

ASSOCIATION OF
GOVERNMENT
ACCOUNTANTS

AGGA NEWSLETTER

WASHINGTON CHAPTER

DECEMBER 1984

THURSDAY DECEMBER 6, 1984 LUNCHEON MEETING TO FEATURE



**HARDEN
AND
WEAVER**

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 December 4, 1984

NON MEMBERS WELCOME

All Reservations Guaranteed

Meeting Schedule: Jan. 3 • Feb. 7 • Mar. 7 • Apr. 4 • May 2

PRESIDENT'S MESSAGE



VIRGINIA ROBINSON
United States General
Accounting Office

When December arrives, we're reminded that our AGA year is well under way and we refocus our attention on our annual plans and programs. It is the time when we take a closer look at the remaining activities that we have planned for the year.

Actual attendance at our educational events continue to exceed planned attendance. We were especially pleased that our most recent educational event—Agency Financial Reporting Workshop—was well attended. That was another event that we targeted primarily to reach operating accountants in the public sector. Although the workshop was held close to the end of the Federal Government's fiscal year, several operating accountants took time from their busy schedules to get an update on current developments in agency financial reporting as presented by representatives from the Department of the Treasury, the Office of Management and Budget, the General Services Administration and the General Accounting Office. I have learned since the workshop that there are members who would like us to repeat the workshop during this AGA year for the benefit of those who were

unable to attend. The Education Committee is checking now on a possible time and place to repeat the workshop. If we're able to accommodate the requests, we'll be sure to let you know well in advance of the event.

I mentioned earlier in the year that we need to achieve several objectives this year. This is a good time to reiterate the need to concentrate on a very important one—recruiting new members. Marc Page and the Membership Committee are doing their part. One of the things they are preparing to do is to conduct an extensive survey. You may recall that several years ago, our Chapter had approximately 1,500 members. We now have about 1,100. Let's work harder to see if we can't move toward our former total. This is not a job for the Membership Committee alone. It's one in which each of us can participate and all of us can benefit. Don't forget the National Office is again offering cash awards this year to persons who sponsor the most new members. Our chapter members who receive awards from National will also receive a matching amount from our chapter.

Our December meeting is usually the one that has the largest attendance of the year. This year we're planning to have Harden and Weaver and we again expect a record attendance. Be sure to make your reservations early and plan to enjoy our meeting that's designed especially for socializing, renewing old acquaintances, and putting us in the mood to enjoy the holidays.

Best wishes for a joyous holiday season and the best new year ever from all of us on the Executive Board.

NATIONAL SCHOLARSHIP AWARD

This new award, of \$1,000, is for full-time college students aspiring for a degree in business administration, with emphasis on accounting, auditing, budgeting, or ADP. Nominated students will be either a sophomore or a junior, and must be dependents of full members of AGA or deceased members which were in good standing at the time of death. The National Office, to determine the number of potential nominees, has asked the Chapter to inquire of members and report by December 16 students who might qualify. For this reason, if you know of such a student let Mike Serlin, our Awards Chairperson (566-5594), know right away.



YEAR END TAX PLANNING SEMINAR

Once again, the Chapter will provide a free Year-end Tax Planning Seminar, to be held December 11 from 1:30-3:30 p.m. in Conference Room 4830, Main Commerce Building, 14th and Pennsylvania Avenue, N.W. The seminar will be presented by Samuel H. Murray, a principal in Arthur Andersen and Co's Office of Federal Tax Services. He works primarily in the area of legislative interpretation, and has been writing about tax developments for 20 years. Prior to joining Arthur Andersen and Co. Sam spent four years as Director of Tax Research for another Big Eight accounting firm and was editor of the Kiplinger Tax Letter for eight years.

To register call Ann Lancaster on 862-3121. Registration will be on a first-come basis, and you must be a Washington AGA member (except that members from other chapters will be accepted if space is available).

