

ASSOCIATION OF
GOVERNMENT
ACCOUNTANTS

AGGA NEWSLETTER

WASHINGTON CHAPTER

FEBRUARY 1984

THURSDAY FEBRUARY 2, 1984 LUNCHEON MEETING TO FEATURE



ARLENE TRIPLET
Associate Director for Management
Office of Management & Budget

speaking on

"President's Management Improvement Initiatives"

at the

SAM RAYBURN HOUSE OFFICE BUILDING
Room B-338, "C" and South Capitol Streets
Near Capitol South Metro Station

Social Period	11:15
Luncheon	12:00
Cost	\$10.00
Open Bar	\$3.00

For Luncheon Reservations Call 695-7954

Telephone Reservations Accepted Until January 31, 1984

NON MEMBERS WELCOME

All Reservations Guaranteed

Meeting Schedule: Mar. 1 • Apr. 5 • May 3

PRESIDENT'S MESSAGE



KEN WINNE
Joint Financial Management
Improvement Program

Many activities take place in our chapter that much of the general membership may not be aware of. There are many dedicated and hardworking people performing activities and functions that make our chapter a success. I would like to tell you about some of these people and activities.

Our Chapter Competition Program is ably run by Diana O'Neill, who keeps track of what you, the members, are doing to promote the image of government financial managers and AGA. The chapter receives competition points when members make speeches, serve on technical panels, participate as training instructors, and other similar activities. When a chapter member participates in this manner it must be noted that you are a member of AGA. From the last report, our chapter competition points exceeded the number of points that we had at this time last year, when our chapter took first place in chapter competition. Please take a moment and call Diana on 697-7955 if you have participated in any activities of this type. Diana can tell you in a moment if your activity will count.

Our Secretary this year is Ray Kudobeck, who records the minutes of executive meetings, makes hundreds of phone calls notifying officers of meetings, handles the election of officers for the upcoming year, and as Ray would say "other duties as assigned."

Judith Boyd, is our Treasurer, and takes care of the chapter's finances. Judith conscientiously collects and pays our bills and maintains the accounting records. She is assisted in this effort by Kathy Fry, Assistant Treasurer, who performs all of the billings for our education events.

You may have noticed, on bulletin boards of your agency, flyers announcing our monthly meetings. These are put together and coordinated by Loretta Shogren who directs the Publicity and Agency Liaison Activities. The chapter has liaisons in each major agency who distributes these meeting announcements throughout their agency.

The logistics of running our monthly meetings at the Rayburn Building is handled by that cheerful person who greets you as you register for our luncheons, Sue Fields the Meetings Director. Sue arranges the menu, checks in the attendees, and collects the money and does whatever else is needed to make our meetings run smoothly. Sue is also assisted by many dedicated volunteers.

If you are looking for a job you need to know Terry Conway. Terry is the chairperson for our Employment Referrals Committee. He has been receiving the Employment Referrals Flash, listing job vacancy announcements from the AGA National Office. This may be of special interest to you in today's budget climate. If you are interested in learning what vacancies are available, call Terry on 697-3192.

Last, but not least, is our *Newsletter*. This publication is put together by George Englert. This year George has been overloaded with work, so Patricia Lippart has ably stepped in and helped out with the *Newsletter*. I feel that this is an outstanding *Newsletter* and was recognized by National last year as the first place newsletter in our Chapter Division. This quality can be only attributed to George and Patricia. By the way, we can only keep this quality by our membership input. We are always in need of technical or financial management articles that would be of interest to the general membership. If you would like to write an article, call Patricia or George and let them know.

I have only mentioned a handful of active members and officers who dedicate so much hard work and talent to our chapter. I have not mentioned scores of others who do the same. But my purpose here is to let you know about some of the members and activities you may not be fully aware of. I want to thank all the members for making our Chapter the outstanding organization it is.

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WASHINGTON CHAPTER Executive Committee 1983-1984

