

ASSOCIATION OF
GOVERNMENT
ACCOUNTANTS

AGA

NEWSLETTER

WASHINGTON CHAPTER

NOVEMBER 1987

THURSDAY November 5, 1987 LUNCHEON MEETING TO FEATURE



CONGRESSMAN JACK BROOKS
Chairman, House Government
Operations Committee

Topic

*The Political Side of
The Balance Sheet*

at the

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

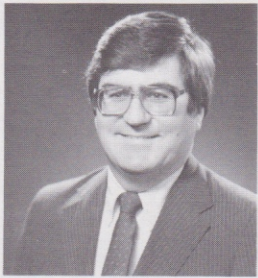
Social	
Period	11:30 (Cash Bar)
Luncheon	12:00
Cost	\$15.00 (Members)
	\$17.00 (Non-members)

Reservations Required
Call 649-4399 NLT Nov. 3

NON MEMBERS WELCOME

Meeting Schedule: Dec. 3 • Jan. 7 • Feb. 4 • Mar. 3 • Apr. 7 • May 5

PRESIDENT'S MESSAGE



Terry Conway

As I was preparing for this program year, as your President-Elect on last year's Chapter Executive Committee, many people had a lot of advice for me. As best as I can determine, all of that advice was good advice. But at the top of the list, I would have to place that from people who told me to get all of my thoughts in order before my term as President began. The Washington Chapter publishes nine newsletters and conducts nine monthly luncheon meetings per year. The newsletter you are reading is number three, and the monthly meeting it announces is also number three. One-third of the way through the year already, and it seems that we just started. I am constantly reminded of the short time any Association officer has in his or her one year term. One of the first orders of business of the year is to participate in the process that selects our own successors. The National Office has issued a call for nominations for national officers for next year, specifically 1989 national president-elect and 1989 regional vice president-elect. There is no restriction this year on where the nominee for 1989 national president-elect can come from, so I encourage nominations from the Washington Chapter. Please contact Diane Bray if you want to enter a nomination for either of these offices. Any full member in good standing who has held the office of regional vice president or chapter office or chapter directorship is eligible for nomination. Nominations are due at the national office by November 19, 1987.

Our own chapter selection process will also be underway shortly. Each year, a chapter nominating committee selects candidates for president-elect, secretary, treasurer, and five chapter directors. The most difficult part of the selection process is identifying those members who are willing to serve their chapter. Please don't be shy. If you have not been active in the chapter before now, and would like to be, please let us know. Again, Diane Bray will be chairing the Nominating Committee, and would love to hear from you. Your

current Executive Committee has several first time members, and their contributions are significant and appreciated.

We have had two very interesting luncheon speakers already, and I'm sure Congressman Brooks will be of interest to all of our members. Please join us at the Touchdown Club on November 5.

LOTS OF HELP NEEDED FOR PDC

It is not too early to start thinking about the AGA Professional Development Conference. This year, the PDC will be held in Washington, DC on June 20 through June 22, 1988. The three Capital region chapters will be hosting the event. A large pool of individuals are needed to help bring off a successful event. Assistance is needed on the following committees: local promotion, monitors, family activities, registration, presenters logistics, keynote/highlight support, and entertainment. If you are interested in serving on one of these committees or would like more information on the PDC, please contact Diane Bray on 695-0839.

INTERIOR ISSUES MANAGEMENT CONTROL GUIDELINES

The Department of the Interior's Office of Financial Management issued in September 1987 a *Guideline For Conducting Control Evaluations*. The Guideline incorporates the concepts of the August 1986 revision to OMB Circular A-123 "Internal Control Systems" and is designed to assist managers in conducting internal control evaluations. Emphasis is placed upon using alternative internal control reviews to quickly identify control weaknesses while retaining rigorous testing as part of the control evaluation process. Although specifically designed for Interior's control evaluation process, the Guideline sections on evaluating and testing controls have wide applicability. Copies of the Guideline are available by contacting Dave Holland on 343-8425.

