

# The Washington Connection

ASSOCIATION OF GOVERNMENT ACCOUNTANTS  
WASHINGTON D.C. CHAPTER



Issue 08 • April 2013

## In This Issue

President's Message	2
Editor's Note	3
New Members	4-5
CGFM News and Upcoming Events	9-10
Luncheon Speaker: Gwendolyn Sykes	11
Awards Committee Update	15
Awards Gala Announcement	16
Member Services	17
Membership	18-19
Snapshots	20-24
Inside the Black Box	27-29
Report from the Treasurer: Christy Beck	30
Mentorship	30
Meetings Team	31
Request for Newsletter Submissions	32
2012-2013 Calendar Of Events	34-36
Officers And Directors	37



APR

## LUNCHEON SERIES

### Gwendolyn Sykes

#### Chief Financial Officer

United States Secret Service

"What Next - Leadership Opportunities  
During Challenging Times"

Wednesday, April 17, 2013

• 11:30am - 1:30pm • Clyde's of Gallery Place



Read Bio

## Save The Date

### 12th Annual AGA-DC/ GWSCPA Training Conference Event

May 7th & May 8th, 2013  
Ronald Reagan Building and  
International Trade Center (Pavilion Ballroom)  
1300 Pennsylvania Ave, NW, Washington, DC

#### Invited Speakers include:

Danny Werfel, OMB Controller  
Gene Dodaro, U.S. Comptroller General  
Todd Grams, Executive-in-Charge, Office  
of Mgmt & CFO, Dept. of VA  
Scott Quehl, CFO, Dept. of Commerce  
Jim Taylor, CFO, Dept. of Labor  
Marty Rajk, Deputy CFO, U.S. Coast Guard

Mary Kohlmeier, Chief Financial  
Executive, DIA  
Peggy Sherry, CFO, Dept. of Homeland  
Security  
Wes Miller, Directory of Resource Mgmt,  
U.S. Army Corp of Engineers  
Frank Petersen, Director, Quality  
Assurance Division, NASA

## Announcements

See Inside

### Annual Member Awards Dinner and Celebration

Saturday, June 8th, 2013  
Army and Navy Club on Farragut Square  
901 Seventeenth Street, N.W.  
Washington, D.C. 20006  
6pm - 9pm

"Whenever you find yourself on the side of the majority, it  
is time to pause and reflect."

- Mark Twain

Click here to sign up to get newsletter and meeting notices  
automatically e-mailed <http://agadc.org/mlistsubscribe.php>



WASHINGTON DC, CHAPTER

Check the link below for updated information:  
<http://www.agadc.org/education/annual-conference/>

Beyond Checking the Box It's Not Enough to Do Just Enough...

# President's Message



by Eileen Parlow

It's springtime! And here at AGA-DC, our thoughts turn to "spring training"!

## Annual AGADC/GWSCPA Spring Training Event

The Chapter's annual two-day training event, co-hosted by the Greater Washington Society of CPAs (GWSCPA), will be held on May 7-8, 2013, at the Ronald Reagan Building/International Trade Center in Washington, DC. As always, the event will provide about 14 hours of Continuing Professional Education (CPE) credits, accredited by the National Association of State Boards of Accountancy (NASBA). Among the outstanding speakers that we have lined up for you are Danny Werfel, the Office of Management and Budget Controller; Gene Dodaro, the U.S. Comptroller General; numerous agency Chief Financial

Officers; and other subject matter experts.

Registration information for this event will be sent to DC Chapter members via e-mail and posted on the AGA DC website in early April.

## Wanted: DC Chapter Photographer

Do you want to get involved in volunteering for the DC Chapter, but don't quite know where you might fit in? As I assist President-Elect Jim Dalkin in putting together his draft roster of Chapter Directors for the upcoming 2013/2014 program year, I am proposing a potential new Director position: DC Chapter Photographer. This individual would:

- Take candid photos (and coordinate volunteers to take photos) of new AGA DC members and luncheon speakers at monthly Chapter luncheons, as well as other Chapter events throughout the year, such as Early Careers and Member Services networking events, CGFM and other training events, and special community service events, and
- Send electronic copies of the photos once a month to:
  - the DC Chapter Newsletter Editor, and
  - the DC Chapter Webmasters.

In order to create this new Directorship, we will need a volunteer to serve as the very first DC Chapter Photographer. This position could be held concurrently with another Chapter Director or Assistant Director position, if you are interested and have time. If you're interested, please send an e-mail to Jim Dalkin at: [JDalkinCGFM@gmail.com](mailto:JDalkinCGFM@gmail.com) or to me at: [agaileen@yahoo.com](mailto:agaileen@yahoo.com). Thank you!

Sincerely,

*Eileen Parlow*

Eileen Parlow  
President  
Washington DC Chapter

## Note From the Editor



by **Jorge Asef-Sargent,  
Editor**

Welcome to the April edition of the Washington Connection!

