

ASSOCIATION OF  
GOVERNMENT  
ACCOUNTANTS

# AGGA NEWSLETTER

WASHINGTON CHAPTER

JANUARY 1984

## THURSDAY JANUARY 5, 1984 LUNCHEON MEETING TO FEATURE



**RICHARD H. SHRIVER**  
Assistant Secretary for Electronic  
Systems & Information Technology  
Department of the Treasury

speaking on

**"Computer Fraud & Treasury Concerns  
on Computer Security"**

at the

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

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

**For Luncheon Reservations Call 695-7954**  
**Telephone Reservations Accepted Until January 3, 1984**

### **NON MEMBERS WELCOME**

*All Reservations Guaranteed*

Meeting Schedule: Feb. 2 • Mar. 1 • Apr. 5 • May 3



# PRESIDENT'S MESSAGE



**KEN WINNE**  
**Joint Financial Management Improvement Program**

The holiday season is coming to an end. I hope your waist line hasn't grown or your pockets emptied. After this festive season, it is traditional to make New Year's resolutions, such as losing weight, getting more exercise, stop smoking, etc. It is the time we reflect over the past year and a time to decide what we want to change in our lives for the upcoming year.

Looking over the past year our Chapter has had some highs and some lows. The highs we want to hang on to, the lows we want to do something about. Starting with our meetings, I feel that we have a good slate of speakers addressing some very interesting issues. Our attendance at these meetings has been ranging anywhere from 65 to 140. In years' past, we have had as many as 200 to 300 attend meetings. With a chapter our size, over 1,000 members, we should have a larger attendance. We feel that we now have an excellent meeting facility, that is accessible to ALL our members; so make it your resolution to come to the meetings and bring a friend. Remember, these meetings are for your benefit. If you have suggestions on how to improve our meetings and increase the number of attendees, speak up and be heard, let us know what you think.

We have excellent speakers for the months ahead. Coming up in February, we have Arlene Triplett, the new Associate Director for Management, Office of Management and Budget; March, Vincent Puritano, Comptroller, Department of Defense; April, Honorable Catherine Ortega, Treasurer, United States; and May, Sus Uyeda, National President of AGA.

Our educational programs have had their highs and lows in attendance. Starting in July, a Capital Region event, Using Microcomputers for Financial Managers, was a tremendous success with over 450 attendees. Our Hot Topics in Financial Management Seminar in October had 45 attendees and our November, Selecting Microcomputers: Hardware and Software session had only 22 in attendance. Frankly, as your President, I was disappointed at the turnout at this last event. I attended the session and it was excellent, with useful and practical information pre-

sented. The education directors with advice and assistance of many others try very hard to put together events that meet your training needs. A lot of thought and preparation has been put into these events so talk up these programs and attend. Starting in the new year we have a Capitol Region Seminar on Government Financial Issues, on January 25. Coming up in February we have a chapter sponsored workshop on Cash Management. March 6, will be a one-day session on Financial Auditing. Further information on these sessions are outlined later in the *NEWSLETTER*.

Our Chapter membership has been declining slowly over the past several years. Our initial indications this year is that membership is holding steady, if not increasing slightly. Again, lets keep the push on to recruit new members. We need new blood ALL the time.

Our outreach programs have expanded especially with the very successful small business course held in the fall. We are instituting a new program this year on helping the disadvantaged fill out their tax returns. There is a separate article on this program in this *NEWSLETTER*.

This in my opinion is an extremely talented, dynamic and healthy chapter. We can make it better in the New Year but we need your help, assistance and advice. Let us join together to have a happy successful new year.



