in various capacities on several other committees. She is currently president-elect of the Washington Chapter and is heading up the Chapter's participation in enlisting applications for AGA's Certified Government Financial Manager program.

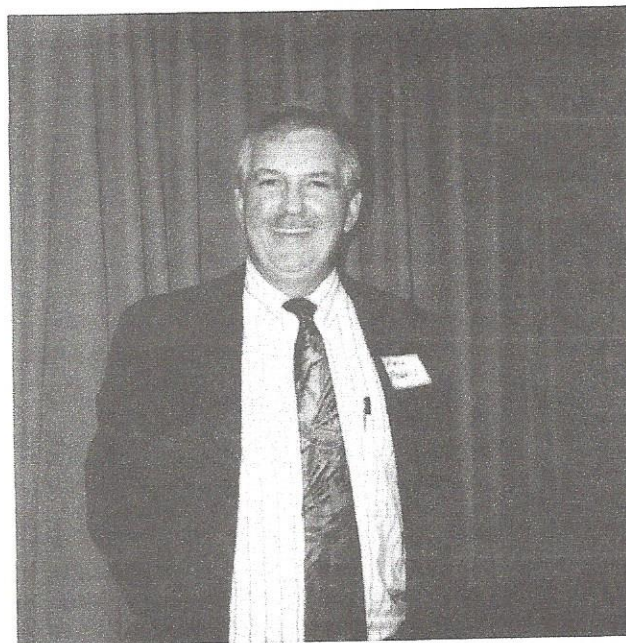
At the national level, she has served on the International Affairs Committee and the Membership Committee. She also co-chaired the Banquet Committee for the 1994 PDC.

Russell D. Morris was appointed Commissioner of the Financial Management Service (FMS) on September 9, 1991. This bureau of the Department of the Treasury fulfills the Treasury Department responsibility for providing leadership and direction to the rest of Government in financial management matters and operates the Government's financial infrastructure.

Prior to this assignment, Russ was the FMS Deputy Commissioner. He began his career with FMS in 1980 as the Assistant Commissioner Banking and Cash Management. He worked for the U. S. Postal Service, the Federal Reserve Board and a regional commercial bank in various management and executive positions prior to coming to FMS.

Russ is a member of the Senior Executive service; he holds a Ph.D. in Business Administration from Ohio State University, and teaches financial management at Georgetown University. He is a frequent speaker and author on financial management. He has served as a member of the AGA PDC Program Committee and currently serves as the Washington Chapter's program director.

In June 1988, he was a recipient of the first Award for Government Management Excellence presented by the President's Council on Management Improvement.



The January 1995 issue of *Topics* profiled Mitchell L. Laine, the Chapter's Budget and Finance Director. On behalf of the entire Chapter membership, we congratulate Mitch on his nomination as 1995-96 national president-elect.

**RONALD J. LYNCH
MEMORIAL SCHOLARSHIP AWARD**

(WASHINGTON CHAPTER MEMBER ONLY)

PURPOSE: To extend scholarship assistance to a Washington Chapter Member for the furtherance of professional education. Accredited university undergraduate and graduate courses, CPA review programs, and other professional development programs are covered by the scholarship.

AWARD: Certificate and cash award up to \$1,000.

NUMBER AWARDED: One

ELIGIBILITY: Full Washington Chapter AGA Member in good standing.

CRITERIA AND EVALUATION: The Washington Chapter Scholarship Committee will use these factors in its evaluation and ranking of applicants:

APPLICATION FACTORS

1. Type of course/program
2. Applicant's statement
3. Supervisory assessment
4. Years of professional experience (private & public)
5. Contributions to the Washington Chapter

APPLICATIONS: Applications for the award will be accepted from Washington Chapter Members only. Applications must be submitted by March 31, 1995. Mail or fax application to:

AGA Washington Chapter
Director, Member Services
10123 Thornwood Road
Kensington MD 20895
ATTN: Ms. Lydia Moschkin
Voice (703) 607-0831
Fax (703) 607-0588

BIOGRAPHICAL SKETCH OF APPLICANT

NAME OF APPLICANT _____

MAILING ADDRESS _____

City _____ State _____ ZIP Code _____

Home Phone _____ Work Phone _____

AGA WASHINGTON CHAPTER MEMBER Yes ___ No ___

EDUCATIONAL LEVEL HS ___ BA ___ BS ___ MA ___ MBA ___ PhD ___

(continued on next page)

APPLICATION FACTORS:

1. Type of Course/Program

a. Name: _____

b. Brief Description: _____

c. Dates of Course/Program: _____

d. Location of Training (Full Address): _____

2. Applicant's Statement (How will this course/program benefit my professional career?)

3. Supervisory Assessment (Supervisor statement on applicant's justification)

(Supervisor's Signature)