This newsletter is only made possible because of the contribution of articles

from the chapter's members. Thank you for all who submitted articles-these articles reflected the depth of knowledge and experience in this group, and the newsletter team is fortunate enough to review and publish these articles. We hope that you enjoy the newsletter and find it helpful for keeping up to date on events in the chapter and in AGA. Our team strives to produce a high-quality newsletter notifying AGA D.C. members of Chapter and National events and services. And, if you are not already a member, we encourage you to join the AGA D.C. Chapter and enjoy the many benefits it offers, in particular the high-quality luncheon series, learning opportunities, and conferences.

Do you have any comments or suggestions regarding the newsletter? Do you have an article you would like to see printed? Have you developed a time-saving process or procedure on the job? Have you traveled to any interesting locations? The Washington Connection requests that you submit any and all items of interest to our federal, state, and local members, including: reviews of recently published books related to financial management; unique travel experiences or assignments; lessons learned on roll-outs of new systems; appointments or promotions; employment opportunities; and noteworthy accomplishments by our members. We also welcome digital photos that accompany your submission. Your articles, comments, and ideas are what make this newsletter go and we welcome all input!

Sincerely,

*Jorge Asef-Sargent*

Jorge Asef-Sargent, CPA, CGFM  
AGA D.C. Chapter Newsletter Editor

## Newsletter Team

*Jorge Asef-Sargent, Editor*

*Deborah Khavkin, Co-Editor*

*Erwin Solbach, Graphics*



# Welcome, New Members!

## MEMBERS NEW TO AGA DC

<i>James P. Baldwin</i>	<i>DHS</i>
<i>Jordan Black</i>	<i>PwC</i>
<i>Alisoamy Bracero</i>	<i>US Census Bureau</i>
<i>Andrew Burton</i>	<i>DHS</i>
<i>Zachary J. Byrd</i>	<i>KPMG LLP</i>
<i>Gary Carpentier</i>	<i>Strategic Technology Assessment, LLC</i>
<i>Susan Melinda Carr</i>	<i>DHS</i>
<i>Vanessa Chanthavong</i>	<i>Cotton &amp; Co LLC</i>
<i>Matthew K. Claytor</i>	<i>Global Computer Enterprises</i>
<i>Faye Cobb</i>	<i>US House of Representatives</i>
<i>Andrew Craig</i>	<i>GCE: The Cloud Company</i>
<i>Whitney B. Deas</i>	<i>PwC</i>
<i>Tisha Edwards</i>	<i>DC Government</i>
<i>Edgar Freytes</i>	<i>DHS</i>
<i>Heidi Friedrich</i>	<i>American Univ</i>
<i>Emery A. Hamilton</i>	
<i>Nguyentrinh E. Hoang</i>	<i>DHS</i>
<i>Carmen Celia Ingram</i>	<i>DHS</i>
<i>Allison N. Jackson</i>	<i>Dept of Treasury</i>
<i>Ella N. Jones</i>	<i>PwC</i>
<i>Patrick Lynch</i>	<i>Lynch Consultants LLC</i>
<i>Randolph M. Lyon</i>	<i>OMB</i>

# Welcome, New Members!

## MEMBERS NEW TO AGA DC

<i>Samuel J. Malcolm</i>	<i>KPMG LLP</i>
<i>Indu Mathur</i>	<i>Deva &amp; Associates PC</i>
<i>Amanda M. Nocera</i>	<i>PwC</i>
<i>Keysha I. Payton</i>	<i>Kinetic Solutions LLC</i>
<i>Magdalena Penaranda</i>	<i>Tera Think</i>
<i>Christine T. Pham</i>	<i>US Dept of Commerce</i>
<i>Daphine Amanda Pruitt</i>	<i>Kearney &amp; Company</i>
<i>Christian Ramos</i>	<i>Census Bureau</i>
<i>Amanda G. Reeves</i>	<i>PwC</i>
<i>Shakira I. Ross</i>	<i>Dept of Commerce</i>
<i>Dustin M. Sigward</i>	<i>NETE Solutions</i>
<i>Natalie Simons</i>	<i>PwC</i>
<i>Lori V. Smith</i>	<i>WMATA</i>
<i>Chaunette Stokes</i>	<i>US House of Representatives</i>
<i>Kelli Thomas</i>	<i>DHS</i>
<i>Terry Tomlinson</i>	<i>Portfolio Management Solutions, LLC</i>
<i>Tung Quoc Truong</i>	<i>TeraThink Corp</i>
<i>Annie Walker-Bradley</i>	<i>USDA</i>
<i>Nadiuska J. Wimbush</i>	<i>Tichenor &amp; Associates, LLP</i>
<i>Ramez Wissa</i>	<i>Tera Think Corp</i>
<i>Gary Wong</i>	<i>GWU</i>

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**Grant Thornton**

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# CGFM News and Upcoming Events

By Karl Payne and Leon Fleischer



## Welcome to a New Year of CGFM Opportunities and News

Greetings! Leon and I would like to take this opportunity to highlight some of the exciting opportunities that we have planned for our Chapter members, as well as other items of interest. If you have questions, or interest in CGFM, please feel free to contact Leon or myself at [kpayne@kpmg.com](mailto:kpayne@kpmg.com) and [fleischerl@sec.gov](mailto:fleischerl@sec.gov).