Officers

President

Kenneth M. Winne, JFMIP, 376-5415

President-Elect

Virginia Robinson, GAO, 275-5071

Secretary

Ray Kudobeck, GAO, 724-7512

Treasurer

Judith Boyd, Treasury, 634-5507

Past President

Bob Pewanick, GAO, 275-4897

Directorate

Awards

Jim Saylor, DOD, 697-0585

Chapter Competition

Diana McDermott O'Neill, Navy,
695-1070

Cooperation with Educational Institutions

Carol Lynch, Education, 472-2395

Education

Doris Chew, JFMIP, 376-5415

Ron Lynch, Arthur Andersen, 862-3324

Newsletter

George Englert, GAO, 535-7650

Meetings

Sue Fields, NIH, 496-3417

Membership

Susan Lee, Treasury, 634-5717

Programs

Tony Gabriel, USDA, 447-7431

Publicity and Agency Liaison

Loretta Shogren, Justice, 633-3291

Committee Chairperson

Assistant Editor

Patricia Lippart, DOI, 343-6307

Assistant Treasurer

Kathy Fry, NIH, 496-5014

Chapter Evaluator

Jim Smith, Navy, 695-1070

Cooperation with Professional Organizations

Tom Hanley, Touche Ross, 452-1200

Employment Referral

Terry Conway, DOD, 697-3192

Financial Management Assistance

Diane Bray, Treasury, 634-5720

Professional Development Conference

Gordon Harvey, DOE, 252-1943

Relations with National Office

Adam Shaw, DOD, 697-0585

Research

Ken George, ACTION, 634-9163

Joe Rothschild, HUD, 426-6240

Small Business Education

Chuck McAndrew, GAO, 254-9810

About Our Speaker This Month

Arlene Triplett was appointed Associate Director for Management for the Office of Management and Budget on November 28, 1983.

Ms. Triplett is responsible for implementing the President's Management Improvement Initiative: Reform '88. Additional responsibilities include directing activities of the President's Council on Integrity and Efficiency, which coordinates the President's program to detect and prevent fraud, waste and abuse, and the Assistant Secretaries for Management Group, which serves as a forum for addressing management priorities and problems government-wide.

Ms. Triplett was previously Assistant Secretary for Administration at the Department of Commerce. During her 2½ years at Commerce, she instituted several innovative changes which substantially reduced the Department's budget and administrative overhead, and made that Department's management practices models for the government. During this period, President Reagan appointed Ms. Triplett to the Task Force on Legal Equity for Women, and she also served on the Reform '88 Steering Committee.

Prior to government service, Ms. Triplett served four years as Director of Administrative Services for the Republican National Committee, where she was responsible for the Committee's \$40 million annual budget. She also served as Deputy Controller for the President Ford Committee and was Controller for Citizens for Reagan. She received her Bachelor of Arts degree in Business Administration from the University of California at Berkeley.

PROFESSIONAL DEVELOPMENT CONFERENCE

July 8-11, 1984

The Washington Hilton

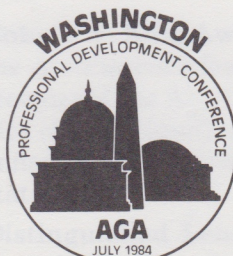
Washington, D.C.

Take a Non-Financial Manager to Lunch

A common complaint that we often hear is that program managers do not understand and talk to financial management and vice versa. How do we overcome this communication gap? One way to try to do this is for the financial managers of AGA to invite a nonfinancial manager to one of our luncheon meetings. In doing so, you can get to know the program manager better in a non-work environment and hopefully better understand one another's problems and interests.

No time would be better to try this out than at our February meeting when Arlene Triplett, the new Associate Director for Management, Office of Management and Budget, will be addressing our chapter. She will be discussing OMB initiatives which will affect not only financial but also program management. Many of you may be skeptical of this approach, and maybe rightly so. However, we will never know until we try. Oftentimes it takes that first step to improve communications and understanding. I challenge you to take that step.

If you cannot invite someone in February, try it in March, April or May. Show the rest of the government community that we are not a bunch of green eye-shade accountants. If you do bring a nonfinancial manager to the February meeting, let us know how it worked out. Either contact Ken Winne, your President on 376-5415 or any of our officers. We can only know if this approach is successful by your feedback. Remember if you don't try, you will never know.



REFORM AND TECHNOLOGY
A RENAISSANCE IN GOVERNMENT

Washington Chapter Committee Chairpersons 1983-84

Patricia Lippart
Assistant Editor, Newsletter
Department of Interior
343-6307



Gordon Harvey
Professional Development
Conference
Department of Energy
252-1943



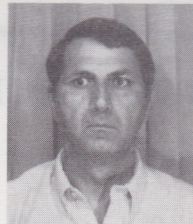
Kathy Fry
Assistant Treasurer
National Institutes of Health
496-5014



Adam Shaw
Relations with National Office
Department of Defense
697-0585



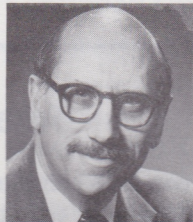
Jim Smith
Chapter Evaluator
Navy
695-1070



