

ASSOCIATION OF
GOVERNMENT
ACCOUNTANTS

AGA

NEWSLETTER

WASHINGTON CHAPTER

MARCH 1988

THURSDAY **March 3, 1988**

LUNCHEON MEETING TO FEATURE



RAY KLINE
President, National
Academy of Public
Administration

Topic
Addressing the
Executive Challenge

at the

TOUCHDOWN CLUB
2000 L St., N.W.
(Near Farragut West Metro Stop)

Social Period	11:30 (Cash Bar)
Luncheon	12:00
Cost	\$15.00 (Members)
	\$17.00 (Non-members)

Reservations Required

Call 649-4399 NLT Mar. 1

NON MEMBERS WELCOME

Meeting Schedule: Apr. 14 • May 5

PRESIDENT'S MESSAGE



Diane M. Bray

Changing Of The Guard

(The following is a reprint of a letter, dated January 25, 1988, submitted by Terence Conway to the Washington Chapter Executive Committee.)

Dear Committee Members:

Last September, when it became necessary for me to step down from the office of Chapter President in order to resolve the chapter position regarding employment status of the President and President-Elect, I stepped down with the thought that the question could be resolved quickly and that I could either resume my duties as president, or resign with the least amount of disruption to the chapter and the important tasks underway. As time drags on and on, however, I now believe that I could not resume my office without causing serious disruption to the activities of the chapter, even if the chapter membership acts favorably in the constitutional amendment now before it. Accordingly, I herewith submit my resignation as President of the Washington Chapter, AGA.

My decision has not been an easy one. When I accepted the nomination of the chapter in 1985, I had every intention of completing my term as president. As recently as October, I believed that a quick resolution to the employment question would permit me to complete my term. Each chapter president, in the months preceding assumption of the office, plans for the upcoming year and forms an agenda that will guide his or her actions during the term. Diane Bray, in standing in for me for the past few months, has been forced to implement part of her agenda early. To try to go back to mine, and put hers on hold for some additional period of months, would not be fair to the chapter, to Diane, or to me. I have also lost a good bit of my enthusiasm to continue after such a long break.

I hope that the Chapter membership does approve the amendment to the by-laws that will allow a successor of mine to continue serving the chapter after a change in employment status. I

hope something valuable remains after all of the turmoil. I wish you all well and hope for your continued support of the Washington Chapter.

Sincerely,

Terry Conway

This letter was accepted by the Executive Committee Council on February 18, 1988. I am sure that I speak for the Washington Chapter when I wish Terry well in his future endeavors.

In accepting the term of office, Terry brought some new ideas and efforts to the Chapter. These included: joint meetings with other associations to foster cooperation among financial managers, moving the Chapter Presidents luncheon to the May meeting when the Chapter recognizes individuals for their leadership and support, renaming the chapter service award to the James Saylor Memorial Award in appreciation of the outstanding service that Jim gave the Washington Chapter. For the remaining part of this year, I intend to complete the projects that were began in July of last year.

However, there is one change that I would like to implement effectively immediately. That change is an expansion to the existing Executive Committee Council. The officers and directors that are serving currently have done an outstanding job in implementing their specific programs and in serving on special ad hoc committees. I would like to acknowledge their efforts for a job well done.

I cannot continue to ask that they take on other responsibilities that go beyond their present charter. I have several new committees that I would like to establish and I need your support in serving as committee chairs and members. These committees include:

- A formal bylaws committee to continue to review the Chapter's bylaws and recommend changes.
- A newsletter committee to evaluate the feasibility of having a professional firm produce the newsletter.
- A team to re-establish our publicity and agency liaison network.
- A team to revitalize student awards.
- A small business education committee to revisit the course for small business owners that the Chapter sponsored in the past.

If you are interested in participating in one of these committees, please call me on 695-0839. I welcome your assistance and any ideas you may have on Chapter activities.