4. Years of professional experience (private and public) _____

Brief Description: _____

5. Contributions to the Washington Chapter

(Applicant's Signature and date)

**PLEASE SUBMIT 2 COPIES WITH THE ORIGINAL
PROVIDE ADDITIONAL INFORMATION ON A SEPARATE PAGE(S) IF NECESSARY**

Prestigious membership association with dynamic Internal Audit Department offers career opportunities in the areas of financial/operational/compliance auditing, including the development of accurate reports of findings and recommendations with sound corrective actions. Immediate openings for professionals able to perform duties with minimal supervision and who possess strong oral & written communications skills:

Field Audit Manager - Requirements include a Bachelors degree in accounting and a minimum of 6 years of professional auditing experience, 2 years of which must be in government grant-related auditing. CIA or CPA certification required. Knowledge of current audit techniques and IIA and various government audit standards required.

Internal Auditor - Requirements include a Bachelors degree in accounting and a minimum of 2 years of professional auditing experience or 1 year of public accounting experience with emphasis on auditing non-profits that receive government grants. CIA or CPA desirable. Extensive travel required.

We offer a competitive salary, excellent benefits package, and a non-smoking work environment. Convenient to metro. Please send resume with salary requirements to:

HRD-Field Auditor
P.O. Box 51040
Washington, DC 20091

EOE/AA

..... **MARCH MEMBERSHIP MEETING**

Due to unavoidable schedule conflicts our previously announced speaker will be unable to participate in our March meeting. The Program Committee and the Education Committee have made arrangements for the March membership luncheon meeting to be held concurrently with an educational event. The agenda will focus on a very timely topic--the implications for financial management initiatives in the federal government under the new leadership in both houses of Congress.

The session will be held on Thursday, March 2 at the Touchdown Club, 2000 L St., NW, Washington, DC.

Members will be receiving a flier during February with details of the educational event program, along with information regarding registering for attendance at the educational event and/or the luncheon meeting.

Professional accountancy organizations, institutions, and friends of **Raymond Einhorn** cordially invite you to honor him by attending the **Raymond Einhorn Reception** in recognition of his lifetime contributions to accounting and auditing. The reception will be Tuesday, March 7, 5:00 - 7:00 p.m. at the Sheraton Crystal City Hotel, 1800 Jefferson Davis Highway, Arlington (Crystal City Metro stop). This will be held in conjunction with the Institute of Internal Auditors "Internal Auditing in Government Conference." The cost is \$25; mail check payable to ICGFM, P.O. Box 8665, Silver Spring, MD 20907. Reservation deadline is February 28; call (301) 681-3836 for information.

NOW IS YOUR CHANCE by Missy Johnston

Now is your chance to become a mentor or mentee in the DC chapter's early career, mentor program. Page nine of this newsletter is a form you can complete to become a mentor or mentee. To sign up, simply remove your completed fact sheet and fax or mail it to the address indicated at the bottom of the form. This is a great opportunity to share your experiences with early career members, or to learn from those who have gone before.

Once received, your fact sheet will be paired with another's based on interests and experiences. The matching will be most successful if both mentors and mentees are specific regarding their experience and the path that most interests them. For example, if you are interested in developing a relationship with someone who works or lives near you, or if you desire a mentor with particular qualifications, please indicate those interests to us. We'll do our best to find a genuine fit.

Also, in upcoming issues of *Topics* and *The Washington Connection* look for articles highlighting experiences of specific AGA members. If any outgoing early career members are interested in performing an interview and writing an article, this is a good opportunity to develop a notable relationship in an area of interest. Call any of your ECS representatives listed below to learn more about interview questions, potential interview candidates, (suggestions are also welcome) and newsletter submission dates.

If you have any questions or need for more information, please contact your DC Chapter ECS representatives: Anthony Marasco (202) 535-9704, Don Rim (703) 918-3645, or Missy Johnston (703) 903-3569.

AGA AWARDS by Gary W. Amlin, Director, Member Services

The Washington Chapter is soliciting nominations for the National Awards Program. The nomination due date is February 15, 1995. The awards will be presented in San Diego, California at the AGA's National Professional Development Conference Awards Banquet on July 6, 1995. The categories of awards are as follows:

- Robert W. King Memorial Award - This award recognizes superior service that enhanced the Association of Government Accountants' national prestige and stature.
- Frank L. Greathouse Distinguished Leadership Award - This award recognizes government employees who have demonstrated sustained outstanding leadership and notable contributions to financial management.
- Achievement of the Year Award - This award recognizes leadership or outstanding achievement in developing, implementing, and improving financial management in government service in the past year.
- Special Achievement Award - This award recognizes younger AGA members for notable contributions toward improving financial management.
- Education and Training Award - This award recognizes significant contributions to the education and training of government financial managers.