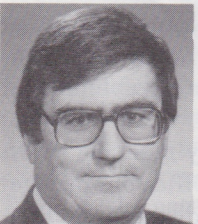
Ken George
Research
ACTION
634-9163



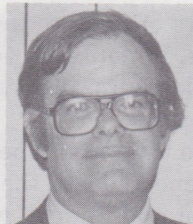
Tom Hanley
Cooperation with Professional
Organizations
Touche Ross
452-1200



Joe Rothschild
Research
Housing & Human Development
426-6240



Terry Conway
Employment Referral
Department of Defense
697-3192



Chuck McAndrew
Small Business Education
General Accounting Office
254-9810



Diane Bray
Financial Management Assistance
Department of Treasury
634-5720



Chapter Awards Program Jim Saylor, Director

The Washington Chapter has annually given awards to several individuals who have made outstanding contributions in the field of financial management. Letters are forwarded to the Heads of Federal Departments and Agencies and state and local government in the Metropolitan Washington area requesting nominations. For the past few years the Capital Region Chapters have sent out a joint letter. This eliminates confusion when government officials received letters from the Capital Region Chapters apparently covering the same award.

This joint solicitation will be used again this year. Representatives of the four Capital Region Chapters and the Regional Vice President have met and prepared a letter announcing the awards program. This letter was mailed in December 1983. Nominations are due to the Regional Vice President by March 16, 1984. The letter does not limit nominees to the Washington Metropolitan area. However, nominees who are not members of a Capital Region Chapter who reside outside the area will not qualify for a local chapter award. Nominations for persons not qualified for a local chapter award will be forwarded to the AGA Chapter closest to their home for consideration by that chapter. They will also be considered by the National Awards Committee.

After March 16, 1984, copies of all nominations that qualify will be made available to the Capital Region Chapters awards committees for consideration. After ranking by the various chapters, the Regional Vice President and the awards chairperson for each chapter will meet and discuss the winners selected. It was agreed that unless winners were exceptionally qualified, we did not want the same winners in all four chapters. Awards will be presented by the Washington Chapter at the May 1984 meeting.

In addition to the achievement awards, the Washington Chapter will also give an award to a chapter member for outstanding service to the Chapter. The recipient of this award will be selected by the Awards Committee with the advice of the Chapter President and President Elect.

The Washington Chapter will also be requested to submit nominations for the following National AGA Awards:

1. **Robert W. King Award**, established in honor of the Association's founding president, made to a member of the Association for distinguished service of such significance as to have importantly enhanced the Association's national prestige and stature.
2. **Distinguished Leadership Award**, conferred on individual in government service (Federal, state and local) who have provided notable sus-

tained outstanding leadership contributing to improvements in financial management over a period of years.

3. **Achievement of the Year Award**, according national recognition to the recipient of a chapter award during the year for leadership or outstanding achievement in improving financial management in government (Federal, state and local).
4. **Chapter Service Award**, made to AGA members in each one of the chapter activities program groups for outstanding contributions to the development and enhancement of the chapter activities.
5. **Special Achievement Award**, according national recognition to mid-level professionals who have received chapter awards for notable contribution to financial management.

Nominations for the Washington Chapter Achievement Award, the Robert W. King and Distinguished Leadership Awards are not limited to government agencies but may be made by any chapter member. If you have a nomination please submit them to the following address:

Mr. Tom Mundell, Capital Region Vice President
Association of Government Accountants
727 S. 23rd Street, Suite 100
Arlington, Virginia 22202

Any questions regarding the awards can be referred to Jim Saylor (697-3200) the Chairman, Awards Committee.

Federal Retirement Update

by Tom Eickmeyer, GAO

During its last week before adjourning for 1983, the Congress enacted a new retirement system for Federal employees hired on or after January 1, 1984. The new system is a stopgap measure which expires December 31, 1985 or, if sooner when the Congress establishes a new program designed to integrate with social security coverage. Newly hired employees will pay 7 percent of their salary to social security and 1.3 percent of salary to the civil service retirement system. During the interim period, these employees will have disability and survivor benefit protection under both systems but civil service benefits will be reduced by any social security payments also received. Credit for this period of service will be applied to the new retirement system yet to be developed.

