THE WASHINGTON CONNECTION

AGA 50 years — Advancing Government Accountability

Washington DC Chapter • P.O. Box 423 • Washington, D.C. 20044-0423 • (703) 758-4080 • December 1999

Inside:

Upcoming Events:

December 16, 1999: Washington DC Chapter Holiday and Toys-for-Tots Event, at the Grand Hyatt (See the insert!)

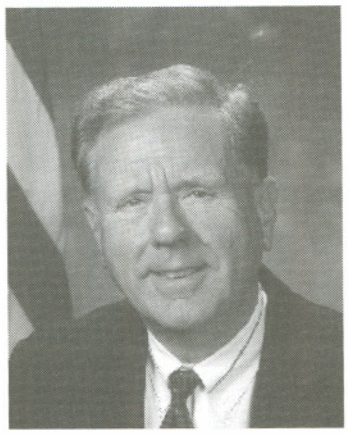
January 6, 2000: Monthly Luncheon meeting featuring Nancy Killefer, CFO, Treasury, at the Grand Hyatt

January 27-28, 2000: AGA's Eleventh Annual Federal Leadership Conference, Washington, DC

February 9, 2000: Monthly Luncheon meeting featuring Karla Corcoran, IG, USPS

March 2, 2000: Monthly Luncheon meeting featuring Richard L. Gregg, Commissioner, FMS

April 11, 2000: Monthly Luncheon meeting featuring David Walker, Comptroller General of the U.S.



Dennis J. Fischer, Commissioner, Federal Technology Service, GSA

Luncheon Speaker

Dennis J. Fischer was named Commissioner of the Federal Technology Service (FTS) in November 1997. He is the Chief Executive Officer for the over $4 billion dollar a year information technology and telecommunications support provided by the General Services Administration (GSA) to Federal Government agencies.

The Federal Technology Service offers a variety of products and services to its customers including voice, data, and video services and desktop information technology solutions ranging from major systems to desktop and wireless support. Additionally, FTS provides advanced technology products and services, risk analysis and security support, acquisition services for information technology and telecommunications systems, and office automation and network design. See Mr. Fischer's complete biography on page 4 of this newsletter.

1999/2000 AGA Washington DC Chapter
Monthly Luncheon and CPE Session

Thursday, December 9
Grand Hyatt Hotel
1000 H Street, NW (At Metro Center - 11th Street Exit)

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

Costs:

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

For reservations, please call the AGA Washington DC Chapter voice mail line at (703) 758-4080 and select option 1. If you prefer, you can register by email to jdonlon@gt.com or you can register at our homepage: www.agadc.org. Please forward your name, agency/company, and telephone number.

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Happy Holidays! It's that special time of the year where we all enjoy sharing the season and it's joys with family and friends. It's also a time when we can share so much with those who may not be so blessed. You can do both when joining us on December 16, 1999 for our fourth annual holiday event, the United States Marine Corps "*Toys-for-Tots Campaign.*" This is a terrific event and one that combines sharing with others and celebrating the holidays with your AGA friends. Giving to others is a rewarding experience for me personally, and I encourage you to consider this and other community service opportunities this holiday season.

If there is anything that has forced change more in the last part of the 20th Century, it has been technology. Some call it the *Information Age*, but however you may refer to it, technology has redefined almost everything that we touch, whether it's digital phones, personal computers as small as the palm of your hand, the Internet, or the technology to send space explorers to Mars or perform intricate surgery. It has certainly transformed financial management. While the first computers in the early 1960s were most useful for transaction processing and financial applications were some of the first business applications to be developed, more advances in financial management were much slower in development. In the last ten years, with the focus on integrated financial management systems, streamlined processes, and the pressure to adopt more business-like approaches in government, leveraging technology to deliver financial services is essential to all levels of government and business.

Dennis Fischer, Commissioner of GSA's Federal Technology Service, has been an advocate for finance and technology for most all his public service career. Before his current appointment, he was GSA's first Chief Financial Officer and was instrumental in transforming the credit card contracts to take advantage of "smart" card technology. He has always been looking "ahead of the headlights" to understand where technology could help deliver better public programs. He will give us a great "view" into the 21st Century on where we can leverage technology to improve financial management for the future.

Our luncheon seminars continue with the afternoon of December 9 with a three hour CPE session entitled "Key GAO Issues Concerning GPRA Implementation." You can take back to your work an oversight perspective about the progress of this implementation in the federal government and some suggestions for improvement.