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

Officers

President

Terence J. Conway, CPA, 391-2756

President-Elect

Diane Bray, DOD, 695-0839

Secretary

Deatrice Russell, Financial
Management Service, 535-9693

Treasurer

Rolf Wold, DOT, 366-9874

Past-President

Gary Palmquist, 233-3411

Directors

*Cooperation with Professional
and Education Institutions*

Mike Merson, Financial
Management Service, 436-6842

Education

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

Employment Referral

Joyce Shelton, DOT, 366-1306

Membership Services

Dan McGrath, Financial
Management Service, 566-3717

Newsletter

Lee Beaty, GAO, 275-9532

Programs

John Simonette, GAO, 275-9454

*Relations with National Office/
Special Projects*

Adam Shaw, DOD, 697-0585

Research, Professional Notes

Chuck McAndrew, Navy, 696-6896

Committee Chairs

Awards

Mary Lee Mason, Financial
Management Service, 535-9693

Chapter Evaluation

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

Chapter Recognition/Competition

Jean Bowles, State, 235-8623

Meetings

Judith Parsons, Comptroller
of Currency, 447-1721

Membership Services (A'sst)

Jim Goulden, Coast Guard,
267-0220

Newsletter

Herb McLure, GAO, 275-4905

Public Service

Paula Rubin, Financial
Management Service, 535-9696

**ABOUT OUR SPEAKER THIS MONTH
CONGRESSMAN JACK BROOKS**

Congressman Brooks has served in the U.S. House of Representatives for 35 years. He began his political career as an elected official in the House of Representatives, Texas Legislature in 1946 and was reelected without opposition in 1948. He was elected to the 83rd United States Congress from the 2nd District of Texas in 1952 and was reelected to succeeding Congresses from 1952 until 1964. He then was elected to the 90th and succeeding Congresses from the 9th District of Texas where he has served from 1966 until the present time.

He graduated from Lamar Junior College and the University of Texas at Austin, earning a degree in Journalism. He also received a law degree from the University of Texas in 1949. He retired as Colonel from the United States Marine Corps in 1972.

Congressman Brooks has served in a number of leadership positions in Congress including

- Chairman of the House Government Activities Subcommittee from 1955 to 1974,
- Chairman of the House Government Operations Committee and Chairman of the Legislation and National Security Subcommittee from 1975 to the present.
- Member of the House Judiciary Committee from 1955 to the present,
- House Member of the Select Committee to Investigate Covert Arms Transactions with Iran, and
- Chairman of the Democratic Personnel Committee.

Under his leadership, the House Government Operations Committee has initiated oversight investigations and issued reports that have led to documented savings of billions of dollars and greatly improved the efficiency of the Federal government. Also, Congressman Brooks played a major role in writing the Civil Rights Act of 1964 and Voting Rights Act of 1975. In addition, he led the investigation that uncovered the expenditure of millions of dollars in public funds at President Nixon's vacation retreats and played a significant role in the 1974 impeachment proceedings which ultimately led to President Nixon's resignation.

Major legislation introduced by Congressman Brooks and enacted into law includes the Brooks Act, which sets government-wide policy for the \$5-10 billion a year computer acquisition program, the Inspector General Act, the Paperwork Reduction Act, the Competition in Contracting Act of 1984, the Single Audit Act of 1984, and the Prompt Pay Act.

Time To Renew Your Membership

Renewal notices were mailed in mid-August. If you do not receive yours please notify Ken Sullivan at National Office as soon as possible (703-684-6931). It is important that you send in your renewal as soon as possible since membership benefits are discontinued after two months on the delinquent list. Our new dues year begins October 1, therefore, anyone not remitting would be purged from our active mailing list and would cease receiving materials from AGA after the distribution of the December newsletter, which occurs the end of November.

ABOUT CHAPTER MEMBERS

We are pleased this month to report some significant honors recently received by Chapter members.

