



THE WASHINGTON CONNECTION



Washington DC Chapter • P.O. Box 423 • Washington, D.C. 20044-0423 • 703.758.4080 • October 2000

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Upcoming Events:

November 2: Monthly Luncheon Meeting featuring Edward A. (Ned) Powell, Jr, from VA, at the Grand Hyatt.

November 1-2: Chapter Educational Event on Financial Statements (see page 5)

October 30 - 31: State and Local Government Conference, Austin, Texas

January 25-26, 2001: AGA's 12th Annual Federal Leadership Conference at the Ronald Reagan Building, Washington DC.

January 27-28, 2001: AGA Leadership Training Workshop

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Luncheon Speaker



Joseph L. Kull, Deputy Controller, Office of Federal Financial Management, Office of Management and Budget

Joseph L. Kull joined the Office of Management and Budget (OMB) on March 13, 2000 as Deputy Controller for Office of Federal Financial Management. In this position, he is responsible for issuing accounting principles and audit requirement for Federal agencies; providing assistance to Federal agencies in implementing financial management reforms; issuing administrative, cost, and audit policy circulars for non-Federal entities; and overseeing federal financial systems and management internal control policies.

At the October meeting, Mr. Kull will speak about upcoming changes to OMB guidance and the meaning of these changes to agencies.

Monthly Luncheon and CPE Session Thursday, October 12, 2000

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

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

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

For reservations, please call the AGA Washington DC Chapter voice mail line at 703.758.4080 and select option 1. If you prefer, you can register by email to chad.davis@eds.com or you can register at our homepage: www.agadc.org. Please forward your name, agency/company, and telephone number.

President's Message.....

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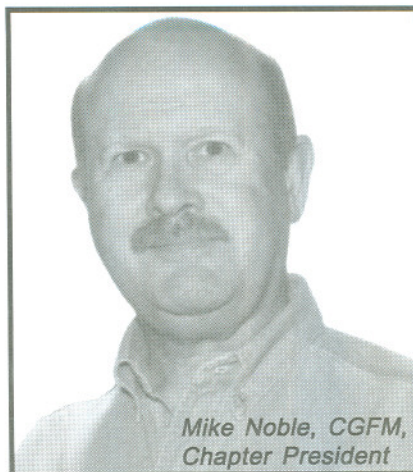
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*Mike Noble, CGFM,
Chapter President*

Are You Connected?

AGA has a new membership brochure titled "Are you Connected to the People and Resources you Need to Succeed—All the Time?" The brochure's message is right on for today's fast-moving world—the importance of being connected for job accomplishment and personal growth. In highlighting the benefits of membership in AGA, the brochure references many of the challenges that we all face on a daily basis—challenges that complicate our jobs, such as "downsizing," "outsourcing," and the ever-popular "do more with less."

All of the financial management improvements in the Federal government that began with the passage of the Chief Financial Officers Act in 1990 have certainly made our jobs tougher. It's also getting more and more difficult to keep up with everything we need to know. Being able to connect to those who have the information we need is critical. The brochure has one prophetic line that is worth emphasizing:

"Never before has there been a need to stay connected."

An exaggeration? The facts speak otherwise. According to an article in the Sept. 4th *Baltimore Sun*, on Labor Day 2000, more American workers were letting their work lives bleed into vacations, leisure time, social time. Technology has made it too easy to stay in touch with

work, what with 70 million cell phone users and the growing ease of accessing e-mail through laptop computers and other devices. Evidence abounds of today's workers' inability to punch out at the end of the workday, to draw a thick line between work and down time.

The *Sun* article also reported that last year, a survey by the Travel Industry Association of America, which represents the nation's travel industry, found that 46 percent of vacationers took a cell phone on their last trip; 18 percent a pager; and 6 percent a computer. The group also found that families are taking shorter vacations and some people forfeit vacation time because they're too busy. Sound familiar? Are you one of those 46 percent?

Certainly connecting, or networking, is one of the primary benefits, and joys, of belonging to AGA. At our events, you can meet senior executives, managers, staffers and policy officials from all government agencies, contractors and consultants from the private sector, and members of other professional organizations. According to John Hummel, CGFM (also quoted from the AGA brochure), "The greatest value of an AGA membership is being connected to the people, information, news, and leaders important to us..."