Administration officials have expressed apprehension about the interim system as it could turn out to be "the" new retirement program. Continuing civil service benefit coverage with full social security offset is the only design that will meet the criteria set forth by Federal union officials. These officials want the level of benefits and contributions of the new system to be identical to

Continued on page 6

NOMINATIONS COMMITTEE

Virginia Robinson, Chairperson

The Nominations Committee met during October 1983 to select our Chapter's nominee for AGA National President-Elect and Regional Vice President-Elect for the Washington Capital Region. The Nominations Committee, with the approval of the Chapter's Executive Committee, also nominated Chapter Officers and Directors for 1984-1985. The nominees are:

National President	June Brown
Capital Region Vice President	Robert Pewanick
President-Elect	Susan Lee
Treasurer	Joseph Rothschild
Secretary	Diane Bray
Directors	Gail Young David Dukes Michael Serlin Marcus Page Joseph Linneman Linda Vandenberg James Smith Judith Boyd Terrence Conway

In accordance with our by-laws we will be electing 5 Directors for a two-year term.

With respect to Chapter officers, twenty percent of the Chapter members or 50 members (whichever is less) may submit an independent nomination for any office or director (except President). Any such petition must be filed with the Secretary no later than January 31. Ballots will be mailed to Chapter members with the April newsletter.

The members of the Nominating Committee were Jean Kerr, Robert Pewanick, Ron Lynch, Adam Shaw, William Kendig and Virginia Robinson.

NEWS FROM NATIONAL

JUNE BROWN NOMINATED TO NATIONAL PRESIDENCY June Gibbs Brown, Washington Chapter, has been named by the National Nominations Committee as its single-slate candidate for president-elect of AGA. Mrs. Brown, NASA Inspector General, would enter her tenure as national president on July 1, 1985. The National Committee, under Past National President Frank Sato, also named thirteen candidates for regional vice presidents-elect. Added details were forwarded in a National Office Memo and also were reported more fully in the January issue of TOPICS, the national newsletter.

MEMBERSHIP OFFICIALLY TOPS 12,000 After approaching the magic figure several times, AGA's active membership surged over the 12,000-mark at the end of November. In doing so, the membership bounced back strongly from the normal annual low-water mark, which comes each year around the October period, and results from the expiration of the "grace period" on the large number of June member anniversary dates. Having fully regained momentum, the membership figures could easily set a new record during each of the coming months, according to the National Membership Committee.

ABOUT CHAPTER MEMBERS

George Englert our Newsletter Editor, will be on assignment to JFMIP from GAO.

Bernie Nickel, GAO, and **George Anderson** NIH retired from Government service in December.

Loretta Shogren, Chapter Director for Publicity and Agency Liaison has moved from the Immigration and Naturalization Service Financial Management Staff to become Director of Policy Directives and Instructions.

Ray Kudobeck, Chapter Secretary in leaving GAO to join the Department of Education.

Bill Henderson is going to the Environmental Protection Agency from OMB.

Larry Schriener and **Fred Smith**, Treasury, received awards for developing the Administrative Setoff System to collect delinquent Accounts Receivable owed to Treasury by Financial Institutions.

Half-Day Workshop Collecting the Government Funds

This workshop is to be held on Tuesday, February 7, 1984 from 9 a.m. until 12 noon at the Main Treasury Building, 15th & Pennsylvania Avenue, N.W. Room 4121. For further details refer to the January Newsletter or call Doris Chew at 202/376-5415.

Federal Retirement Update Continued from page 5

current provisions of the civil service retirement system.

There may be some good news on the horizon. The hottest item in the employee benefit area in the private sector is a 401K deferred compensation plan. Recently, there has been considerable talk about adopting such a plan for Federal employees. In fact, this year the Federal Reserve Board and several other Federal institutions established 401K plans for their employees. The House Post Office and Civil Service Committee is looking into the feasibility of making them available to all Federal employees. Earlier this year, the Committee asked OPM for comments. While not committing itself to support such a proposal, OPM suggested the Committee investigate the desirability of providing a 401K plan to all Federal workers.

What's so good about a 401K plan? Like IRAs such plans defer taxes on a portion of the employee's earnings which are then invested. Much larger amounts can be set aside than currently allowed for IRAs. Employees may withdraw their funds without penalty at time and retirement, separation or upon reaching age 59½. These amounts are then taxed using 10-year forward averaging compared to being taxed as ordinary income under IRA plans.

More later as developments warrant.

The President's Private Sector Survey on Cost Control

A one day seminar sponsored by the AGA National Office and the Capital Region Chapter will be held on March 28, 1984, at the Sheraton Hotel in Washington, D.C. The seminar will include representatives of the Grace Commission and Central Agencies who will address the recommendations of the Grace Commission and its impact on financial management. For more information and registration forms, contact the AGA National Education Office, (703) 684-6931. The cost is \$100 for AGA members; \$140 for non-AGA members.

MARK YOUR CALENDAR TODAY FOR JFMIP's ONE-DAY FINANCIAL MANAGEMENT CONFERENCE to be held April 16, 1984-Shoreham Hotel Washington, D.C.