**ASSOCIATION OF
GOVERNMENT
ACCOUNTANTS
WASHINGTON
CHAPTER
EXECUTIVE
BOARD 1987-1988**

Officers

Acting President

Diane Bray, DOD, 695-0839

Secretary

Deatrice Russell, Financial
Management Service, 535-9693

Treasurer

Rolf Wold, DOT, 366-9874

Past President

Gary Palmquist, 233-3411

Directors

*Cooperation with Professional
and Educational Institutions*

Mike Merson, Financial
Management Service, 436-6842

Education

Sue Fields, NIH, 496-3417
Bill Henderson, EPA, 382-4467

Employment Referral

Joyce Shelton, DOT, 366-1306

Membership Services

Dan McGrath, Financial
Management Service, 566-3717

Newsletter

Lee Beaty, GAO, 275-9532

Programs

John Simonette, GAO, 275-9454

*Relations with National Office/
Special Projects*

Adam Shaw, DOD, 697-0585

Research, Professional Notes

Chuck McAndrew, Navy, 696-6896

Committee Chairs

Awards

Mary Lee Mason, Financial
Management Service, 535-9693

Chapter Evaluation

Ron Lynch, Arthur Anderson
& Co., 862-3324

Chapter Recognition/Competition

Jean Bowles, State, 875-6923

Meetings

Judith Parsons, Comptroller
of Currency, 447-1721

Membership Services (A'sst)

Jim Goulden, Coast Guard,
267-0220

Newsletter

Herb McLure, GAO, 275-5100

Public Service

Paula Rubin, Financial Management
Service, 535-9696

ABOUT OUR SPEAKER THIS MONTH

RAY KLINE

Ray Kline is president of the National Academy of Public Administration, a private nonpartisan, nonprofit corporation established to provide research and counsel to increase the effectiveness of American government at the federal, state and local levels. Its unique capabilities rest with its elected membership of 350 distinguished academicians and practitioners in public administration from the nation's universities, private industry and government organizations. The Academy was granted a federal charter by an act of Congress in 1984, the first such charter since President Lincoln chartered the National Academy of Sciences in 1863.

Kline came to the Academy in March 1985 from the U.S. General Services Administration (GSA) where he served as acting administrator from March 1984 to March 1985. He previously served as acting administrator from January - June 1981.

Kline also served as deputy administrator of GSA from 1979 to 1985. GSA is the agency which provides goods and services to support the common needs of agencies of the federal government.

Kline went to GSA from the National Aeronautics and Space Administration (NASA) headquarters in Washington, DC, where he had been associate administrator for management operations since 1977. In that position he was responsible for the management of operations at the ten NASA field centers.

Kline joined NASA in 1962 as a principal member of the executive staff of Dr. Wernher von Braun at the Marshall Space Flight Center in Huntsville, Alabama, before moving to Washington in 1968. Among other positions at NASA's Washington headquarters, Kline served as assistant administrator for institutional management for two years.

During World War II, Kline served in the European Theater of Operations and after the war served with the First Infantry Division at the Nuremberg Trials. He also served during the Korean War.

A Native of Lebanon, Pennsylvania, Kline received a bachelor's degree in political science from Lebanon Valley College and a J.D. degree from George Washington University. He is a member of the federal bar.

In 1982, Kline was awarded the Presidential rank of Distinguished Senior Executive by President Reagan. The award is the highest recognition given to career government executives.

Kline also holds the top awards from three agencies: the NASA Distinguished Service Medal, the GSA Distinguished Service Award and the Archivist's Distinguished Service Award from the National Archives and Records Administration. He is listed in *Who's Who in America*.

Have We Lost One of Your Colleagues?

Although membership renewal this year is running better than last year at this time, there are still a significant number of our colleagues who have not paid their dues for the year beginning October 1. As a result their benefits ceased after the publication of January's newsletter. National office sent follow-up billings to these individuals and the Chapter's Membership Services Committee mailed a letter to each member on the suspense list. If you are or become aware of anyone in this group please encourage them to re-up.