I disagree with John on only one point: the greatest value is in connecting, rather than being connected. Your connecting has to be an active relationship to be truly beneficial, not a passive one. The fact that you are reading this article means that you are probably already a member of AGA. *But, what are you doing with it?* Yes, we have monthly luncheons with exciting, knowledgeable speakers. Yes, we have outstanding CPE sessions and educational events. Yes, we have major conferences in some of the largest cities in the country. Yes, we have a professional certification program. Yes, we have community service activities. Yes, we have Chapter committees. Yes, we have many opportunities

(Continued on next page)

(President's Message, continued)

for you to network, to learn, to associate, to serve, to connect. But these committees, activities, events, luncheons, etc. require your participation—it only works if you get involved! Put another way: if you're not connected, you're not connected.

Connection Opportunity

Earlier this month, Karen Holmcrans, our Education Director, sent an e-mail to agency liaisons and others that asked for ideas for educational activities—only ideas! Send her yours—flood her with ideas. This will help improve our educational programs for you and comes under the heading of “One small step, etc.” Also, I invite you to check us out at a monthly luncheon—the food is great and so is the company. And, don't forget to look me up to say hello.

Upcoming Educational Events

Be sure to register for the CPE session following the luncheon *Mike*

on October 12. The subject, capital asset planning, is getting to be a hot topic across government and the two panelists, Lauren Uher from OMB and John Rehberger from GAO, are two of a very small number of subject matter experts in this area.

Also, start planning now for the Financial Statements Conference in November. This two-day event will feature Bert Edwards, CFO at State Department, and Ned Powell, CFO at VA, as keynote speakers. The second day of this conference will wrap around our November luncheon meeting, so there will not be a separate CPE session in November.

Condolences

Our deepest sympathy goes out to Virginia Robinson, CGFM, on the recent passing of her husband, Richard. The Chapter sent flowers to the funeral and several members attended.

Fall Chapter Membership Recruitment Challenge

by Bob Buchanan, Director of Membership

To reach AGA's goal of 20,000 members by December 31, 2000, and help get the chapter back on track to its goal of 2,000 members, the National Membership Committee unveiled some exciting member recruitment incentives in the current issue of *Topics*.

Recruitment Incentives...

- ★ From now through December 31, 2000, members who recruit five new members (Full or Early Career) will receive a \$25 American Express gift cheque.
- ★ Members who recruit ten new members (Full or Early Career) will receive another \$25 gift cheque, and so on. The sky's the limit!
- ★ Plus, the member who recruits the most new members during the August 1 through December 31st period wins a \$250 American Express gift cheque in addition to the \$25 cheques.

Help Needed...

AGA asks members to send in their dues payments by March 31 each year. To date, many of our chapter's members have not yet done so and they have subsequently been suspended from the active rolls of membership. About fifty percent of those members suspended each year end up renewing their membership. We'd like to get a lot closer to a 100% renewal rate. If you would like to help your chapter achieve this by contacting a few of the suspended members and encouraging them to renew, please call Bob Buchanan, Membership Director at 703.246.0298.

October 12 CPE Session Focuses on Capital Asset Planning

To a greater or lesser degree, all organizations make capital decisions. However, not all organizations are equally skilled in doing so. For several years, the information technology (IT) management team in GAO has been doing research on the “best practices” of leading organizations. As a result of this research, GAO has developed a set of best practices for IT capital decision-making. GAO has recently morphed this set of best practices into a “maturity model” that can serve as both a measurement tool and an improvement mechanism for enhancing IT management and capital decision-making skills.

John P. Rehberger, Senior Analyst at GAO, will discuss IT capital decision-making best practices and GAO's ongoing work in developing a maturity model for these best practices. In addition, Lauren Uher, Policy Analyst at OMB, will discuss the 300B Report.

Message from WA "Bill" Broadus, CGFM, AGA National President

September 13, 2000

Dear AGA Leaders,

Are you ready for another great year with AGA? Your National Officers and National Office staff are geared up and prepared to help you make this the best year your chapter has ever had. Working together, I do believe that we can make this 51st year the Association's best ever as well.