**WASHINGTON
CHAPTER
Executive
Committee
1984-1985**

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Small Business Education
Charles McAndrew, GAO, 523-8706
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Joseph L. Dillon, EPA, 382-5113
Relations with National Office
Terry Conway, DOD, 697-3192

**Plan Now For
The PDC
June 24-26, 1985
San Diego, CA**

ABOUT OUR SPEAKERS THIS MONTH

For over two decades, the Harden and Weaver Show has brightened Washington mornings from 5:30 am-10:00 am, Monday through Friday, and from 6:00 am-10:00 am on Saturday. Frank Harden's engaging sense of humor and Jackson Weaver's legendary ad libs make their popular radio show as unpredictable as Washington's weather. They blend music, news and information with nonchalant expertise and an irresistible brand of humor that's made them a Washington institution. The Harden & Weaver team was formed in March, 1960.

Harden & Weaver's community involvement is an important part of their lives. They're especially involved in fundraising for the Children's Hospital National Medical Center, and have collected over one million dollars to date for the facility. Their contributions to the community were recognized in 1975, when they were named "Washingtonians of the Year" by *Washingtonian* magazine.

Frank Harden is a native of Macon, Georgia, and attended the University of Pittsburgh. He served in the U.S. Army Infantry for two years, and was discharged in 1944. His radio career began at WSAV in Savannah, and he also worked at stations in Atlanta and Denver before joining WMAL in 1947. Harden is married, has 3 children, and resides in Chevy Chase, Maryland. His favorite pastime is reading, and he's usually in the midst of at least 3 books at once.

Jackson Weaver hails from Buffalo, New York, and began his broadcasting career there at WGR. Jack also worked at stations in Niagara Falls, Erie, and Youngstown, before joining WMAL in 1943. Weaver is familiar to millions of Americans as the original voice of national fire prevention symbol, Smokey the Bear. Weaver is married with 3 children, and lives in Silver Spring, Maryland. Most of Jack's spare time is spent on the decks of his tugboat, the "Jack Tar."

CALENDAR OF EVENTS

Plan now for our January 3 luncheon which will feature as speaker James Antonio, Chairman of the Governmental Accounting Standards Board. (Call 695-7954 for reservations).

In conjunction with its December 12 monthly luncheon meeting at the National Press Club, the Washington Chapter of the Institute of Internal Auditors is holding a half day seminar on Operational Auditing in Business and Government. The featured luncheon speaker is Charles A. Bowsher, Comptroller General of the United States. Call Chris Hendricks on 535-6138 for information on the seminar, and Gladys Tymas on 245-0621 for luncheon reservations.

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COOLEY'S COMEDY CORNER

by John Cooley

The book that I plan to write on humor in accounting is still "on the drawing board." After ten years of research and five years of writing "Cooley's Comedy Corner" each month, my file cabinet is overflowing with examples of accounting humor. The only remaining task is to write the book.

My collection of humor includes a package received on June 24, 1980 from my good friend Andy Barr. This package contains many clippings and articles collected by Andy while he served as Chief Accountant for the Securities and Exchange Commission. By reviewing this humor, one can trace the key developments within the accounting profession over the years.

The 1948 annual report of the Girard Trust Company is one example from the collected humor of Andy Barr. This report is written in simplified laymans language and actually includes a number of comic type cartoons. For example, a stately lady in a fur coat is pictured asking the bank teller "Would you mind showing me how to kite checks?" Another well dressed lady is depicted asking the bank president "If I make you guardian for my child, will I need a baby sitter any more?" In still another cartoon, a well dressed lady is shown asking her financial advisor "Have you a stock that will go up in time to let me build a new summer cottage?"

Andy's package also includes Monroe Calculating Machine Company's annual report for 1949. This report is illustrated with pictures and cartoons, including a full page matrix contrasting the "myth" and "fact" definitions of selected terms. The heading of this page of illustrated definitions states "Nobody's 'shop talk' is harder for the other fellow to understand than the accountant's." Following are examples of these definitions:

DIVIDEND:

Myth—"huge slug of company cash hauled away by big shots and insiders."

FACT—"the cost of using somebody else's savings."

DEPRECIATION:

Myth—"five syllable word invented by brass to kid public about size of profits."

FACT—"a method of spreading the cost of our equipment over its useful life."

There was much strife and debate between labor and management in 1948 and 1949. These annual reports were clearly directed to union members who had been convinced by union organizers that labor was not getting "a fair share of the pie." The humor and presimplified descriptions ended after labor union

leaders complained that management was "talking down" to labor. Thus, the writers of annual reports reverted to the normal propaganda aimed at investors and at preserving the jobs and increasing the pay of top management.