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**WASHINGTON  
CHAPTER  
Executive  
Committee  
1983-1984**

**Officers**

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Kenneth M. Winne, JFMIP, 376-5415

*President-Elect*

Virginia Robinson, GAO, 275-5071

*Secretary*

Ray Kudobeck, GAO, 724-7512

*Treasurer*

Judith Boyd, Treasury, 634-5507

*Past President*

Bob Pewanick, GAO, 275-4897

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*Chapter Competition*

Diana McDermott O'Neill, Navy,  
695-1070

*Cooperation with Educational Institutions*

Carol Lynch, Education, 472-2395

*Education*

Doris Chew, JFMIP, 376-5415

Ron Lynch, Arthur Andersen, 862-3324

*Newsletter*

George Englert, GAO, 535-7650

*Meetings*

Sue Fields, NIH, 496-3417

*Membership*

Susan Lee, Treasury, 634-5717

*Programs*

Tony Gabriel, USDA, 447-7431

*Publicity and Agency Liaison*

Loretta Shogren, Justice, 633-3291

**Committee Chairperson**

*Assistant Editor*

Patricia Lippart, DOI, 343-6307

*Assistant Treasurer*

Kathy Fry, NIH, 496-5014

*Chapter Evaluator*

Jim Smith, Navy, 695-1070

*Cooperation with Professional Organizations*

Tom Hanley, Touche Ross, 452-1200

*Employment Referral*

Terry Conway, DOD, 697-3192

*Financial Management Assistance*

Diane Bray, Treasury, 634-5720

*Professional Development Conference*

Gordon Harvey, 252-1943

*Relations with National Office*

Adam Shaw, DOD, 697-0585

*Research*

Ken George, ACTION, 634-9163

Joe Rothschild, HUD, 426-6240

*Small Business Education*

Chuck McAndrew, GAO, 254-9810

**About Our Speaker This Month**

Richard H. Shriver was appointed on October 12, 1983 as the Assistant Secretary for Electronic Systems and Information Technology, Department of the Treasury.

Mr. Shriver reviews all of the Department's information systems and provides oversight over their modernization. The major Treasury Systems support tax collection, cash management, debt management and enforcement operations.

Mr. Shriver was previously Chairman of the Board and President of R. Shriver Associates, a diversified firm in various fields of information technology. Mr. Shriver founded the firm in 1966.

During President Ford's Administration, Mr. Shriver served at the level of Assistant Secretary of Defense as Director of Telecommunications and Command and Control Systems with the Department of Defense. While with the Defense Department, he was the senior U.S. representative to NATO's Joint Communications and Electronics Council, and was awarded the Defense Distinguished Service Medal.

Subsequently, Mr. Shriver joined the Chase Manhattan Bank as Senior Vice President and Group Executive of Corporate Systems. In this position, he was accountable for the strategic direction, bankwide expenditures and personnel associated with computer systems, voice and data communications, management information systems, and advanced uses of micro-technology.

Prior to 1966, Mr. Shriver was head of operations research for marketing and special projects with Esso Research and Engineering Company.

Mr. Shriver holds a B.S.M.E. from Cornell University and an M.S.I.E. from Ohio State University. He is married to the former Barbara Brown of Cincinnati, Ohio; they have two sons, Richard and Andrew.

**Joint Financial Management Improvement Program  
THIRTEENTH ANNUAL  
FINANCIAL MANAGEMENT CONFERENCE**

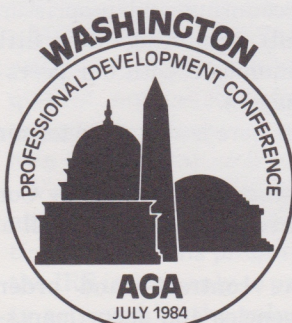
**to be held**

**April 16, 1984—Shoreham Hotel  
Washington, D.C.**

**CONFERENCE THEME: Financial Management Reform—  
Where We Are and Where We're Headed**

**NEWS FROM NATIONAL**

AGA CONTINUES SUPPORT OF EQUIVALENCY EXPERIENCE: AGA has addressed comments to the appropriate office in the State of New York strongly supporting the continuance of acceptance of certain government accounting experience in qualifying for the CPA certificate in that state. The action was taken following reported moves to delete the equivalency provisions from existing regulations. As usual, AGA did not seek blanket acceptance of government experience, but to remove the impediments which result in blanket rejection; further, to overcome practices which subject government accountants to stricter judgment on experience than applied to their peers in public accounting.