## Update on the CGFM Training Classes

The DC Chapter's March CGFM class is now complete. During this very popular class, a professional AGA Instructor guided 30 students through a comprehensive six days of instruction covering all three modules of the CGFM exam. This Class, like many of the AGA opportunities available to our Chapter members is provided free of charge by your Chapter leadership. The feedback from the participants has been very encouraging and we are optimistic that this will result in many future CGFMs! The class included a broad cross section of contractors and employees serving federal, state and local governments in and around the DC metropolitan area. These students have taken the first step in the rewarding journey to CGFM certification. If you would like to join this journey, keep an eye out for upcoming training and exam opportunities offered through this Chapter, our neighboring DC metropolitan Chapters, and the National AGA. For instance, the National AGA offers various incentives during the year, and exam and intensive review opportunities at many of their national conferences.



*Students concentrate intently during the March 2013 DC CGFM Class.*

## Have you checked off what you need to do to reach your CGFM goal?

So, you've realized the many benefits of becoming CGFM certified. Do you know all of the steps you need take to reach your goal? Are you aware of all of the National and Chapter level resources available to assist you in meeting your goal? Your Chapter CGFM committee is your local resource for information on requirements, available study and classroom opportunities, advice and general certification information. Another great resource is the National AGA website. Have you visited the CGFM Certification Directory on the AGA national website? If not, make sure to check it out at [www.agacgfm.org/cgfm](http://www.agacgfm.org/cgfm). You will find a wealth of valuable information that will help you along your path to attaining certification. Just some of the topics you will find covered on the website are: Why Earn the CGFM, Where Do I Start, What Do Exams Cover, How Do I Prepare, How Do I Purchase Exams, and How Do I Maintain a CGFM. And, of course, Leon and I are available at a Chapter level to answer any of your questions or concerns. Please feel free to reach out anytime.

## CGFM News and Upcoming Events (cont'd)

### Congratulations to the New DC Chapter CGFM's in 2012!

From January through December 2012, the following 55 DC Chapter members have entered the distinguished ranks of Certified Government Financial Managers. Since its inception in 1994, the Certified Government Financial Manager (CGFM) designation has become the standard by which government financial management professionals are measured. The CGFM designation recognizes these financial management professionals for the high degree of education, experience and ethics they have attained. Please join the entire DC Chapter in congratulating these members in this significant professional achievement.

Mrs. Tiara Mizelle, CGFM	Mrs. Oneida Adames-Ripley, CGFM
Kate M. Broderick, CGFM	Ms. Margaret T. Castro, CGFM
Mr. William E. Ellett, III, CGFM, CPA	Mrs. Lina M. Osorio Orozco, MBA, CGFM
Mr. Mosley Shubair, CGFM	Mr. Pierre N. Kamga, CGFM
Ms. Karen A. Lister, CGFM	Mr. Thomas G. Marlow, CGFM
Mr. Colin J. Shackelford, CGFM	Mr. David Hernandez, CGFM
Mrs. Lieselotte Stubbs, CGFM	Ms. Pamela Lokeman, CGFM
Mr. David Sells, CGFM	Mr. Jonathan R. Pollack, CGFM
Ms. TaVonna P. Serious, CGFM	Mrs. Michele M. Murphy, CGFM
Ms. Cheryl Sroufe, CGFM	Ms. Angela M. Herring, CGFM
Mr. Manh H. Vu, CGFM	Mr. Gregory J. Wilber, CGFM
Mr. Terry Bowersox, CGFM	Ms. Kimelah L. McKinley, CGFM
Ms. Angela L. Inmon, CGFM	Mr. Jeffery Alexander Yokel, CGFM
Ms. Zari Hamaways, CGFM	Mr. Richard H. Sahadeo, Jr., CGFM
Mrs. Elizabeth Gillespie Lang, CGFM	Ms. Shannon M. Roberts, CGFM
Mr. Eric D. Williamson, CGFM	Mr. Jonathan C. DeBoer, CGFM
Mrs. Melissa Lowden, CGFM	Ms. Julie Knight, CGFM
Mr. Chris Shelsta, CGFM	Ms. Felicia Lipe, CGFM
Mr. Sean R. Murtagh, CGFM	Mrs. Maryla E. Engelking, CGFM, CPA
Mr. Chun-Ming Yang, CGFM	Ms. Chante` LaToya Brady, CGFM, CPA
Ms. Annemarie A. Juhlin, CGFM	Mr. Kayode Adedayo Olawumi, CGFM
Miss Cerena V. Mitchell, CGFM	Ms. Kristina K. Morden, CGFM
Mr. Mohammad Kohistani, CGFM	Mr. Carter Griggs Vick, CGFM
Mr. Ronald Glaze, CGFM	Ms. Oni Crawford, CGFM
Mr. Patrick J. Weiler, CGFM	Ms. Olivia Baird, CGFM
Mr. Robert M. Buchanan, CGFM	Mr. Timothy James Hoke, CGFM
Mr. Jonathan Lee, CGFM	Mr. Scott Andrew Bixman, CGFM
Ms. Jacquelyn T. Gannon, CGFM	