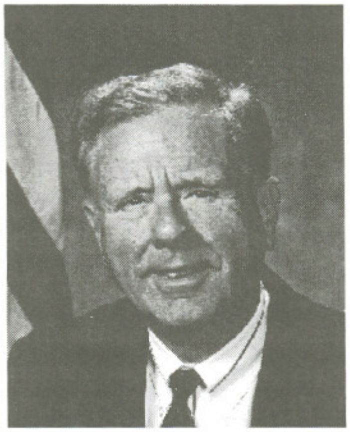
Congratulations to Eleanor Long and Ron Longo for delivering an outstanding training session on November 1! Over 185 attended the ***1999 Financial Reporting Update***, which featured great speakers from Treasury, OMB, and the Congress. Plan now to attend our next training event on February 28 and 29, 2000 at the Mayflower Hotel, which will focus on performance measurement. We will also have one later in the spring on financial systems.

Best wishes for a wonderful holiday with your family and friends!

Vincette

The Chapter has earned 4,750 points in the Chapter Recognition Program as of October 1999.

December Luncheon Speaker: Dennis J. Fischer, Commissioner, Federal Technology Service, General Service Administration (GSA)………



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Mr. Fischer served as the first Chief Financial Officer (CFO) of the General Services Administration from 1992 to 1997. Mr. Fischer directed overall GSA financial and budgetary policy and operations. He also had agency-wide responsibility for executive information systems and the Agency's Strategic and Performance planning processes.

Prior to his GSA appointment, Mr. Fischer served as the Deputy Assistant Secretary, Finance, and Deputy CFO within the Department of Health and Human Services between 1986 and 1992. There he was responsible for all financial and accounting policy and systems development for the Department as well as for operations of its grants payment system. He also directed the government-wide indirect cost rate negotiation functions for state agencies, colleges, universities and larger local governments.

Between 1984 and 1986, Mr. Fischer served as the Associate Director for Policy and Management, United States Mint, within the Treasury Department. In this position he was responsible for all management and policy functions. These included budgeting, accounting, personnel, procurement, IRM, and a wide variety of service functions.

In 1970, Mr. Fischer began his public civil service career with the Department of Health Education and Welfare. He served in various financial management positions and rose steadily through the ranks to the positions of Financial Management Officer and then Executive Officer with the Health Care Financing Administration, in the Department of Health and Human Services.

Mr. Fischer has served in numerous government-wide management roles. He serves on the Government Information Technology Services Board. Twice he was the representative for all departments on the Joint Financial Management Improvement Program Steering Committee. He represented all civilian agencies on the Cost Accounting Standards Board. He was elected as the first secretary/treasurer of the Federal CFO Council in May 1994 and in 1996 was named to the General Accounting Office Governmental Auditing Standards Advisory Council.

Mr. Fischer received his Bachelor's Degree in mathematics from Vanderbilt University in 1961. In 1969 he received his Master's Degree in Financial Management from George Washington University.

December CPE Session

This session was originally scheduled for September and was changed because of bad weather. For our December CPE session, GAO staff will discuss recent reports addressing key GPRA implementation challenges facing agencies, including integrating performance information with budgets, verifying and validating performance information, and measuring program results that are under limited federal control. Speakers will include:

- Michael J. Curro, Assistant Director, Budget Issues
- Laura E. Castro, Senior Evaluator, Budget Issues
- Stephanie L. Shipman, Assistant Director, Advanced Studies and Evaluation Methodology
- Stanley W. Divorski, Program Review Analyst, Advanced Studies and Evaluation Methodology

Positions Available at the Department of Health and Human Services

GS 510-14 Systems Accountants

Senior accountants/auditors are needed with experience designing financial systems. Immediate openings in HHS for applicants from federal and non-federal sources. The salary range is $68K to $89K plus benefits package. Full or part time job share. Relocation not paid. Announcements available on internet at the following URLs:

Full Time http://www.psc.gov/spo/os99205.shtml (Announcement OS-99-205)
Part Time http://www.psc.gov/spo/os99205.shtml (Announcement OS-99-206)

Or Call Diane Sellers at (202) 260-6766
Closes 12/3/99

Inside the Black Box: Whose Cash is it Anyway?

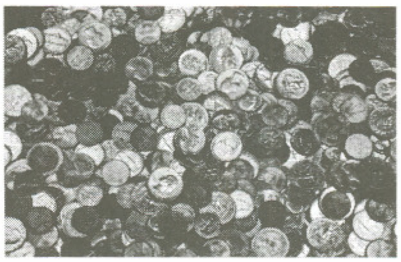
by Simcha Kuritzky, CGFM, CPA

Treasury's Financial Management Service (FMS) maintains the cash balances for almost every federal agency. Their cash management system has evolved over several decades, and I will only give a brief overview to point out potential problems for agency reconciliation and tracking. Readers interested in more detailed information can take classes at FMS's Center for Applied Financial Management.