**REFORM AND TECHNOLOGY  
A RENAISSANCE IN GOVERNMENT**



## MEMBERSHIP COMMITTEE REPORT

### Earn An Easy \$50

An award of \$50 is being added by the Washington Chapter to National's monetary awards this year for sponsoring new members. As shown below, this would mean that if you sponsored 11 to 15 new members, you would receive a cash award of \$100—\$50 from the Chapter and \$50 from National AGA. *By sponsoring five to ten new members to the Washington Chapter you would be awarded \$50.* In order to qualify as a sponsor, your name must be identified in the space provided on the membership application when it is submitted to the National Office.

In addition to the awards for individual recruitment efforts, National is sponsoring three chapter membership programs this year—Membership Acquisition Program, Membership Retention Program, and Membership Growth Program. Under each of these programs a \$150 cash award can be won by the chapter in each group that acquires or retains the most members, or has the greatest increase in membership. Other chapters that are in the same group as the Washington Chapter, are Atlanta, Boston, Denver, Montgomery/Prince Georges, New York, and Northern Virginia. If you have questions about any of these programs, or if you need applications to recruit new members, please call Susan Lee on 634-5717. Suggestions for reaching potential AGA members are always welcomed.

<u>Members Sponsored</u>	<u>National Award</u>	<u>Chapter Award</u>	<u>Total Award</u>
Top Sponsor—must sponsor over 20 new members to qualify	\$200	\$50	\$250
Second Highest Sponsor—must sponsor over 20 new members to qualify	\$150	\$50	\$200
Additional sponsors of over 20 new members	\$100	\$50	\$150
Sponsors of 16 to 20 new members	\$ 75	\$50	\$125
Sponsors of 11 to 15 new members	\$ 50	\$50	\$100
Sponsors of 5 to 10 new members	\$ —	\$50	\$ 50

### EXP & APP We Must Standardize the F M Language

by  
**Kenneth J. George, CPA**  
**Director of Accounting ACTION**

The Federal government financial management community uses similar sounding words to mean different things; different words to mean the same things; and the same words to mean different things. This olio leads to confusion and misunderstanding—especially to those who are suppose to rely on financial reports—the government managers.

Take the three letters EXP—we have EXPenses, EXP-ended appropriations, accrued EXPenditures and EXP-enditures. Some managers and financial people see the four terms as being interchangeable while others consider them to have separate meanings. A case in point—in two pieces of legislation concerning foreign military sales the term EXPended appropriations was used. In one it meant disbursement of cash; in the other it meant the receipt of goods and services covered by an appropriation.

We have APPropriation and APPortionment—two mouth fulls that sound alike and are constantly confused.

We have ALLocations and ALLotments—sound-alikes—divisions of apportionments. In some agencies an allocation is a division of an allotment, in others the al-

lotment is a division of an allocation. Then we throw in terms like authorization to really muddy the water.

A reduction of funds with Treasury is called variously a Disbursement, Expenditure, Payment or Outlay (could we not outlay goods and services instead of cash?)

A contract or order let appears in accounting and budget reports as Unliquidated Obligations, Unexpended Appropriations (also confused with unobligated allotments) or undelivered orders.

Funded goods and services received (not to be confused with goods and services received-paid for by someone else) have been booked as Liquidated Obligations (do not confuse with disbursements), EXPended Appropriations, Accrued EXPenditures (we also have a term Accrued liabilities which is something else), or Delivered Orders.

Throw in a term like Applied Cost, add the fact that we must have budgetary accounting and proprietary (assets, liabilities and capital) accounting—it is little wonder that we cannot communicate with our peers—much less non-financial managers.

For the basic financial events here is suggested terminology.