*Karl Payne and Leon Fleischer*

**Karl Payne and Leon Fleischer,  
Co-Directors of CGFM News and Upcoming Events**

## Luncheon Speaker: Gwendolyn Sykes

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Gwendolyn Sykes is the United States Secret Service Chief Financial Officer. In this role, she is responsible for the execution, development and stewardship of the Secret Service's resources and currently manages a financial team that includes budget, financial management, relocation and financial systems experts.

Ms. Sykes began working with the Secret Service in May 2012, bringing with her a wealth of financial management skills and talent for organizational transformation and enhancement. Among her many accomplishments, Ms. Sykes is the first African American female to serve as the Chief Financial Officer at NASA, the National Aeronautics and Space Administration. Nominated by the President of the United States and confirmed by the United States Senate, she was responsible for the financial management and health of this \$16 billion agency. Ms. Sykes led more than 500 finance professionals, located across ten geographically dispersed locations throughout the United States, in the development and execution of financial policies, processes and procedures.

She has also served as Yale University's Chief Financial Officer, the first in that university's 306-year history, and Chief Financial Officer for Morehouse College. Previous government experience includes working within the Department of Defense and in the office of U.S. Senator Ted Stevens.

Gwendolyn Sykes holds a Bachelor of Arts in accounting from Catholic University and a Master of Public Administration from American University, where she also serves as an adjunct professor in the School of Public Affairs. She has been recognized for her achievements by Black Enterprise, Newsweek, the Today Show and the National Black Caucus of State Legislators.

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# Awards Committee Update

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## RONALD J. LYNCH MEMORIAL SCHOLARSHIP AWARD

The AGA Washington DC chapter awards committee is seeking nominees for the Ronald J. Lynch Memorial Scholarship Award. Annually, the Chapter presents one scholarship award for up to \$1,000 to a Washington DC chapter member for the furtherance of professional education. An accredited university undergraduate degree course, graduate courses, CPA review programs and other professional development programs are covered by the scholarship. The scholarship will be awarded to the winning nominee at the Chapter's annual awards banquet. Nominees will be evaluated based on the following:

1. Type of course/program
2. Contributions to the Washington Chapter
3. Years of professional experience
4. Applicant's application

If you or someone you know meet the criteria or if you should have any questions, please contact Eleanor Long at [Eleanor.long@ey.com](mailto:Eleanor.long@ey.com) or 202-327-5903 for an application.

# Awards Gala Announcement

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## Annual Member Awards Dinner and Celebration

**Saturday, June 8, 2013**



Federal budget cuts have hit all of us hard. We, at the AGA DC Chapter have shopped around and have found a historic and beautiful venue for our 2013 Awards Gala at a significant savings to our club.

We hope you can join us for a stylish and cost-effective way to honor our awardees, thank our Chapter's committee members and wish FY 2013 a solid fourth quarter.

This year, our Gala will be hosted at the historic and beautiful

***Army and Navy Club on Farragut Square  
901 Seventeenth Street, N.W.  
Washington, D.C. 20006***

**6 – 7pm, cocktail reception  
7 – 9pm, dinner and awards ceremony  
9 – close, dancing with DJ Ronnie  
*Black tie Optional***

Our chapter has been able to keep the price at \$25 per person. Registration and credit card payments will be accepted through the website, and registration will be announced and open in early May.

Army and Navy Club members may book rooms through the club. Nonmembers may select and reserve through a local hotel, which include the Capitol Hilton, the St. Regis or the Club Quarters.

**See you there!**



## Member Services

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Member Services appreciates the participation in recent events! In March, our chapter got together to root on the Washington Capitals as they took on the Boston Bruins. It was a great event with time to network with food and drink before the game.