WASHINGTON CHAPTER OFF-THE-SHELF SOFTWARE SEMINAR SET FOR APRIL 7!!!

The Washington Chapter Education Committee is sponsoring an all day seminar on **Implementing Off-the-Shelf Software**, to be held **April 7** at George Washington University's Marvin Center, 21st & I Street, NW (near Foggy Bottom Metro stop). Topics to be covered include:

- Implementing A-127 Requirements (including discussion of the JFMIP requirements definition study & the PCMI single system concept paper)
- Implementation Steps (including discussion of requirements definition, acceptance testing and the test plan, resource considerations, user groups, & user training)

Discussion leaders include software and systems experts from **American Management Systems**, & EPA's **Vincette Goerl**. The luncheon speaker is Arthur Young's **Steve Varholy**.

Attendance can be approved under the Government Employee's Training Act, and the \$75 fee includes the luncheon. To learn about this current topic of vital interest to all government managers, operating accountants, and systems staff, make your reservation today by calling **Larry Achter** on **382-5161**.

SPACES STILL AVAILABLE FOR JFMIP CONFERENCE

The Joint Financial Management Improvement Program has announced that there are plenty of spaces still available, and **walk-in registrants will be accepted**, for this year's Annual Financial Management Conference scheduled for Wednesday, March 9 at the Grand Hyatt on H Street NW in downtown Washington. The objective of this year's conference, with its theme "Making Financial Management Work in the Federal Government", is to emphasize how financial management should be used by executives and managers in running their organizations more efficiently and effectively. The conference will feature an unusually prestigious array of speakers and workshop participants, from both the public and private sectors, who will discuss their perspectives on the importance of using financial management in running their organizations. As a special feature, Comptroller General **Charles Bowsher** will make the annual Donald L. Scantlebury Memorial Awards presentation. Attendance can be approved under the Government Employees' Training Act, and the \$80 fee includes the luncheon. For up-to-date information on the program, call JFMIP on 376-5415.

NOVAGA SEMINAR

Northern Virginia Chapter still has spaces left for its March 15 afternoon (1:00 PM) seminar on Use of Computers in Auditing, at the Sheraton National in Arlington. Presentations are planned on: the PCIE Computer Systems Integrity Project, by NASA IG **Bill Colvin**; Use of Computers By the VA IG (case studies), by the VA IG's **Michael Slachta, Jr. & Paul Hoshall**; and Audit Standards & Computer Auditing, by GAO's **Dennis Duquette**. A social period and dinner will conclude the seminar, with Peat Marwick partner **John Hummel** speaking on Microcomputers in Public Accounting. \$60 fee includes afternoon refreshments and the dinner.

REGISTRATION FORM—NOVAGA COMPUTERS IN AUDITING SEMINAR

NAME _____

ADDRESS _____

DAY PHONE _____

ENCLOSED IS (____)FEE (____)INVOICE
(Check Payable to AGA)

Mail to: Jackie Howard, Box 44107, Washington, DC 20026-4017 (Ph: 755-6364)

FINAL NOTICE!!! AWARDS NOMINATIONS!!!

Anyone wishing to submit nominations for any of the National or Chapter level awards should contact Chapter Awards Committee Chairperson Mary Lee Mason (535-9693) **immediately**. The Committee must have all nominations for National awards to the National Office by March 11. See last month's President's Message for a complete listing and description of all National and Chapter level awards.

NECESSARY EXPENSES

By Thurman Cary, Treasury FMS

In a previous article, I briefly explained the concept of appropriations for salaries and expenses and how appropriations have certain statutory provisions under which they must operate. One allied concept that has been around for quite some time is known as the "necessary expense rule." While there have been no strict guidelines issued on what a necessary expense is, an expenditure can usually be justified if it meets the following criteria.

- The expenditure must be legal
- The expenditure must not fall within the scope of some other appropriation.
- The expenditure must have a logical relationship to the appropriation being charged.