How FMS Tracks Cash

FMS's database identifies cash with two primary keys: Agency Location Code (ALC) and Treasury Fund Accounting Symbol (TFAS). The TFAS is associated with the appropriation, and is the fundamental accounting unit used for financial statements. The ALC is not used in the preparation of financial statements.

There are several kinds of transactions that FMS records, with different levels of detail. Congressional appropriations are followed by Treasury warrants, which are recorded automatically by FMS (i.e., the agency does not have to report them to FMS). These have no ALC, just a TFAS. A transfer of funds between two TFASs is recorded by FMS after the agency sends them an SF-1151. This form, obviously, has TFASs. When Treasury disburses funds for a federal agency, either by printing checks or sending electronic payments to banks, they track the deposits and the disbursements by ALC, with no TFAS. All OPACs (on-line transfers between federal agencies) include an ALC, but the TFAS is optional.



In order to assign the TFAS to transactions that have only an ALC, agencies monthly send to FMS the Report on Transactions (FMS-224, FMS-1220, or FMS-1221) which lists their cash transactions by ALC, broken out by TFAS. If the total deposits or disbursements for the month do not agree between what FMS recorded and what the agency declares on their Report on Transactions, FMS sends a Statement of Differences (TFS-6652) to the agency.

Sources of Information

Much of the information FMS processes comes from the agency: most deposits and disbursements, the SF-1151 transfers, and some OPACs. If these transactions are produced by the agency's accounting system, then the accounting system should agree with FMS's records. While Treasury warrants are recorded based on Congressional appropriations, they are so fundamental to the federal budgeting process that generally there is no problem with reconciling them to the agency's accounting system (though continuing resolutions and rescissions can greatly complicate this process). Two types of activity that need to be regularly reconciled with the agency's accounting system are OPACs initiated by other entities and outside disbursements. Just as the agency can record an OPAC against another federal agency, so can another agency record an OPAC against them, and if an OPAC does not contain an obligation or reimbursable agreement ID, the agency receiving the OPAC may have to research the transaction before they can properly record it in their accounting system. An outside disbursement takes place when one agency has the authority to disburse another agency's funds. This commonly takes place when one agency processes payroll for multiple agencies. The State Department also does this when they disburse foreign currency for other agencies. The agencies making the disbursement will produce a Statement of Transactions with their own ALC, but use the TFAS from their client agencies.

Potential Problems

The reconciliation process for OPACs and Statement of Transactions entered by other agencies can be a nightmare for a large agency. There is often insufficient documentation. Also, since the other agency is unfamiliar with the agency's TFAS codes, there are often errors in the TFAS reported, or the TFAS may not be reported at all. Often agencies have to move the transaction to a budget clearing TFAS until the transaction can be fully researched.

The worst of it, though, is the conflict between the rules of FMS and GAO. FMS not only handles cash, they also receive the FACTS II trial balances and the Report on Obligations (SF-133), together with the Office of Management and Budget (OMB). Both FMS and OMB insist that the cash balances reflected in these reports match the cash balances FMS has, i.e., should reflect disbursements and collections recorded by other agencies and may still require further research. While September 30 is a popular day for OPACs, and the last Statement of Transactions for the year is not due until early October, FMS and OMB demand that agencies have their cash balances fully reconciled by mid-November. Many agencies cope with this demand by accruing receivables or payables on their books, to off-set the adjustments to cash. GAO, however, maintains that such accruals are improper, and that the agency should show whatever cash is on *their* books, not the books of FMS. This conflict is a few years old, and there are no signs it will be resolved soon.

> Comments, suggestions, and critiques are welcome. Send them to Simcha_Kuritzky@amsinc.com and not to the AGA.

REGISTER NOW FOR THE FLC

AGA's 11th Annual Federal Leadership Conference

Welcome to the New Millennium-You Ain't Seen Nothing Yet

January 27-28, 2000 - The International Trade Center - The Ronald Reagan Building - 16 CPE Hours

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E-Mail: agaeduc@agacgfm.org
Register On-Line: *www.agacgfm.org*

Please Note: There is no group convention rate for this conference. We suggest the following hotels:

JW MARRIOTT
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conference fees

register today!

Early Registration Before December 17, 1999
Members: $395
Nonmembers: $525

Regular Registration After December 17, 1999
Members: $495
Nonmembers: $625

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Registration refunds, less a $25 administrative fee, will be issued on written requests received two weeks prior to the event. To receive a refund, you must have written verification from the National Office Registrar that your cancellation was received within the required time frame. "No Shows" will be charged the full amount. Telephone cancellations will not be accepted. Substitutes will be accepted if authorized in writing by the registrant.

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