As we move into spring we have several exciting events planned. On April 1, we will be coordinating a Cherry Blossom Walking Tour. Also in early May, we will hold our very popular and well attended wine tour, and in June, we will cheer on the Washington Nationals! Keep your eye out for emails associated with each event in the near future. Our events are great ways to take a break and relax, meet new people, and try new things. We hope to see familiar and new faces in the future.

### *The Member Services Team*

Crystal Heitman     [crystal.l.heitman@us.pwc.com](mailto:crystal.l.heitman@us.pwc.com)  
Caitlin H. McGurn     [Caitlin.McGurn@us.pwc.com](mailto:Caitlin.McGurn@us.pwc.com)  
Matt Hardesty     [matthew.c.hardesty@us.pwc.com](mailto:matthew.c.hardesty@us.pwc.com)

# Membership

## Membership News and Upcoming Events

The 2012-2013 membership committee is thrilled for the opportunity to help the AGA DC Chapter continue to grow and thrive. Our main purpose is to continue building membership and attracting interest in all DC Chapter offerings, including continuing professional education and networking opportunities. Our team consists of a diverse group of talented people from government and private sector.

### The members are:



Boris Lyubovitsky  
Co-Director



Lena Lewis  
Co-Director



Sal P. Ercolano, Jr.  
Assistant Director



Mimi Goodwin  
Assistant Director

### Planned Highlights:

- **Recruitment Contest** - The membership committee will continue to run its successful and popular recruitment contest. The first 20-30 members of the DC Chapter to recruit/sponsor a new member, and attend a chapter luncheon with the new member, will receive a \$50 Visa or Master Gift card. The new member will also receive a \$50 Visa or Master Gift card and their first luncheon free. What a terrific incentive! There also will be additional opportunities to participate in the contest during recruitment happy hours. Stay tuned for further details.
- **Publishing Names of New Members** - The team will continue to publish names of all new members in the monthly Newsletter and start sending a DC chapter new member welcome letter.
- **Photos of New Members and Sponsors at the Monthly Luncheons** - The team will continue to provide a monthly newsletter article with photos/names of new members and/or sponsors recognized at the monthly Chapter luncheons.

If you have any questions and/or are interested in learning more about our team, please contact:

Boris Lyubovitsky [Boris.Lyubovitsky@hq.dhs.gov](mailto:Boris.Lyubovitsky@hq.dhs.gov)  
 Lena Lewis [Lena.Lewis@hq.dhs.gov](mailto:Lena.Lewis@hq.dhs.gov)  
 Mimi Goodwin [migoodwin@deloitte.com](mailto:migoodwin@deloitte.com)  
 Sal P. Ercolano, Jr. [sal.ercolano@cliftonlarsonallen.com](mailto:sal.ercolano@cliftonlarsonallen.com)

## Membership (cont'd)

### Recognition of AGA-DC New Members and Sponsors Contest Winners at the March 2013 Luncheon

At the March 2013 Luncheon, DC Chapter President Eileen Parlow recognized a new member Pavita Murthi with the DC Chapter lapel pin.



The AGA DC Chapter held its second Membership Recruitment Happy Hour on March 19 at the Dirty Martini Restaurant/Bar in the heart of DC. We had a total of 37 people in attendance! After a lively evening of mingling and networking, we recognized 25 new members and their sponsors (listed below) and presented them with \$50 Visa/Master gift cards.

Pictures from this event are located in the 'Snapshots' section of this newsletter. Check out some of our new members and all the fun we had!

Thanks to all for your recruitment efforts and for making our membership recruitment events a huge success!

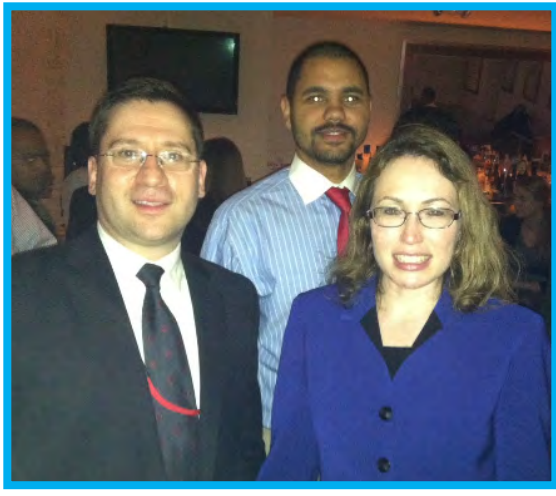
<b>Recruiter/Sponsor</b>	<b>New Member</b>	<b>Recruiter/Sponsor</b>	<b>New Member</b>
Lena Lewis	Jim Baldwin	Jennifer Nielsen	Raheel Baig
Tomás López-Nieves	Alisoamy Bracero	Jennifer Nielsen	William Kim
Becky Knotts	Natalie Simons	Aesha Ray	Zachary Byrd
Becky Knotts	Tahirah Bailey	Aesha Ray	Samuel Malcolm
Becky Knotts	Kara Stone	Aesha Ray	Joseph Nave
Doyin Ogunbajo	Edwin Arambulo	Aesha Ray	Ronald Bozant
Zari Hamaways	Whitney Deas	Trinia Fitzgerald	Tisha Edwards
Zari Hamaways	Amanda Reeves	Karl Boettcher	Gary Wong
Zari Hamaways	Jordan Black	Karl Boettcher	Bob Foster
Zari Hamaways	Michelle Cino	Karl Boettcher	Josephine Chen
Zari Hamaways	Ashley Clarke	Karl Boettcher	Eric Schneider
Rafael Cotto	Alan Trimakas	Karl Boettcher	Claudia Donovan
Rafael Cotto	Jesse Simons		