1. The "Act" or continuing resolution passed by Congress and signed by the President—lets still call an **Appropriation**.
2. The authority to make contracts and orders passed on by OMB to agencies and departments—lets call **Budget Authority**.

continued on page 5



## EXP & APP continued from page 4

3. The authority to disburse (the Treasury warrant) create a cash account. Lets call it **Appropriated Funds with Treasury**.
4. In a three-tiered organization the delegation of Budget Authority from Department Level to Bureau or Command Level—lets call **Budget Distribution**.
5. The delegation of Budget Authority or Distribution to the ultimate statutory user will be an **Allotment**.
6. Further administrative delegation of budget authority can be named whatever, as long as it does not sound like another financial management term.
7. Allotments obligated through the use of such documents as a contract or orders could be called **Contracts and Orders Outstanding**.
8. The receipt of goods and services from said obligated allotments lets dub **Goods and Services Received**. This activity also results in recording a payable and recognizing an asset (e.g., FF & E) or an expense (e.g., supplies expense).
9. The payment for goods and services received should be a **Disbursement**. (The term outlays is too ambiguous). Cash received for goods and services sold should be called **Collections**.

There are other areas of financial management where the terminology confuses and misleads; e.g., the reimbursement/sales and the net worth areas. However, the areas expounded upon herein is the backbone of Federal financial management and should be addressed first. To be of any use, financial data must be inter-changeable enough to not only satisfy local agency needs but also the broader governmental perspective. A common financial language will be a firm step toward this end.

## HELP OTHERS WITH THEIR TAX RETURNS

The Washington Chapter will be participating in the IRS Volunteer Income Tax Assistance (VITA) program. This program is a continuation of our Chapter's outreach efforts to the Washington community.

VITA provides free tax preparation assistance at community locations to individuals who cannot afford professional help. Such taxpayers are persons with simple tax returns, particularly low income, elderly, non-English speaking, and handicapped persons. The success of VITA depends upon volunteers, particularly those with accounting or tax backgrounds.

Volunteers prepare basic federal and state income tax returns, review the work of other volunteers to ensure quality, work as instructors training other volunteers, and instruct groups of taxpayers who can complete their own tax returns as a result of VITA classes.

Volunteers are not required to sign tax returns as either assisters or preparers. There is no liability for participating in this program. Any sampling of returns by the IRS is done only to provide information on the quality achieved by the volunteers.

To prepare you for the work, IRS will provide 3 days of free instruction on tax preparation. The sessions will

be held in January on Saturdays. Volunteers will then be asked to give an average of two hours per week in preparing returns during the tax season. Volunteers will be located in two libraries in the District of Columbia.

To make this program work we need volunteers. By the way, for participating in this program, your Chapter will be awarded 30 points per member hour or a maximum of 2,500 points per year toward chapter competition.

If you are interested in participating in this worthwhile and rewarding program, give Ken Winne a call at 376-5415. Give a little and receive a lot.

## Microcomputer Information Technology Center

A good way to introduce microcomputers to potential end users is through an information technology center. Several Federal agencies have established these centers for their own agency personnel to give them assistance on the selection and use of microcomputer hardware and software. A center can be operated with technical personnel from the automated data processing division, or personnel knowledgeable and keeping up with the current state-of-the-art in microcomputer technology. Center personnel can assist in the selection of hardware and software, installation of microcomputer systems, and training on how to use various hardware and software.

Centers normally have several types of microcomputers. For example, the Department of Agriculture's Information Technology Center has six or seven types of hardware for experimental use by Agriculture employees. Testing various software packages are also available. Center personnel provides advice on proper hardware and software suited to user needs and training on operating and using various hardware and software. Demonstrations on how to use the hardware and software packages can also be set up.

Centers can provide electronic bulletin boards, or user newsletters to keep end users informed on the latest happenings in the microcomputer industry and various applications that other users have implemented in their operations.

Centers are very helpful to those with no experience with microcomputers. One center at the Securities and Exchange Commission provides basic training on how to operate equipment and use specific software packages.

Centers can also allow experienced users to test various software packages to find which one is better suited to their needs before they make the actual purchase.