Now just because an agency makes an administrative decision that a particular expenditure meets the above criteria, discretion should be used before incurring the obligation. Some decisions have been determined to be improper by the Comptroller General.

Business cards! How many government employees do you think have business or calling cards? Should business cards be a necessary expense, chargeable to an appropriation? The Comptroller General considers them personal in nature and, therefore, not payable from an appropriation unless specific statutory authority exists. Business cards are viewed as being a matter of personal convenience and not a necessity.

There are a number of other Comptroller General decisions that have ruled that certain items could not be paid from appropriations unless specific statutory authority existed. Among those items are individual membership fees, free food to government employees at their official duty station during meetings, personal wearing apparel, and seasonal greeting cards.

Occasionally, past Comptroller General decisions have been reviewed and new guidelines have been issued. One of those was the recent decision to change the guidelines on the purchase of seasonal decorations associated with Thanksgiving, Christmas, New Years, and Independence Day. In the past, seasonal decorations were viewed as not being a necessary expense since they had no direct connection or were not essential to carry out the purpose of an appropriation. The new guidelines say the "agency expenditures for seasonal decorations as necessary expenses may be properly payable where the purchase is consistent with work-related objectives, agency or other applicable regulations and the agency mission and is not primarily for the seasonal convenience or satis-

faction of a government employee."

Good advice for an agency to follow is to use common sense when approving expenditures. Past Comptroller General decisions can be used as general guidelines, however, when in doubt the Comptroller General should be contacted.

The "Anti-deficiency Act" and the "Augmentation Theory", just the mention of these words have caused mild mannered government accountants to adjust their green eye shades, turn off their computers, and become "wild and crazy" as they check and double check their figures. Our next article will discuss these two areas and the history behind them.

Through this column the Accounting Group, Federal Finance, which is part of the Financial Management Service, will provide information and answer questions about the Federal Government's policies, procedures, and practices relating to its financial accounting and reporting systems. Your questions are welcome and can be sent to D. James Sturgill, Manager, Accounting Policy Staff, Liberty Center, Attn: GAO Bldg., Room 1751, Washington DC 20227, or by telephone (202) 566-2651.

DID YOU KNOW . . .

Continued from page 8

enhancements developed for new clients, as well as from increased economies of scale. For additional information, call the Director of the Center, Mr. Clyde McShan, on 504-255-5200.

ABOUT CHAPTER MEMBERS

For anyone who has not heard yet, double congratulations are in order to **Virginia B. Robinson**. Virginia is AGA National President-Elect for fiscal year 1989 (President for fiscal year 1990). Nominating Committee Chairperson June Brown cited Virginia's stature within the accounting and auditing community and her role in formulating AGA policy as key reasons for her selection. Virginia was also recently appointed to the post of Executive Director of the Joint Financial Management Improvement Program (JFMIP). Virginia goes to JFMIP following a diverse federal career of increasingly responsible positions at Commerce, Navy, Energy, and GAO. At GAO, which she leaves to accept the JFMIP post, she was the associate director responsible for accounting systems policy and methodology. All of us who have been around the Chapter any time at all are well familiar with Virginia's long record of quality service to AGA, including service as Chapter President in fiscal year 1985 and her current service on the National Executive Board. We join all AGAers and the federal community in expressing our enthusiastic support and best wishes to Virginia for a successful administration, both with AGA and at JFMIP.

Herbert R. McLure has left GAO, where he was the associate director responsible for reviews of federal transportation activities, to accept the post of associate administrator for human resources management at FAA. Herb said FAA asked him if he would be interested in helping them implement the recommendations GAO has made over the years. "It was a challenge I couldn't resist", he said. "One thing I've learned already is that 'people' issues are the same all over", he added.

Treasury's **Elliot E. Clark** recently accepted an overseas assignment as the comptroller of the U.S.—Saudi Arabian Joint Commission on Economic Cooperation. He will be working in Riyadh, Saudi Arabia for at least two years. The Joint Commission is under the Assistant Secretary of the Treasury for International Affairs.