*Boris Lyubovitsky and Lena Lewis*

**Boris Lyubovitsky and Lena Lewis,  
Co-Directors of Membership Committee**

# Snapshots

AGADC MEMBERSHIP RECRUITMENT HAPPY HOUR



# Snapshot

# AGADC MARCH LUNCHEON



# Snapshots

# AGADC MARCH LUNCHEON



# Snapshots

# AGADC MARCH LUNCHEON



# Snapshots

# WASHINGTON WOMEN SPEAK EVENT





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## Connections at your Fingertips...



### ...Just Click

- [AGA Membership Information](#)
- [AGA Membership Application](#)
- [CGFM Program Information](#)
- [CGFM Program Application](#)
- [AGA National Home Page](#)
- [AGA D.C. Home Page \(Washington D.C.\)](#)
- [AGA Northern Virginia Home Page \(Virginia\)](#)
- [AGA Montgomery/PG Home Page \(Maryland\)](#)
- [MACPA Home Page \(Maryland\)](#)
- [VSCPA Home Page \(Virginia\)](#)
- [GWSCPA Home Page \(D.C.\)](#)
- [AICPA Home Page](#)

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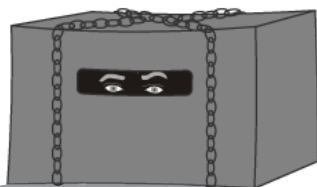
AGADC



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# Inside the Black Box

by Simcha Kuritzky, CGFM CPA



## Cost of Goods Sold

### Background

There are two different accounting models for the sales of assets: inventory sales and asset disposal. Most private-sector companies use the first model extensively, while most public-sector agencies use the second model exclusively. Treasury's guidance in the transaction definitions mixes the two together (entries C630-C634, C642-C646, and C648), so I wanted to focus on them.

### Budgetary Entries

When the cash collected affects the budget, a budgetary source is debited (such as 426600 Other Actual Business Collections from Non-Federal Sources) and a status (e.g., 445000 Unapportioned Authority) or an anticipation account (e.g., 406000 Anticipated Collections from Non-Federal Sources) is credited. If a sale is made to another federal agency on credit, a receivable budgetary source (such as 428700 Other Federal Receivables) is debited instead. If a sale is made to the public on credit, no budgetary accounts are posted. Since the budgetary entry is the same for both disposals and sales of inventory, I am not going to discuss them further.

### Disposal Transactions

When assets are sold in a transaction that is not part of an entity's line of business, the gain or loss is explicitly recognized at the time of the sale. On the proprietary side, cash is debited, the asset is credited, any associated allowance account is closed out with a debit, and any remaining amount goes to a gain or loss account.

Here is an example of the proprietary entries for equipment that had been originally purchased for \$900, incurred \$750 in depreciation, and was sold for \$300 (based on entry C646):

Debit	101000 Fund Balance with Treasury	\$300
	175900 Accumulated Depreciation on Equipment	750
Credit	175000 Equipment	900
	711000 Gains on Disposition of Assets - Other	150

Here is an example of the proprietary entries for excess inventory that was valued at \$200 but sold for \$75 (based on entry C626):

Debit	101000 Fund Balance with Treasury	\$75
	721000 Losses on Disposition of Assets - Other	125
Credit	152400 Inventory - Excess, Obsolete, and Unserviceable	200

### Inventory Transactions

When an entity's business is to sell assets and these are sold, the gain or loss is implicit. The asset is moved to an expense account (cost of goods sold), the revenue is recognized, and the profit or loss is calculated

## Inside the Black Box (cont'd)

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along with other activity on the Income Statement (for the federal government, the Statement of Net Costs). So if inventory that cost \$265 is sold for \$300, the entry would be (based on entry C646):

Debit	101000 Fund Balance with Treasury	\$300
Credit	510000 Revenue From Goods Sold	300

Debit	650000 Cost of Goods Sold	\$265
Credit	152100 Inventory Purchased for Resale	265

Entries C644, C646, and C648 show the gain and loss accounts being posted, but has a note that entry E408 should also be used for cost of goods sold. It would be more precise to say that only certain accounts should use E408 and these should not use the gain or loss accounts. Entry E408 lists three accounts that use the inventory model: 152100 Inventory Purchased for Resale, 152700 Inventory - Finished Goods, and 156100 Commodities Held Under Price Support and Stabilization Support Programs. In addition, entry C630 shows account 157200 Stockpile Materials Held for Sale converted to 650000 Cost of Goods Sold, but entries C632 and C634 show no Cost of Goods Sold posting and instead post to 711000/721000 Gains/Losses on Disposition of Assets - Other.