Specific information on how to nominate and the process for these awards is currently being distributed. If additional information or copies of the nomination packages are needed, please contact Ms. Lydia Moschkin, (703) 607-0831.

Also, enclosed as an insert to this newsletter is an application form for the Ronald J. Lynch Memorial Scholarship Award. This scholarship is a Washington Chapter award available to Washington Chapter members only. To apply please submit the application form according to the completion and mailing instructions printed on the form.

The 1995 Federal Leadership Conference is February 21-22 at the Hyatt Regency Capitol Hill. There is still time to register and still time to save \$50 or \$75 by registering for the FLC, the PDC, and the State and Local Conference at the same time.

ASSOCIATION OF
GOVERNMENT
ACCOUNTANTS

FACT SHEET FOR PARTICIPATION
IN
EARLY CAREER MEMBER
MENTORSHIP PROGRAM

_____ *I wish to be a mentor*

_____ *I wish to be mentored*

Name: _____

Home Address: _____

Home Phone: _____

AGA Chapter: _____ AGA Region: _____

Work Title: _____

Work Address: _____

Work Phone: _____

Age (optional): _____

Professional Interests: _____

Other Interests: _____

Attention Missy Johnston
P.O. Box 423 • Washington, DC 20044-0423 • FAX (703) 903-2814

If you have any questions contact your DC Chapter ECS Representatives: Anthony Marasco (202) 535-9704,
Don Rim (703) 918-3645 or Missy Johnston (703) 903-3569.

SOUTHWEST MAKES ITS MOVES WITH EBT by Sandra A. McCall

With the piloting of the new Electronic Benefit Transfer (EBT) system of delivering Food Stamp benefits in Texas, the Southwest is actively working toward the President's goal of a nationwide system. Oklahoma, Louisiana, New Mexico, and Kansas have recently come together as a consortium to publish a Request for Proposal to bid for such a system for various public assistance programs, and Arkansas is deliberating with the Southeast Alliance of States for the same.

One of the main concerns that accountants/auditors will confront in the future under EBT is the impact of Regulation E as amended by the Board of Governors of the Federal Reserve System. Regulation E implements the Electronic Fund Transfer Act (EFTA) which covers any electronic fund transfer initiated through an automated teller machine (ATM), point-of-sale (POS) terminal, and other electronic transfers.

Currently, the Board supports coverage of EBT programs under EFTA and the regulations, but will delay compliance until March 1, 1997, to provide for adequate time to prepare. The regulations limit a consumer's liability for unauthorized transfers to \$50 under certain conditions. While private sector institutions handle such losses by spreading them over their entire customer base in the form of increased fees or reduced interest paid, agencies can not do so. The losses would be paid out of tax revenues or reduced benefits which is not permitted under some programs. The Board is not convinced that the data submitted by

public commenters on the expected cost of this liability on government agencies is definitive, and therefore, granted the delay as requested by the Federal EBT Task Force. During this moratorium, the Task Force and State agencies will closely monitor Regulation E's economic impact as a basis for seeking legislative authorization and funding for replacing benefits lost due to unauthorized transfers.

Another concern facing Federal accountants/auditors will be the issue of cost effectiveness. The Mickey Leland Memorial Domestic Hunger Relief Act of 1990 amended the Food Stamp Act to propose a requirement that EBT systems be cost neutral to the Federal government. Specifically, the operation costs, amortized capital expenditures, and reasonable start-up costs cannot exceed the costs of the coupon issuance system that will be replaced. The U.S. Department of Agriculture believes the best implementation of this requirement is to base the issuance "cap" on the cost of each State agency's coupon issuance cost level and the related Federal coupon issuance costs. A cost analysis must be completed and verified for each State system. Any costs a State agency incurs that exceed the "cap" would not be reimbursed by the Federal government, but absorbed by the State. Fortunately, the State agencies in the Southwest are not letting these potential cost issues hinder progress and other benefits of EBT, such as increased operational efficiency, improved service to benefit recipients, and improved program integrity and accountability of public funds.

Reprinted from the November 1994 issue of *TEXAS Perspective*, the newsletter of the Dallas Chapter of AGA.