Dr. William F. Kendig is co-author, with Gerald Riso, of an article, "Reducing Overtime Costs", in the December 1987 *Journal of Accountancy*. The article is based on a review of overtime Bill conducted at Interior, and includes a question and answer checklist for evaluating overtime costs.

David B. Pariser of GAO is co-author, with Scott Bressler, of an article, "Accounting for Non-performing Loans", in the Fall 1987 issue of *The Journal of Bank Accounting and Auditing*. The article discusses the adequacy of current account-

ing rules for troubled debt restructuring.

A belated bit of sad news—we were sorry to learn of the death in October of **Charles G. Hardin, Jr.**, of McLean, retired USIA director of finance and data management. Mr. Hardin began working for USIA, from which he retired in 1973, in the 1950's, following earlier service with State, Defense, and the Reconstruction Finance Corporation. He was an Army veteran of the Second World War, and a retired Colonel in the Army reserves. Our deepest sympathy to Mr. Hardin's family.

Call us with your news About Chapter Members. Please!! (Lee Beaty; 275-9532)

AGA WASHINGTON CHAPTER SCHEDULE OF EVENTS MARCH - JUNE 1988

March 3: Monthly luncheon meeting w/National Academy of Public Administration's **Ray Kline**.

March 9: JFMIP Annual Financial Management Conference.

March 15: No.Va. Chapter seminar, "Use of Computers in Auditing", & monthly dinner meeting, w/Peat Marwick's **John Hummel**.

April 7: Seminar on "Implementing Off-the-Shelf Software" (see page 4).

April 14: Monthly luncheon meeting w/GAO's **Fred Wolf**.

April 19: No.Va. Chapter monthly dinner meeting, w/DOD IG **June Brown**.

May 5: Monthly luncheon meeting w/AGA National President **Don Kirkendall**, & Chapter annual awards.

May 17: No.Va. chapter annual awards banquet.

June 20-22: AGA 1988 Professional Development Conference, Washington, DC.

Note: Dates for the FMFIA TGIF luncheon, the cash management workshop, & the TGIF luncheon w/state officials, listed last month, are not yet firm.

Application for Membership

Association of Government Accountants

Section I

NAME OF APPLICANT: Mr. ____ Ms. ____
 Mrs. ____ Miss. ____

MAIL ADDRESS: _____
 STREET NUMBER STREET NAME
 CITY STATE ZIP

OFFICE TELEPHONE _____ HOME TELEPHONE _____
 AREA CODE NUMBER EXTENSION AREA CODE NUMBER EXTENSION

Section II

TYPE OF MEMBERSHIP APPLIED FOR FULL ASSOCIATE SPECIAL ASSOCIATE

I wish to join the Washington, D.C. Chapter.

Section III

EMPLOYER _____ Government: Federal State Local
 Private Employer Academia Other _____

TITLE OF MY POSITION _____

TYPE OF WORK PERFORMED: Accounting Auditing Budgeting ADP Other _____ DESCRIPTION

Section IV

EDUCATIONAL BACKGROUND:

SCHOOL	LOCATION (STATE)	YEAR FROM TO	MAJOR	DEGREE

Section V

ACCREDITATIONS AND CERTIFICATIONS:	STATE	CERTIFICATE NUMBER	YEAR
<input type="checkbox"/> CPA			
<input type="checkbox"/> CIA			
<input type="checkbox"/> CMA			
<input type="checkbox"/> CISA			

Section VI

FINANCIAL MANAGEMENT EXPERIENCE: (List most recent experience first) Completion of this section is optional if applicant has one or more of certificates indicated in Section IV, completion for more than 3 years experience is optional if applicant has listed a 4 year degree in a financial management field in Section IV, and listing more than 6 years experience is optional for all applicants.