### Adjustments

Entries D102, D106 and D107 show downward and upward adjustments to prior-year expenditures. For the downward adjustment (D102), the proprietary entry shown has a debit to payables and a credit to either a fixed asset, expenses, or Cost of Goods Sold. Entries D106 and D107 show the debits and credits reversed (but the same accounts used) for the upward adjustment. This is strange because these entries are adjustments to the original B402 entry, which does not include a posting to Cost of Goods Sold. The adjustment entries should only show Cost of Goods Sold as the offset to the payable if the asset originally purchased has already been sold (this assumes the original accrual occurred on delivery). However, whether the entity posts to an asset account or to Cost of Goods Sold, they also need to post G122 to record the purchase in the memo accounts 880300 Purchases of Inventory and Related Property and 880100 Offset for Purchases of Assets because neither the asset account nor Cost of Goods Sold are used for eliminations. A note to this effect accompanies entry B402 but not D102 through D107. I would prefer that the adjusting entry post to the asset account and then charge it off to Cost of Goods Sold with a separate entry, because normally Cost of Goods Sold is not a funded expense.

## Inside the Black Box (cont'd)

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### Conclusion

The account 650000 Cost of Goods Sold is mutually exclusive with 711000 and 721000 Gains/Losses on Disposition of Assets. Only items held with the intent to sell them should use the Cost of Goods Sold account. Other asset disposals recognize a gain or loss at the time of the sale. I realize that SFFAS 3 paragraph 55 states that "The cost of stockpile materials shall be removed from stockpile materials and reported as cost of goods sold when sold. Any gain (or loss) upon disposal shall be recognized as a gain (or loss) at that time.", But I believe the gain or loss is recognized by reporting it on the Statement of Net Cost, not by posting directly to a gain or loss account; otherwise, the asset couldn't be moved to cost of goods sold because there would be no offsetting revenue recognized.

*Simcha Kuritzky*

**Simcha Kuritzky, CGFM CPA**

Comments and critiques, as well as specific questions or suggestions for future topics, are always welcome. Send them to [Simcha.Kuritzky@CGIFederal.com](mailto:Simcha.Kuritzky@CGIFederal.com), and not to the AGA.

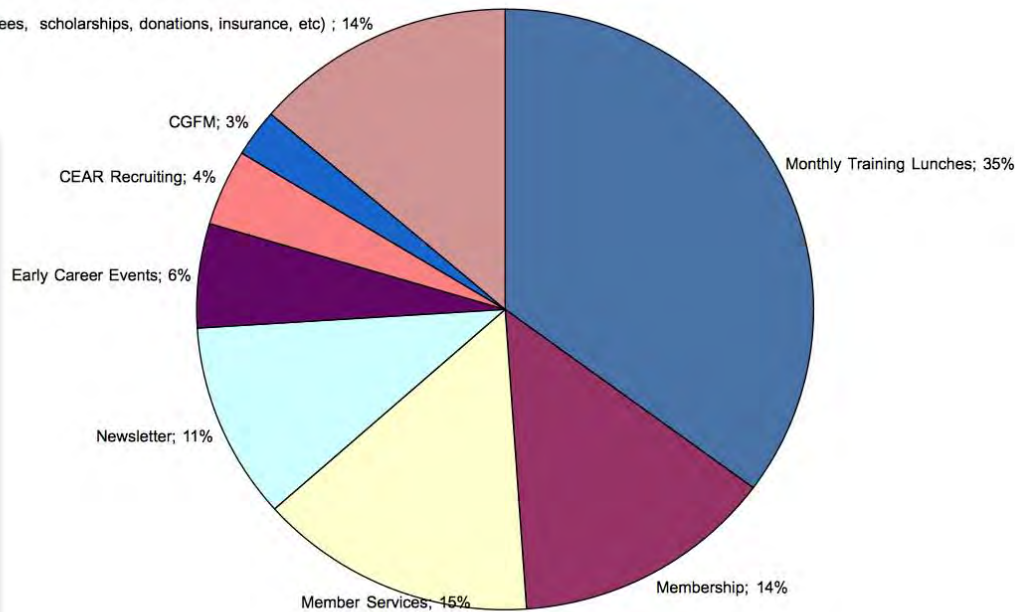
This column is provided as part of a free exchange of ideas in federal accounting, and is not reviewed substantively before publication.