At this year's PDC, I spoke to attendees about personal involvement. I asked each person to ask what he or she can do to help AGA grow and prosper. Specifically, I talked about AGA's 20,000 By 2000 membership campaign, which is now in its final months, and about the CGFM Program. Now I ask each and every chapter to make that same commitment this year.

On the membership side, I urge each chapter to marshal its forces to help us reach the goal of 20,000 members by year's end. To do this, reach out the untapped markets in your local areas. Talk to members from the local IIA Chapter and the state CPA society to find out what you all can do together. There is no doubt that you will find new members and new contacts within these partner organizations.

On the CGFM side of the house, I really do believe that AGA's fortunes rise or fall with the success of the CGFM Program. We have made enormous progress in the four years since the grandfathering period ended. We have developed a rigorous and psychometrically defensible series of examinations as well as three training courses that complement the exams. However, there is still work to be done to convince others in our profession that they can benefit from the CGFM. Last year, we instituted the quarterly CGFM TOPICS newsletter in an attempt to showcase the many successes CGFMs have had since they were certified. Take a look at the three issues we have done so far if you need further reinforcement of why CGFM matters and how it can help you-and others-to succeed. We need all of our CGFMs and chapter leaders out selling this important certification to the state and local finance officers, budget personnel, accounting and auditing staffs in your area. Together, we can make CGFM the government financial management profession's preferred certification.

So many exciting things are on the horizon for this year. Just this week alone promises to be fantastic as we cap off our 50th Anniversary celebration. As we are celebrating in Washington, chapters will be receiving their personalized copies of AGA's new corporate logo, as we begin our sixth decade with a whole new look. The program year is off to a promising start and I know I can count on each and every one of you to contribute to our efforts to advance government accountability at all levels of government. I appreciate your commitment and your willingness to serve. Contact me or any member of the staff if we can be of any assistance to you. Thank you again and best of luck this year!

Sincerely,

WA "Bill" Broadus Jr., CGFM
2000-2001 AGA National President
wabroadusjr@aol.com

AGA Washington DC Chapter presents Financial Statements 2000

TENTATIVE AGENDA

Wednesday, November 1, 2000

Thursday, November 2, 2000

8:00 Welcome

8:15 **Keynote Speaker**
Bert T. Edwards, Chief Financial Officer
U.S. Department of State
"Overcoming Federal Financial Management Challenges"

9:00 **FASAB Update**
Wendy Comes

9:45 **BREAK**

10:00 **Correcting Material Deficiencies:**

- Interagency Transfers
- Cash Disbursements
- PP&E
- and much more ...

11:45 **LUNCH**
Don Hammond
U.S. Department of the Treasury

1:15 **IG/CFO – A Case Study on Teamwork**
Department of Labor

2:45 **BREAK**

3:00 **Statement of Net Costs – Case Study**
Internal Revenue Service

8:15 **Keynote Speaker**
Joe Kull
Deputy Controller
Office of Management and Budget

9:00 **Treasury Update**

- Government-wide Accounting and Reporting System
- Treasury system streamlining
- OPAC

10:00 **BREAK**

10:15 **FACTS II**

- 100% compliance for 4th Qtr 2000?
- Major issues and resolutions
- What's next?

Moderated by Department of Veterans Affairs

11:45 **LUNCH**
Ned Powell, Actg Deputy Assistant Secretary
Department of Veterans Affairs

1:15 **FASAB Statement #10 Accounting for Internal Use Software**

2:45 **BREAK**

3:00 **Correcting Internal Control Weaknesses: Computer Security**

3:45 **eResources for Dummies**

- Best of the Web for accounting research, regulations, help
- Using common technology to distribute agency guidance, create self-returning forms, ease communication, improve financial office operations

Questions? Call Karen Holmcrans at 703-947-1847

4:30 ADJOURN

REGISTRATION

NAME _____

AGENCY _____

BILLING ADDRESS _____

PHONE _____

AGA Chapter: DC N. VA MD OTHER

Check (payable to AGA DC Chapter)		
Credit Card	Exp. Date _____	
# _____		
	<u>1 day</u>	<u>2 day</u>
Member	\$145	\$245
Non-member	\$165	\$265