Many of us in the financial community may have ignored microcomputers, since our financial systems have been automated on large mainframes or minicomputers. However, many managers should now go and find out what a microcomputer can do. Discover for yourself whether or not the microcomputer can be a useful tool in your area before making the final decision. Going to a Microcomputer Information Technology Center is a good place to start.



# AGA NATIONAL OFFICE AND THE CAPITAL REGIONAL CHAPTERS

## present a one-day program on Government Financial Issues

Wednesday, January 25, 1984  
at the Twin Bridges Marriott, Arlington, Virginia

- 9:00 a.m.-12:00 noon      Managing the Government \$ will highlight debt collection, Prompt Payment Act and cash management, including electronic transfer system.  
—TERENCE CONWAY, Department of Defense  
—TWO TREASURY SPEAKERS\*
- 12:00 noon-1:00 p.m.      LUNCH
- 1:00 p.m.-2:00 p.m.      Federal Manager's Financial Integrity Act  
—FRED HEIM, Office of Management and Budget  
—JOHN SIMONETTE, General Accounting Office  
—DR. ROBERT FAIRMAN, Department of Transportation
- 2:30 p.m.-3:00 p.m.      BREAK
- 3:00 p.m.-4:00 p.m.      Proposals Affecting Government Employees' Pay and Benefit.  
—JAMES COWAN, Senate Subcommittee on Civil Service,  
Post Office and General Services

Cost—\$100 AGA members, \$140 nonmembers.

Registration—call AGA National Office (703) 684-6931

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### EMPLOYMENT REFERRAL COMMITTEE REPORT

by Terry Conway

One of the services offered by the national office of the AGA is the *Employment Flash* published every two weeks. It is a listing of job openings in the federal service as well as non-federal jobs such as states and colleges. I will notify any interested members of job openings as they occur if I have a completed data card that you can supply by filling out the blanks below. Additionally, if you have questions concerning job information, please call me at 697-3192. Send the completed information sheet to:

1907 Wintergreen Ct  
Reston, Virginia 22091

NAME: \_\_\_\_\_ FINANCIAL DISCIPLINE INTEREST \_\_\_\_\_\*

ADDRESS: \_\_\_\_\_ GEOGRAPHICAL PREFERENCE \_\_\_\_\_

\_\_\_\_\_ GRADE/SALARY REQUIREMENT \_\_\_\_\_

\*Accountant, Auditor, Budget, Academia, Municipal, Administrative, etc.



# AGA WASHINGTON CHAPTER AND THE TREASURY DEPARTMENT

## present a half-day workshop on Collecting the Government Funds

on Tuesday, February 7, 1984, from 9:00 a.m. until 12 noon.

This workshop will highlight a major research effort that will impact all Federal agencies, the Governmentwide Collections Study. The Collections Study recommends to Treasury a means of modernizing and improving the Federal system of collecting funds. Three areas were analyzed: private sector cash management practices, public sector collection system models, and conceptual design alternatives for the Federal Government. An advisory panel, comprised of individuals with key managerial and operational responsibility for the financial systems of private sector and public organizations, considered and endorsed recommendations relating to the future Governmentwide Collection Systems.

**Moderator: DICK GREENSTEIN**, Cash Management Program Staff Director, Department of the Treasury.

—**CAROLE DINEEN**, Fiscal Assistant Secretary, Department of the Treasury, will discuss the importance of the study to Federal cash managers.

—**MIKE BACKERT**, Project Manager, Collections System Study, Department of the Treasury, will present an overview of the study.

A panel of individuals from the study's Advisory Panel will discuss the study's impact on Federal collection and cash management.

### Registration Information:

Registration will be accepted on a first-come basis. Walk-in registration will be accepted if space is available. Authority for a Federal agency to sponsor participation in a program of this type is found in Section 9 of USC 5, Chapter 41, Government Employees Training Act. The cost is \$25.

No Lunch is provided.