# Report from the Treasurer: Christy Beck

## AGA DC Chapter Year-to-Date Expenses as of 2/28/13



Other (credit card fees, bank fees, scholarships, donations, insurance, etc) ; 14%



## Mentorship

### WANT TO HELP?

If you're interested in being a liason or joining the mentor program, as either a mentor or mentee, please contact Sharnell Montgomery:

[Montgomery.Sharnel@dol.gov](mailto:Montgomery.Sharnel@dol.gov)

## Meetings Team

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The Meetings Committee would like to once again thank all of YOU and Clyde's Restaurant for an outstanding March luncheon. We continue to have sellout crowds month after month! That is a testament to the excellent line up of speakers that we have this year, along with the great teamwork from all of our chapter members. For the April luncheon, please ensure to sign up early, as we expect another early-sell out. Also, make sure you get to Clyde's on time to enjoy the 3-course meal that is offered.



We hope to see you in attendance on April 17th at Clyde's – Gallery Place/Chinatown.

***See you there!***

*Eric Schaefer, Mark Kandra, and Ryan Bolz*

Eric Schaefer, Mark Kandra, and Ryan Bolz,  
Meetings Team

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## Request for Newsletter Submissions, Comments, or Suggestions

Do you have any comments or suggestions regarding the newsletter? Do you have an article you would like to see in print? Have you traveled to any interesting locations? The Washington Connection requests that you submit any and all items of interest to our federal, state, and local members, including: reviews of recently published books related to financial management; unique travel experiences or assignments; lessons learned on rollouts of new systems; and noteworthy accomplishments by our members. We also welcome digital photos that accompany your submission.

The deadline for submitting articles to appear in the **May 2013** issue is **April 22, 2013**. Please send your comments and contributions to **Jorge Asef-Sargent** and **Deborah Khavkin**, the newsletter editors for the 2012-2013 program year, at [jasef-sargent@kpmg.com](mailto:jasef-sargent@kpmg.com) and [dkhavkin@kpmg.com](mailto:dkhavkin@kpmg.com).



# APRIL 2013

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	<b>1</b> Event Title: Cherry Blossom Tour; Location and Time: TBD	<b>2</b> Event Title: CEC Meeting, Teleconference #: 888-283-7402, Access Code: 2809637, 12:00 - 1:00pm	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>
<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b> April Luncheon Location: Clyde's of Gallery Place/Chinatown – April 17, 2013 11:30am - 1:00pm Speaker: Gwen Sykes CPE: 1.0 / April 17, 2013 Audio Conference: Internal Controls Location: (DC)1801 K Street, NW (Tysons) 1676 International Dr. Time: 2pm - 3:50pm Deadline: Apr 15 *Contacts: KPMG D.C. Office: Latisha Marshall at ljones@ kpmg.com; KPMG Tyson's Office: Allie Hailegiorgis at ahailegiorgis@kpmg.com	<b>18</b>	<b>19</b>	<b>20</b>
<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>
<b>28</b>	<b>29</b>	<b>30</b>				
		<b>NOTES:</b> National Autism Awareness Month; Location and Time: TBD. VA Wine Tour; Location and Time: TBD. Comedy Nite; Location and Time: TBD.				

# MAY 2013

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			1	2	3	4
5	6	7	8	9	10	11
	Event Title: CEC Meeting, Teleconference #: 888-283-7402, Access Code: 2809637, 12:00 - 1:00pm	Event Title: AGADC/GWSCPA Spring Conference, May 7-8 Location and Time: Ronald Reagan Building and International Trade Center (Pavillion Ballroom), 1300 Pennsylvania Avenue, NW, Washington, DC	Event Title: AGADC/GWSCPA Spring Conference - See May 7th			
12	13	14	15	16	17	18
			Event Title: May Luncheon, May 15, 2013 Time & Location: Clyde's of Gallery Place; 11:30am -1:30pm Speaker: Wendy Payne, Executive Director FASAB CPE: 1.0			
19	20	21	22	23	24	25
26	27	28	29	30	31	
		<b>NOTES:</b> Health Vision Month, Location and Time TBD Potomac Boat Cruise, Location and Time TBD Golfing; Location and Time: Hains Point, TBD				

# JUNE 2013

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1
2	3	4	5	6	7	8
		Event Title: CEC Meeting, Teleconference #: 888-283-7402, Access Code: 2809637, 12:00 - 1:00pm				Annual Memeber Awards Dinner and Celebration Location: Army-Navy Club, Washington, DC 901 Seventeenth Street NW, Washington, DC 20006; Time: 6pm - 9pm <i>Bleck Tie Optional</i>
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30		<b>NOTES:</b> Washington Nationals Game, Location and Time: TBD				

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