SF 182 Bring copy to conference		
	<u>1 day</u>	<u>2 day</u>
Member	\$165	\$265
Non-member	\$185	\$285

Mail to: Karen Holmcrans
AGA Registration
11951 Freedom Drive
Reston, VA 20190

Or register online at www.agadc.org

Drug-Free Workplaces: Are they Worth the Cost?

by Beth Serepca

On September 15, 1986, President Reagan signed Executive Order 12564, establishing the goal of a drug-free Federal workplace. The Order made it a condition of employment that all Federal employees refrain from using illegal drugs on or off duty.

The Executive Order recognized that illegal drug use is seriously impairing a significant portion of the national workforce, resulting in the loss of billions of dollars each year. As the largest employer in the nation, the Federal government has a compelling propriety interest in establishing reasonable conditions of employment, such as prohibiting employee drug use. Federal agencies are required to specify the nature, frequency, and type of drug testing to be instituted.

On July 11, 1987, Congress passed legislation to establish uniformity among Federal agency drug testing plans, reliable and accurate drug testing, employee access to drug testing records, confidentiality of drug test results, and centralized oversight off the Federal government's drug testing program. The Drug-Free Workplace Act of 1988 requires that employers that have contracts with the Federal government valued at \$25,000 or more adopt a drug-free workplace policy.

The philosophy behind the drug free workplace is deterrence not detection. Drug testing is one-way employers can protect the workplace from the negative effects of alcohol and other drug abuse. A drug-testing program can deter people from coming to work unfit and also discourage drug abusers from joining the Federal government in the first place.

Results of this Legislation

Who must be tested?

- All military and safety sensitive government workers.
- All employees in the transportation industry
- Anyone having government contracts over \$25,000 per year.

What is required for a drug free workplace program?

Each program must have five elements:

- Formal written policy
- Employee assistance program
- Training for supervisors
- Employee education
- Drug testing

What is tested?

Five substances are always tested: marijuana, cocaine, amphetamines, opiates, and PCP.

Testing must be carried out for five situations:

1. Pre-employment – offering employment only after a negative drug test result decreases the chance of hiring someone who is currently using or abusing drugs.
2. Random – testing a selected group of employees at random and unpredictable times discourages use and abuse by making testing unpredictable and to identify current users so they can be referred for assistance and/or disciplinary action.
3. Post-accident – testing employees who are involved in an accident or unsafe practice incident to help determine whether drug use was a factor helps protect the safety of employees, and to identify and refer to treatment those persons whose drug use threatens the safety of the workplace.
4. Probable cause – testing employees who show obvious signs of unsafe work behavior protects the safety and well-being of the employee and other coworkers and to provide the opportunity for rehabilitation if the employee tests positive.
5. Return to duty – periodically testing employees who return to work after participating in a drug rehabilitation program encourages and ensures that employees remain drug-free after they have completed the first stages of treatment.

The most common form of drug testing is to analyze a sample of urine for traces of drugs. A positive test provides no evidence of present impairment; it merely indicates that a drug has been used sometime in the recent past. The positive test does not tell whether the person was under the influence when giving the sample.

Urine tests cannot determine when a drug was used; they can only detect the “metabolites” or inactive traces of previously ingested substances. The positive test can occur long after the ceased to have any effect. Further, a worker can use a drug on the way to work and still test negative if the test is given that same morning. This occurs because the drug has not yet metabolized and therefore, will not show up in the person's urine. A drug test forces a worker to prove their innocence even though they are not suspected of using drugs.

The Federal Drug-Free Workplace Program tracks the statistics for the Federal government. It's October 1, 1997 – September 30, 1998 is the latest annual report available. 115 Federal agencies reported drug statistics. Over fifty agencies performed 91,294 drug tests during this period. There were 469 persons with verified positive results or a positive rate of just over five tenths of one percent.