My not yet written book on humor in accounting will analyze these and other examples that readers send me. Keep the cards and letters with clippings coming.

NEWS FROM NATIONAL

NEW EDUCATION DIRECTOR FOR AGA. AGA has named Frank Rubin, a Washington area resident, as its National Education Director. Mr. Rubin was with the Special Materials Project, a national outreach and training program sponsored by the Associations for Education of the Deaf. He has been closely involved in the development and implementation of training and education, including the design of training materials, the development of instructional packages, and the planning and conducting of workshops. He holds bachelors and masters degrees from Temple University. Mr. Rubin entered duty in the AGA National Office on October 22.

STUGART AT NEW ALASKA CHAPTER. National President Hal Stugart presided at the installation of the new AGA chapter in Juneau, Alaska, on October 18. Subsequently, he visited the Anchorage Chapter, becoming the first national president to appear at this long-time, distant AGA post. Mr. Stugart proceeded on to visits to AGA chapters in the Pacific, including Tokyo, Seoul and Honolulu.

AGA LAPEL PINS ARE CIRCULATING. The AGA National Office, in response to chapter orders, has sent out nearly 700 AGA lapel pins. The pin, a replica of the AGA seal, is 5/8" in diameter and is embossed in blue and gold. As announced in NOM 85-03 (Association Services), orders were in a minimum quantity of ten, and were to be prepaid at \$2 each. A limited number of the pins remain, and are available for order by chapters.

EDUCATION SURVEY IS UNDER WAY. As a part of an ongoing AGA thrust to raise the image and stature of government financial management in academia, the Boston Chapter has undertaken a research project to develop findings in this area. In cooperation with the effort, the AGA National Office is conducting a survey to determine individual chapters' activities directed toward positive relations with the local academic community, if any. The survey was transmitted under NOM 85-02 (Education), with a mid-November response date.

1984-85 CHAPTER OFFICERS



President **Virginia Robinson**, GAO, accepts gavel from Immediate Past President, **Ken Winne**, JFMIP, at May ceremony.

CHANGING YOUR ADDRESS

The easiest and surest way of changing your mailing address for all Chapter and National Office mailings is to mail a notice with an AGA mailing label with the old address on it to:

AGA National Office
727 South 23rd Street, Suite 120
Arlington, Virginia 22202

Executive Committee Meeting Minutes Report

by Diane M. Bray, Secretary

In an effort to keep AGA Washington Chapter members apprised of the activities of the Executive Board, a new feature is being introduced in our monthly Newsletter. The highlights of the previous month's Board meeting will be capsulized and published for your information. Members desiring more information on a specific event should contact the Director or Chairperson of that Committee. General questions should be addressed to the President.

The following activities were reported at the October 25 Executive Board meeting:

- The Federal Tax Handbook will be available to members at a reduced cost of \$7.50 (\$6.50 plus \$1.00 handling charges). The retail cost for the Handbook is \$14.95. Members wishing to order the Handbook should send a check made payable to AGA—Washington Chapter for \$7.50 to: AGA—Tax Handbook, P.O. Box 423, Washington, D.C. 20004.

- A problem in reservation verses attendance is surfacing at monthly luncheon meetings. Although no procedures were enacted, two alternatives are being considered. The first would require payment from those members making a luncheon reservation and not attending. The other recommendation would increase the luncheon cost for "walk-ins".

- The new application forms for AGA membership

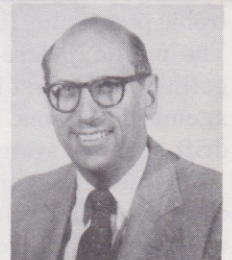
Susan Lee
President—Elect
Treasury



Diane Bray
Secretary
Treasury



Joe Rothschild
Treasurer
HUD



will be available at all future luncheon meetings and educational events.

- A course on financial management/accounting for small businesses is being sponsored by the Washington, D.C. Chapter. The course is taught from September to December. Enrollment is over 60 people.

- AGA lapel pins are available in quantities of ten from the National Office. Each pin is \$2.00.

- The Washington Chapter will support the nomination of Joe Burris, New Orleans Chapter, for National President. The Chapter has nominated John Schultheis for Regional Vice President.

- Jean Bowles has been appointed to replace Diana O'Neill as Director of the Chapter Recognition Program. We wish her much success!