### Cancellation Policy:

Written cancellation will be accepted on or before January 27, 1984. A \$10.00 service charge will be assessed. Cancellations after January 27, 1984, will not be accepted. Substitutes for registrants may be sent.

CPE Credit: 3 hours.

### REGISTRATION FORM

W-83-03

### QUESTIONS?

Name \_\_\_\_\_

Title \_\_\_\_\_

Organization \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

Zip Code \_\_\_\_\_ Phone \_\_\_\_\_

Washington Chapter Member? \_\_\_\_\_ YES \_\_\_\_\_ NO

Registration Fee is \$25.

fee enclosed       Invoice me directly

invoice my organization (authorization enclosed)

Call:

Doris Chew  
Education Director  
202/376-5415

Please mail completed form to:

AGA  
P.O. Box 423  
Washington, DC 20004



## DID YOU KNOW . . .

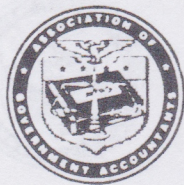
by John MacArthur

- The General Accounting Office, on October 27, 1983, released for comments drafted revisions to the Accounting Principles and Standards for Federal Agencies, otherwise known as Title 2 of the GAO Policy and Procedures Manual for Guidance of Federal Agencies. This 111 page document reflects several significant departures from the long standing Title 2 now in effect. The revised Title 2 draft, which is the result of staff efforts at GAO and a task force comprised of members of three certified public accounting firms, reflects generally accepted accounting principles being followed in the private sector and will consequently have a significant impact on the accounting and reporting performed at the agency level. New subjects covered in the revised draft include prior adjustment of financial statements, debt agreement modifications, entitlements, investments, pensions, regulatory accounting and research and development accounting. Also, under the revised draft, all agencies would be required to produce basic financial statements. GAO is accepting comments through January 31, 1984, which should be forwarded to Barbara Pauley, Accounting and Financial Management Division, U.S. General Accounting Office, Room 6114, 411 G Street, N.W., Washington, D.C. 20548.
- The Financial Accounting Foundation (FAF) recently acted on the Structure Committee's Report recommending further study as to whether the size of the FASB should be reduced from seven to five members. Arguments in favor of this action were concerned with increased efficiency and lower cost. Conversely, it was felt that a smaller board would be more adversely affected by lessened cumulative background experiences of members and by the increased impact of losing one member through illness or resignation. Also, it was felt that more pressure would be imposed on the simple majority of members that is required to vote in favor of issuing a final document. After a study of this issue the FAF unanimously agreed to retain FASB membership at seven.
- The SEC has adopted a moratorium on capitalizing internal costs of software developed for sale or lease to others. Expectations apply only to those companies that had previously disclosed a capitalization policy in financial statements issued prior to April 14, 1983. All other companies must now expense software development costs as they are incurred. The moratorium will remain in effect until specific rules can be developed by the FASB. An AICPA/industry association task force is studying this matter and expects to submit a recommendation to the FASB sometime in 1984.
- The Bureau of Government Financial Operations has implemented an administrative offset system to recover monies from financial institutions which have cashed Treasury checks that were subsequently determined to have been forged or unauthorized endorsements. The recovery process is known as a reclamation which, after 120 days, eligible for offset against amounts owed to the financial institution of Federal agencies. The initial participating offset agency was the Department of Education which was provided with a list of 62 financial institutions owing Treasury more than one million dollars in delinquent accounts receivable, and which subsequently offset over \$790,000 since May 25, 1983. Five additional agencies have been requested to take offset action; however, any Federal agency that makes payment to financial institutions should contact BGFO to determine if these payments can be subjected to offset. The payments must be for the sole benefit of the financial institution and not for the benefit from the Federal Claims Collection Act of 1966 and the Debt Collection Act of 1982. For further information contact Fred Smith on 376-0937 or Larry Shriner on 376-0947.

### NEWSLETTER

PUBLISHED BY THE WASHINGTON CHAPTER  
ASSOCIATION OF GOVERNMENT ACCOUNTANTS  
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SEPTEMBER 1983

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