(Continued on next page)

(Drug Testing, continued)

Number of Persons Tested: Of the 91,294 reported tests, 45,909 random and 41,639 applicant-screening tests were conducted. Followup screening accounted for 2,499, volunteer testing for 721, post-accident testing for 324, and reasonable suspicion for 202.

Number of Persons Verified Positive: Non-applicant testing accounted for most of the tests that were verified positive, 64.8% (304). Applicant testing accounted for the remaining 35.2% (165). Random testing accounted for the largest percent of those persons verified positive, 39.2% (184), follow up for 13% (61), reasonable suspicion 8.7% (41), volunteer testing was 2.3% (11), and post-accident 1.5% (7).

Drugs Detected: Marijuana was the most commonly detected illicit drug of abuse. Of the 469 persons who tested positive, 51.6% (242) tested positive for marijuana. Cocaine had the next highest percentage of persons who tested positive at 35.6% (167). Positive amphetamine test results were found in 12.8% (60), opiates in 3.4% (16), and PCP in 0.6% (3). Some individuals tested positive for more than one drug, thus the numbers add up to more than the 469 positive results rate.

Positive Rates for Types of Testing: The overall positive rate was just over 0.5%. The positive rate for reasonable suspicion was 20.3%, followup testing was 2.4%, volunteer testing was 1.5%, random testing was 0.4%, and applicant testing was 0.4%. Since 1992 the positive rate has never been higher than 0.8% and usually averages around 0.5%.

Education and Training: Of the 115 reporting agencies, 77 had continuing education programs for employees, and 78 had continuing training for supervisors.

Disciplinary Actions: Of the employees subject to disciplinary action for drug problems during the current or previous reporting period, sixty-nine were removed or separated, and thirty-two received written reprimands. Forty-three employees suspended for less than fifteen days, eight were suspended for more than fifteen days, and three were placed on indefinite suspension. Six employees were demoted.

Employees covered: Reporting agencies have over 1.6 million FTEs and 41.7% (695,747) of these FTEs were sensitive.

Costs: The total cost of the program for the reporting period of October 1, 1997 to September 30, 1998, was a little over \$10.7 million. The breakdown of the over \$10 million is; approximately \$5.1 in administrative costs and \$5.6 million for the direct costs of drug testing. Direct testing costs averaged around \$61 per person tested.

A comparison of the previous year's statistics reveal that the average direct costs for testing increased from \$55 last period to the current \$61 per person tested.

Alcohol testing is not conducted because alcohol is a legal substance. There is no authority to test for alcohol under these drug-free workplace laws.

Is the over \$10 million well spent for having a drug free workplace? Does the positive results of just over 0.5% justify the cost? Here are the facts—you decide if the program is money well spent.

From the National Office

U.S. Comptroller General Seeks Nominations

U.S. Comptroller General, David M. Walker, will be sending out letters to seek six nominations for his Advisory Council on Government Auditing Standards. This council comprises the talents of the top government financial managers that work in state, local, federal, and academic areas. Begun in 1996, this council provides continuing advice and guidance on issue related to maintaining auditing standards. Information about the General Accounting Office can be found at www.gao.gov.

The Government Accounting Standards Board (GASB) Needs You

In June, the Board released an Exposure Draft, Certain Financial Statement Note Disclosures. Those individuals and organizations are encouraged to communicate their points of view and express their opinions on the issues and proposals presented in this Exposure Draft. The Board urges respondents to comment on both the portions of the proposal with which they disagree and those with which they agree.

The Board's proposal would modify or rescind currently required note disclosures and would establish others. One copy of the Exposure Draft (GE48) is available from the GASB Order Department (800.748.0659) free of charge to any individual or organization by September 29, 2000. The document is also available on the GASB website at www.gasb.org.

Comments may be made in written form and at three public hearings and a public forum to be held in the fall. The first public hearing will be held in conjunction with the AICPA National Governmental Accounting and Auditing Update Conference on September 19, 2000 in Tempe, Arizona. The second public hearing and the public forum will be held on October 10, 2000 in New York City. The third public hearing will be held in conjunction with the annual meeting of NASACT on November 15, 2000 in St. Petersburg, Florida.

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