- The luncheon speakers for the December meeting have been confirmed as Harden and Weaver, the local radio personalities.

- The Agency Financial Reporting Workshop was very successful. The workshop may be repeated because of the high demand. Many individuals were unable to attend because of year-end closings.

- Of equal success was the Financial Assistance Committee's briefing for new members of the Joint Financial Management Improvement Program.

- The volunteer service committee is finalizing its projects for the 1984-1985 year. One of the projects that it will be sponsoring is the VITA program. Information on this program and other projects will be out shortly.

Toward Improving Federal Financial Management—A Role for the Private Sector

(Editor's Note: William G. Onsted, President and Chief Executive Officer, Private Sector Council, was guest speaker at the Chapter's October 4 luncheon meeting. Following is a synopsis of his remarks developed and submitted by Dave Dukes, HHS, Program Chairman.)

Modern technology is producing amazing new systems and applications that enable the federal government to achieve the state of the art in financial management. As background introduction, Mr. Onsted mentioned the Federal government in 1910 began use of tabulation systems—card type. Private industry used calculation systems 20 years before the federal government started using such systems. Grace Hopper invented COBOL (a data processing system) while working in the Department of the Navy. Electronic processing, filing and transfer systems followed. The public (federal) and private sectors worked together on the first two generations of data base management systems. In the mid-1960's they started to drift apart in systems development and application.

President Reagan asked J. Peter Grace to form and chair a group of volunteer business persons to analyze what the federal government was doing in the financial management area and to recommend ways to improve the financial operations. Mr. Onsted was Vice-Chairman of the Grace Commission's Financial Assets Management Group. The group learned that: the federal government was still using second and third generation systems; federal employees were working well into the evenings using manual systems because they did not have private sector systems and modern techniques to use; there was no micro-computer technology; modern funds flow and credit processing was not being applied, except in limited areas, which resulted in \$50 billion in federal excess working capital. The assets of the top Fortune 500 companies equals that of the federal government. Application of modern cash management and particularly cash flow controls used by these companies (if used in the federal government) would eliminate the \$50 billion of excess working capital, in Mr. Onsted's view. This type improvement is what Mr. Onsted's Private Sector Council is all about. He believes the average American thinks most bureaucrats are ineffective. Most of this bad image is the result of lack of proper financial information and controls, prior policy analyses, and the resultant media-hype, according to Mr. Onsted.

The Private Sector Council was founded in January 1984 under the leadership of David Packard. In April 1984, the Council established a Research Center for Government Financial Management. Currently the Council and the Research Center are working at the request of various departments and the agencies with-

in those departments, such as Treasury, Agriculture, and Labor to tell them how to apply private sector expertise and realize millions in dollar savings from these applications.

The PSC is using pro bono expertise from over 40 of the Fortune 500 companies on its Chief Financial Officer's (CFO) Task Force formed to improve the federal government's management of its cash, credit, grants and contracts. This non-partisan group is working hand-in-hand with federal agency personnel. Mr. Onsted closed by stating that the PSC feels it is a right and privilege to work with federal managers and staff to enhance their effectiveness.

In response to a question about who was coordinating the efforts of GAO, AGA, and others (such as PSC) who are currently working with CFO's, Mr. Onsted stated these were separate and different initiatives that do not require coordination.

How can a federal agency obtain PSC expertise? Mr. Onsted responded: By written agreement so that conflict of interest is avoided. There is no cost for the services. The pro bono expertise is *shared*, the PSC provides technical expertise only—it is not the PCS's mission to come into an agency and tell it how to run its business. Most of its recommendations are systems oriented and, therefore, do not require legislation.

Small Business Education Committee Report

Charles McAndrew was reappointed Chairman of the Small Business Education Committee. This Chapter is offering a basic training course in Accounting and Financial Management. The course is already underway. It began on September 26, 1984. This elementary course is designed to give participants a basic understanding of accrual accounting principles and procedures and the ability to set up accounting records for a small business. 70 persons are enrolled.

This course is being taught at the American Red Cross Washington Chapter building. They were kind enough to grant our Chapter free space to conduct this course. It is being taught once a week for eleven weeks, three hours each session. We were fortunate to acquire the professional and instructional services of Diane Bray, Joyce Charles, Sheldon Bernstein, Carolyn Connor, John Barckley, and Susan Lee. They are donating their time free of charge!