At September 30 ceremonies, Interior's Director of Financial Management **Dr. William F. Kendig** received the Department's highest honor, the Distinguished Service Award. The citation accompanying the award cites numerous specific accomplishments of Bill's, including his role in the Cash Management Program resulting in savings of many millions of dollars, his major role in improvement of oil and gas royalty accounting, his direction of an overtime analysis resulting in millions in savings, and his leadership of the recent governmentwide study on improving the internal control review process. The citation directed our attention to another recent honor of Bill's. An article he co-authored on the internal control review process for the *Public Administration Review* was selected for the American Society for Public Administration's Louis Brownlow Award.

Another major recent honoree is **Herbert R. McLure**, a recipient of GAO's Distinguished Service Award, which recognizes employees who have made exceptional contributions to GAO or the Nation and whose records of achievement are an inspiration to others. Herb is cited for exceptional leadership in tackling and leaving GAO's mark on tough, controversial transportation issues while contributing significantly to the development of staff and new ideas and directions for GAO. Herb, an Associate Director in GAO's Resources, Community, and Economic Development Division, is responsible for GAO's reviews on transportation issues.

Washington Chapter AGAers walked off with all the honors at the New Orleans PDC Authors' Awards presentation for best articles published in *The Government Accountants Journal*. Receiving the awards were **Joseph Rothschild** for "Evaluating Internal Controls: Are the Auditors as Good as the Standards?", and **Susumu Uyeda** for "Federal Financial Management Reorganization — Points to Ponder". Joe's article is in the Summer 1986 issue, and Sus' is in the Winter 1986 issue.

Don't forget to call us with your news About Chapter Members. Please! (Lee Beaty: 275-9532)

FEDERAL TAX HANDBOOK 1988

It is not too late — if you hurry — to order copies of an authoritative income tax handbook at a price substantially below list.

Over 3,000 AGA members have taken advantage of this opportunity in each of the past four years, and we are confident that even more will want the current handbook.

This year, the Office has again chosen Prentice Hall's "Federal Tax Handbook 1988" as the best available publication. Containing over seven hundred pages, the handbook features changes made in the tax laws right up to the date of publication. Check lists—invaluable at tax return time—show income items, deductions, etc., which go into the makeup of most Federal tax returns. Emphasis is on preparation of 1987 returns.

The Handbook will list for \$19.00. By purchasing bulk and delivering to one address at each chapter, the National Office will be able to secure copies at \$10.50 (\$13.00 non-members).

So that the National Office can give the publisher a firm number for their press run, we must know by November 16, the number of copies to order for our chapter. These will be firm prepaid orders. The National Office will bill each chapter for the total number of Handbooks delivered to the chapter, with delivery scheduled for December.

To order your copy of the Handbook, complete and forward the form below. The guide will be mailed to you from the Chapter.

AGA, P.O. Box 423, Washington, D.C. 20044

I wish to order a copy of the Prentice Hall "Federal Tax Handbook 1988."

My Check in the amount of \$10.50 (\$13.00 non-members) is enclosed.

NAME _____

ADDRESS _____

Orders must be received by November 16.
Checks should be made payable to AGA.

NOTICE

We still need a lot of volunteers to serve as Agency Liaisons. If interested contact Jim Goulden on 267-0521.

A NEW FISCAL YEAR

By Thurman Cary

If you are an AGA member, chances are you are a financial manager, (accountant, auditor, budget analyst, financial analyst, management analyst, etc.), in the Federal Government. However, unless you are an operating accountant or a budget analyst involved with the Salaries and Expenses (S&E) account for your agency, your knowledge of the appropriation that pays your salary, issues contracts, reimburses you for travel expenses, buys office furniture and equipment, etc., may be limited.

Appropriations have been around for quite some time. Their history can be traced back prior to the Constitution, when the colonists financed the Revolution. Today, the congressional power to enact an appropriation is derived from Article I, Section 8 of the Constitution which gives Congress the authority "to pay the debts and provide for the common defense and general welfare of the United States."