EMPLOYER	LOCATION	TITLE	POSITION SERIES AND GRADE	FROM TO	MONTH/YEAR

Date of application _____ Signature of applicant _____

Sponsor (optional) _____ NAME (PRINT) _____

SPONSOR'S AGA MEMBERSHIP NUMBER _____

Remitted herewith is \$ _____

INFORMATION FOR APPLICANTS ELIGIBILITY REQUIREMENTS

- FULL MEMBERSHIP— (DUES \$47.50)** An individual who has a minimum of 6 years of experience in accounting, auditing, budgeting, or other financial management fields. A graduate of an accredited college or university with a major in the financial management or allied fields may substitute education for experience. A four-year degree counts as 3 years of experience. Holders of CPA, CMA, CIA, and CISA certificates are qualified for full membership without further experience requirements.
- ASSOCIATE MEMBERSHIP— (DUES \$33.00)** A colleague that has less than the experience requirement for full membership. Except for holding an elected national office, all other services and privileges of membership are provided. It is anticipated that associate members will become full members through additional experience.
- SPECIAL ASSOCIATE (DUES \$19.00)** Only for junior associates in their first year of employment and full-time students.

DID YOU KNOW...

By Charles McAndrew (696-6896)

This month we are featuring the Department of Agriculture's National Finance Center, located in New Orleans, Louisiana. The Center's mission is to design, develop, and operate cost effective automated administrative systems. With these systems, the Center provides financial management services to Agriculture's 40 agencies worldwide and to many other federal agencies.

The Center offers a complete package of services common to government operations. These services fall into five main categories: payroll/personnel, administrative payments, billings and collections, property management, and accounting. In addition, in 1986 the Center was assigned to design and operate the Thrift Savings Plan system for the entire federal government. The Plan is expected to become the largest 401 (k) plan in the world in terms of number of participants and dollars invested.

Agriculture's long range commitment to state-of-the-art financial management systems anticipated significant trends of the 1980's. President Reagan's management improvement program, Reform 88, called for reducing the cost of doing Government business by, among other initiatives, "cross-servicing", that is, the sharing of services and expertise across departmental lines to avoid duplication of systems development, maintenance and operation. The Administration directed the elimination of numerous inadequate, costly, and incompatible systems. With 20 years of experience in providing cost-effective centralized services to Agriculture's many diverse, decentralized agencies, the Center was poised to expand its offerings beyond Agriculture.

The Center signed its first cross-servicing agreement, with the Department of Education, in

1983. The agreement provided for the Center to process a full range of administrative payments, including travel advances and travel vouchers, and payments to vendors and other agencies. The agreement was later expanded to include billings and collections and property management support. Since then, the Center has gained 15 more clients: Commerce, the Merit System Protection Board, the Mine Safety and Health Review Commission, the Appalachian Regional Commission, the National Endowment for the Arts, FDIC, ACTION, USIA, State, the Smithsonian, the Commission on Civil Rights, the National Park Service, HUD, GAO, and the Federal Retirement Thrift Investment Board. The Center provides full services to some of these clients and selected services to others. Currently, the services most delivered to other agencies are payroll/personnel and property management support. By far the Center's biggest challenge was the Thrift Savings Plan.

In the five main categories of services, the Center handles 16 million transactions a year, disbursing \$5.7 billion and collecting \$340 million. This work includes paying 165,000 employees every two weeks and keeping their pay/personnel records up-to-date. The Center maintains over a million Thrift Savings Plan accounts valued at about \$1.1 billion. Investments in the Plan are growing at the rate of about \$30 million a week.

In summary, cross-servicing has saved the Government many millions of dollars. Commerce, for example, the Center's first large external client, stated that it avoided spending \$10 million for a new payroll system, and is saving about one million dollars a year in pay/personnel processing costs. The Center's conservative estimate is that cross-servicing has saved the taxpayers over \$16.5 million so far. In addition, all clients benefit from

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NEWSLETTER

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Washington, DC - June 20-22

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