This course is being co-sponsored by the Washington Regional office of the U.S. Small Business Administration (SBA) along with our Washington Chapter. SBA assisted us on the advertising of the course, beginning instructions and opening remarks and SBA brochures for the students. Without these individuals and organizations named above, this course would never have made it off the ground. If you have any questions, please call Charles McAndrew on 523-8706.

Application for Membership



Association of Government Accountants

NAME OF APPLICANT: Mr. _____ Ms. _____
 Mrs. _____ Miss _____
 LAST NAME FIRST NAME MIDDLE NAME JR, II, III, OTHER

MAIL ADDRESS: _____
 STREET NUMBER STREET NAME

CITY STATE ZIP

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

I wish to become a _____ Member of AGA. I wish to join the _____ Chapter.
 TYPE SEE LIST OF LOCATIONS

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

TITLE OF MY POSITION _____
 TYPE OF WORK PERFORMED: Administration Accounting Auditing Budgeting ADP Other _____
 DESCRIPTION

EDUCATIONAL BACKGROUND:
 SCHOOL LOCATION (STATE) YEAR FROM TO MAJOR DEGREE

ACCREDITATIONS AND CERTIFICATIONS:
 CPA STATE CERTIFICATE NUMBER YEAR
 CIA _____
 CMA _____
 Other _____
 DESCRIPTION

FINANCIAL MANAGEMENT EXPERIENCE: (List most recent experience first)
 EMPLOYER LOCATION TITLE POSITION SERIES AND GRADE MONTH YEAR FROM TO

Date of application _____ Signature of applicant _____

Signature of sponsor (optional) _____
 NAME

Send one year's national dues with this application to:
AGA, 727 South 23rd Street, Arlington, VA 22202.
 Make check payable to AGA.

SPONSOR'S AGA MEMBERSHIP NUMBER Remitted herewith is \$ _____

DID YOU KNOW . . .

by John MacArthur

- The increasing importance of automated data processing systems to the Federal Government is highlighted by a recent report by OMB indicating that outlays for computer and telecommunications systems are expected to increase to nearly \$14 billion in fiscal year 1985, an amount representing approximately 1.4% of the federal budget. Commercial services such as data processing, telecommunications, operations and maintenance, and programming will take the lion's share, or 44% of the total. The remainder involves 18% for capital investments, including site preparation and hardware/software, 15% for equipment rental and operating costs, and 23% for personnel. The largest absolute increases in spending for information technology systems will be accomplished by the Departments of Defense, HHS and Energy, while several other agencies will make large relative increases for this type of outlay. The information contained in this report was prepared from five year plans submitted by agencies as part of a long term effort to ensure cost effective expenditures for data processing and telecommunications systems.
- The Financial Management Service of the Department of the Treasury is the new name of the former Bureau of Government Financial Operations. This change was made officially on October 10, 1984 by Secretary of the Treasury Regan. The new designation more appropriately reflects the evolving role of this agency as the Government's financial manager, and underscores the direction its management intends to pursue.
- A recent GAO report says that state agencies administering federal welfare programs should increase their use of computers to catch cheaters by matching wage data from employees with income reported by recipients. Wage matching by the states is required by Congress but the GAO report indicates that some states are doing this manually, a time consuming process which leaves caseworkers little time to pursue discrepancies requiring further investigation of welfare fraud.
- Mr. Robert J. Sack has been appointed chief accountant of the Securities and Exchange Commission's Division of Enforcement. He was formerly a partner with Touche Ross & Co. where he was the national director of professional practice, and later, director of audit operations in the firm's northeast Ohio office. Mr. Sack succeeds Mr. L. Glenn Perry who is joining Peat, Marwick, Mitchell & Co. as a partner in New York.
- In June, 1984 the Social Security trust funds (Old Age Survivors and Disability Insurance) were paying \$14.3 billion in monthly benefits to over 36 million beneficiaries. The average payments to retired and disabled worker were \$442.34 and \$455.18 respectively . . . As a result of a semi-annual review, the interest rate that the IRS charges on overdue taxes, as well as pays on overdue refunds, will increase to 13% from 11% on January 1, 1985. This interest rate is compounded daily.

NEWSLETTER

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