On October 1, most agencies receive their annual appropriation for their S&E account. An appropriation provides budget authority for an agency to incur obligations and to make expenditures. While budget authority can be classified by the period of availability (one-year, multiple-year, no-year), the timing of congressional actions (current or permanent), or the amount available (definite or indefinite), this article is dedicated to S&E appropriations, which are usually classified as follows:

One-year (annual) authority

An appropriation that is available for obligation only during a specific fiscal year and that expires at the end of the year.

Current authority

An appropriation enacted by Congress in, or immediately prior to, the fiscal year in which it becomes available.

Definite authority

An appropriation that is stated as a specific amount of money at the time the budget authority is granted.

Appropriations also have certain statutory provisions that they must operate under. These include charges and fees, the payment of only necessary expenses, the Anti-deficiency Act, the augmentation concept, and a number of other statutes and regulations. Have you ever claimed rental car insurance on your travel voucher and had it rejected? Have you ever wondered why you can't get the Government to pay for your business or calling cards? Do you know the difference between the Anti-deficiency Act and what an improper augmentation of your appropriation is?

This article and future ones, will give the reader an indication of the basic principles an S&E appropriation must follow in order to fulfill Congress' intent when the appropriation was enacted. Additionally, the questions posed above plus other interesting points covering appropriations will be answered and covered.

Through this column the Accounting Group, Federal Finance, which is part of the Financial Management Service will provide information and answer questions about the Federal Government's policies, procedures, and practices relating to its financial accounting and reporting systems. Your questions are welcome and can be sent to D. James Sturgill, Manager, Accounting Policy Staff, Treasury Annex No. 1; GAO Building, Room 1751, Washington, D.C. 20226, or by telephone (202) 566-2651.

HELP WANTED - VOLUNTEER INCOME TAX ASSISTANCE

By Paula Rubin,
Public Service Co-ordinator

We are still seeking members to assist in the VITA program. The VITA program was established by the Internal Revenue Service in 1969 to provide free income tax assistance at community locations to lower income, elderly, handicapped and non-English speaking taxpayers who are unable to prepare their own returns or pay for professional assistance. IRS provides instructors and training materials free of charge. Training is usually on Saturdays and will cover the preparation of all tax forms and the new changes in the Tax Law. CPA's are not required to be tested or take training. A special toll-free telephone number is available for volunteers to call for technical assistance while at the VITA site. **THERE IS NO LIABILITY ASSOCIATED WITH THIS VOLUNTEER WORK.** Returns are not signed by volunteer. The VITA stamp is used in the signature block designated for preparer. The VITA program is an excellent vehicle for concerned groups like AGA to provide a valuable service to the community and create goodwill for our chapter and the profession. The work is very rewarding. For further information or to register at one of the work sites in Washington, D.C., Maryland and Virginia, please contact me on 535-9694.

NOVAGA TO HOST RISO

Northern Virginia Chapter's November 17 dinner meeting will feature OMB Associate Director for Management **Gerald Riso**, who will speak on "Federal Financial Management and the Chief Financial Officer". NOVAGA's meetings are at the Sheraton National, at Washington Boulevard & Columbia Pike in Arlington. For reservations call Sophie Jasinski on 523-8401.

HELP - NEW MEMBER ACQUISITION DOWN

By Dan McGrath, Director
Membership Services

As illustrated in the chart accompanying this article, while recruitment is better than 2 years ago it is significantly lower than last year at this time. If recruitment continues at this rate we can expect zero growth this year. The solution is more active recruitment on the part of each of us. So if you have not recently extended an invitation to someone to join the association please so do as soon as possible. If you need applications, more information or have some suggestions on how we can improve our membership activities do not hesitate to call me on 566-3717.