. **MINIMIZING TRAVEL EXPENDITURES THRU GAINSHARING**

Gainsharing Incentives Make a Difference

Beginning in 1994, SSA instituted a new relocation policy aimed at boosting the proportion of relocation homes sold by transferees. Transferees who successfully market and close on their homes would receive a relocation incentive award. By making it unnecessary for the relocation contractor to acquire the home and incur carrying costs, thereby causing a smaller management fee to be charged to SSA, such transferees save SSA considerable money. SSA therefore put in place a gainsharing mechanism not only to reward their efforts, but to provide a strong incentive to all transferees to undertake such efforts.

Because no such mechanism exists yet in federal travel reimbursement procedures, SSA developed its own solution. Utilizing authority under Title 5 of the U.S. Code, SSA developed a new Special Act or Service Award which recognized the tangible savings garnered by the transferees by their home sale efforts.

The results have been gratifying. In the first nine months of operation, the program has paid 67 incentive awards for home sale transactions that resulted in direct savings to SSA of \$931,478--savings achieved through reductions in management fees SSA would otherwise have had to pay to a contractor. The proportion of transferees who extended the effort to market their homes--rather than depend upon the contractor to buy their property--rose dramatically since inception of the program: from an historical average of 32 percent, to 60 percent in the first nine months of 1994. This is clear evidence of the effectiveness of gainsharing in reducing government travel costs.

Other Applications for the Gainsharing Concept

The gainsharing concept could be utilized in other areas of travel management. An excellent candidate would be lump-sum travel payments, which could replace, or serve as an option for, the traditional reimbursement method of

covering actual travel costs.

Temporary living expenses, for example, constitute one of the costliest per capita components of relocation benefits in the government. During a permanent change of station, transferring employees may claim lodgings and per diem for themselves and family members. Typically, employees will claim the greater portion of maximum amounts allowable, because they have no reason or incentive, to hold costs down.

The government could develop an appropriate lump-sum benefit, based upon a percentage--70 percent, for example--of the standard daily rate of \$66 now in effect, as a substitute for actual expense claims. The main point is that the employee choosing the lump-sum option need not

keep receipts or voucher for reimbursement, and need not refer to daily expense caps/limits.

Instead, they would be expected to live on the lump-sum provided. Any additional needs would have to be met out-of-pocket. However, if the employee was frugal and lived on less than the lump-sum allotment, the employee would retain the balance.

Agencies utilizing this option would not only save money on temporary living expenses (provided the lump-sum amount was properly calculated), but would also save by not having to audit temporary living vouchers, and would have transferees who settle in more quickly at their new duty stations.

By Kevin Lanagan

Reprinted from the December 1994 issue of *The Baltimore Ledger*, the newsletter of the Baltimore Chapter of AGA.

THE CENTER FOR APPLIED FINANCIAL MANAGEMENT . . . February - March 1995 Courses

February 1995

- 1-2 Appropriations Law
- 15-17 Understanding Standard General Ledger
- 22-23 SF-224
- 24 Reconciling Differences
- 28 Fundamentals of Cash Management

March 1995

- 7 Managing Your Imprest Funds
- 8-9 Dollars and \$ense
- 10 Certifying Officers
- 14 *New Course*
- Basic Accounting Concepts
- 15-17 Accrual World
- 21-22 SF-224
- 23-24 SF-1219/SF-1220
- 30 Fundamentals of Cash Management

To Register for CENTER courses, submit an SF-182 to the Registrar, The Center For Applied Financial Management, Room 1100 KSB. For information, call (202) 874-9560.

MARK YOUR CALENDARS

The 5th Annual Government Financial Management Conference

Sponsored by
The Center For Applied Financial Management

Theme: ... more than accounting
Dates: June 7-9, 1995
Location: Washington, DC Area

HAVE A SERVICE, PRODUCT, OR EMPLOYMENT OPPORTUNITY TO ADVERTISE?

The Washington Chapter, AGA, accepts classified advertising for this newsletter, *The Washington Connection*. The newsletter is published monthly during the Chapter's program year, September through May, and is distributed to a membership of approximately 1,100 individuals employed in the public and private sectors. To discuss pricing please call Peter Ben Ezra, Publications Chair, (202) 606-5000, Ext 325. For deadlines, you may call Bob Buchanan, Editor, (703) 246-0808.

Professional Development Conference and Exposition



AGA WASHINGTON CHAPTER
CHAPTER EXECUTIVE COUNCIL
FOR 1994/1995

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The Chapter Executive Council meets monthly, normally at 11:30 a.m. on the last Wednesday, at the National Press Building. For information about a particular meeting, please call the AGA voice mail line at (703) 758-4080 and press option 3.

Association of
Government
Accountants

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P. O. Box 423
Washington, D.C. 20044-0423

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