CONFERENCE THEME: "FINANCIAL MANAGEMENT REFORM— Where We Are and Where We're Headed"

Keynote Speakers: Charles A. Bowsher
Comptroller General of the United States

R. T. McNamar
Deputy Secretary, Department of the Treasury

(Cost: \$70 per participant • Registration information:
Call Ed Murphy on (202) 632-5600)

FINANCIAL ASSISTANCE PROGRAM COMMITTEE REPORT

Diane Bray, Chairperson

The Financial Assistance Program Committee kicked off its 1983-84 year by providing several instructors for the AGA's Small Business Course held this fall. The course, designed to provide a working knowledge of accounting to small business owners, met one of the mission goals of the Financial Assistance Program. The mission goal of the Financial Assistance Program is to be an outreach forum which fosters improved financial management in the Federal Government and provides financial management assistance, on an individual basis, to the public.

Our plans for this year include breaking some new ground as an early career educational forum. The committee is planning a series of four workshops. They are scheduled one for each month, February through May. The topics for the workshops include:

- Central Agencies' Functions—The major responsibilities and interrelationships of GAO, OMB and Treasury will be discussed.
- OPM Financial Series—This session is designed to provide an overview of the different financial and accounting GS series within the Government and the educational and job skills required for each.
- Area Master Programs and CPA Review Courses—Representatives from universities and companies will present information regarding their programs, requirements and costs.
- AGA: The Washington Chapter—The functions of the Executive Board and the various committees will be discussed.

The intent of these sessions are twofold. The workshops are intended to provide an orientation to our new and prospective AGA members, as well as, to update our established AGA membership on the changes to Government operations. Further information will be out shortly.

If you are interested in participating in these sessions, please give me a call on 634-5131.

DID YOU KNOW . . .

by John MacArthur

- With the onset of the tax season practitioners might be interested in an article entitled "Avoiding Civil Liability in Tax Practitioners," by Frank E. Puryear, Jr. in the November 1983 issue of *The Tax Advisor*. The article states that with the increasing complexity of tax laws and regulations, accountants are finding themselves liable for errors, with penalties being imposed by the IRS and damages being awarded to the client by the courts. The author points out that the two major areas in which an accountant's standard of performance may be questioned are in the preparation of clients' returns and the rendering of erroneous tax advice. The precautions available to accountants for avoiding civil liability in tax practice, according to this article, include an explicit engagement letter or written agreement with the client concerning the work to be performed, documentation of all communications, decisions, reasonings and assumptions pertaining to the engagement, comprehensive review of all available evidentiary material, and finally, check-lists to ensure each engagement is properly completed.
- The Bureau of Government Financial Operations has initiated a project to study means by which Federal agency payments may be certified electronically. This effort is a key link in the Bureau's goal of increased use of electronic funds transfer in the payment process throughout the Federal Government. Electronic Certification would replace the manual certification process which is paper intensive, time consuming, and technologically obsolete. This study will be conducted under contract to investigate electronic certification methods, practices, and technologies in the private and public sectors, as well as the peripheral issues involved. The short-term objective of this project is to determine the feasibility of electronic certification and to focus on a viable technology to implement this concept. The ultimate goal is to convert the current manual certification process to one that incorporates electronic methods, but which is safe, secure and consistent with the electronic submission of payments and payment data. For further information contact John MacArthur on 376-0820.
- Interest rates on US Series EE bonds have been increased to 9.38% for the period November 1, 1983 to April 30, 1984. The rate for the previous six-month period was 8.64%. The interest rates on bonds that have been held five years or more are variable, set at 85% of the average yield on five-year Treasury securities during the previous six months, with a guaranteed minimum of 7.5%.
- A recent survey of the accounting practices of more than 550 local governments conducted by Arthur Young & Company revealed some significant weaknesses. Fifty-four percent of the jurisdictions surveyed released financial statements that were given qualified opinions by CPA's during the period 1980 through 1982. More than half the qualified opinions concerned failure to record or properly value assets. Other causes were improper accounting methods, failure to effectively record uncertainties such as impending litigation, and deficiencies in accounting and reporting of pensions. On the plus side the survey revealed some improvement in the timeliness of published annual reports.
- A clarification is required of last month's column relating to administrative offset. To be eligible for administrative offset, payments must be for the sole benefit of the applicable financial organization and not for the benefit of a third party.

NEWSLETTER

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ASSOCIATION OF GOVERNMENT ACCOUNTANTS

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Washington, D.C. 20015

FEBRUARY 1984

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TIME-VALUE MAIL—
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