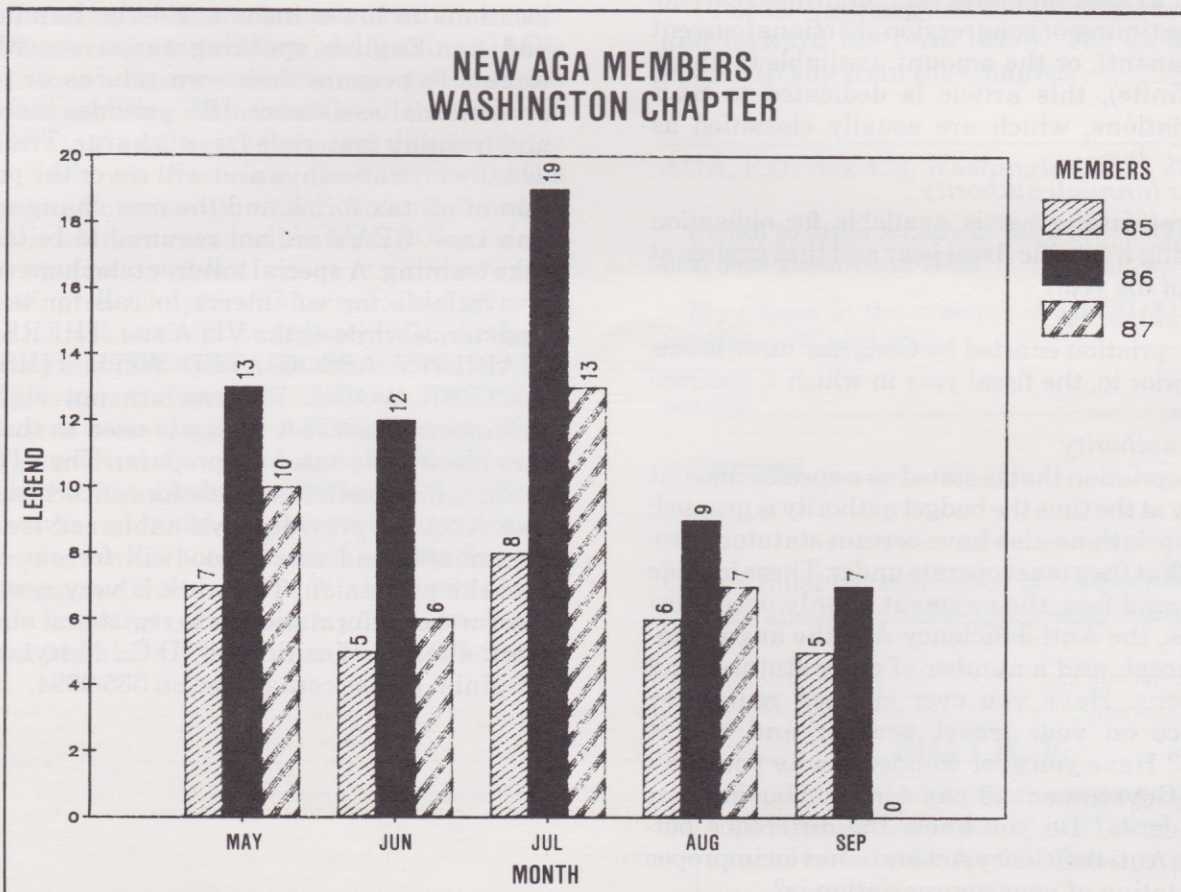
FEDERAL MANAGER'S REFERENCE MANUAL

The Financial Management Service has assembled a reference manual which is a comprehensive source of the latest financial accounting and reporting requirements of the Department of the Treasury, the General Accounting Office (GAO), and the Office of Management and Budget (OMB).

Included in the manual are GAO's Title 2, Accounting; OMB's Circular No. A-127, Financial Management Systems; and Treasury's TFM Chapter 4100, Federal Agencies' Financial Reports, and TFM Bulletin No. 87-07. Also, sections describing the Financial Data Automation and Analysis project and the Standard General Ledger are included. When the Standard General Ledger is released in the Treasury Financial Manual (TFM) it can be added to this manual.

Limited copies of the Federal Manager's Reference Manual have been distributed. Additional information may be obtained by contacting Financial Management Service, Financial Policy Division, Accounting Policy Staff, Treasury Annex No. 1, Attn: GAO Building, Room 1751, Washington, D.C. 20226, (Telephone 566-2651).

Submitted by Thurman Cary, Treasury Financial Management Service.



Application for Membership

Association of Government Accountants

Section I

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

MAIL ADDRESS: _____
STREET NUMBER STREET NAME
CITY STATE ZIP

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

Section II

TYPE OF MEMBERSHIP APPLIED FOR FULL ASSOCIATE SPECIAL ASSOCIATE

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

Section III

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

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

Section IV

EDUCATIONAL BACKGROUND:

SCHOOL	LOCATION (STATE)	YEAR FROM TO	MAJOR	DEGREE

Section V

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

Section VI

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

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

Date of application _____ Signature of applicant _____
Sponsor (optional) _____ NAME (PRINT) _____
SPONSOR'S AGA MEMBERSHIP NUMBER _____
Remitted herewith is \$ _____

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

INFORMATION FOR APPLICANTS ELIGIBILITY REQUIREMENTS

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

DID YOU KNOW...

By Charles McAndrew (696-6896)

This month we are featuring the Environmental Protection Agency (EPA), Office of the Comptroller, Financial Management Division. The Division is charged with ensuring effective management of EPA's financial resources. Progress has been made via improvement initiatives such as:

- Implementing the U.S. Government Standard General Ledger;
- Procuring and installing a new Integrated Financial Management System;
- Developing a new Directive System; and
- Enhancing Superfund cost recovery.

Standard General Ledger

EPA has moved rapidly to implement the OMB Standard General Ledger. Although OMB mandated agencies to install the Ledger by the end of FY 1988, EPA modified its financial management system to incorporate the Ledger as of October 1, 1987. Key activities included: developing a cross-walk for the Ledger's chart of accounts and transaction codes; identifying needed modifications to internal and external reports; identifying and making needed software changes to the financial management system; running a full-scale closeout test using FY 1986 data; and issuing training material and procedural and policy guidance to all offices. (For additional information contact Paul Wohlleben of the Division's Financial Systems Branch on 382-5107.)

Integrated Financial Management System

EPA has an aggressive program to replace its existing financial management and budgeting systems with an Integrated Financial Management System in response to OMB Circular A-127 which requires agencies to incorporate state-of-the-art technology, and to satisfy EPA manage-

ment's need for better information. The new system is an off-the-shelf package procured from American Management Systems, Inc., and adapted to EPA's use.

The new system will provide an integrated mechanism to automate the full resource cycle (from internal out-year budget formulation through the budget execution and disbursement phases). This will include preparation of all external reports and maintenance of historical records to support cost recovery actions. The core system will be in full production in January 1989, with several additional modules being installed in October 1989. The new system will be available to interested agencies, on a cross-servicing basis, in October 1990. (For additional information contact Paul Wohlleben.)

Enhancing Superfund Cost Recovery

To help recover the costs of cleaning up hazardous waste sites EPA has developed and implemented a comprehensive Superfund Financial Management Program. Its activities include: issuing agency-wide policy and procedures on all aspects of Superfund financial management; ensuring that complete, accurate, and fully reconcilable financial documentation is readily available; developing accounting procedures which assure that costs are allocated to the correct sites; conducting training and workshops for financial management and program staff; developing indirect cost rates for recovering overhead costs; and developing an internal control review program for Superfund financial management. To date these efforts have helped EPA recover over \$45 million. (For additional information contact George Alapas of the Division's Superfund Accounting Branch on 382-2268.)

NEWSLETTER

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