

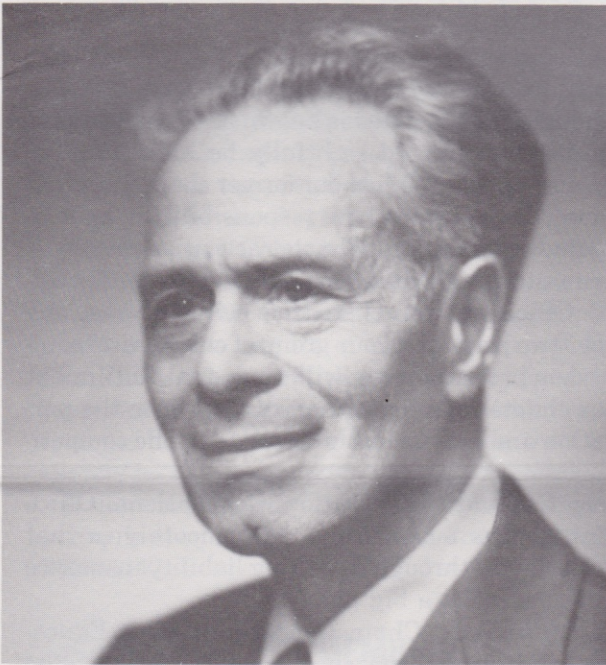
ASSOCIATION OF
GOVERNMENT
ACCOUNTANTS

AGANEWSLETTER

WASHINGTON CHAPTER

APRIL 1985

THURSDAY APRIL 4, 1985 LUNCHEON MEETING TO FEATURE



DR. ABRAHAM J. BRILOFF
Emanuel Saxe Distinguished Professor
of Accountancy, Baruch College,
The City University of New York

Speaking on

**"Accountancy and Society:
A Broken Covenant"**

at the

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

Social Period	11:30
Luncheon	12:00
Cost	\$10.00 (w/Reservation) \$12.00 (w/o Reservation)
Open Bar	\$ 3.00

For Luncheon Reservations Call 695-7954
Telephone Reservations Accepted Until April 2, 1985

NON MEMBERS WELCOME

All Reservations Guaranteed

Meeting Schedule: May 2

PRESIDENT'S MESSAGE



VIRGINIA ROBINSON
United States General
Accounting Office

Comparatively speaking, April is an exciting month for our chapter, albeit it's the penultimate meeting of our AGA year. With our continuing emphasis on education, we'll be honoring outstanding students from local colleges at our meeting next Thursday. In that joint meeting between our chapter and the Washington Chapter of the Institute of Internal Auditors, we'll have a distinguished academician, **Dr. Abraham Briloff**, contribute to our educational emphasis.

April is also the month in which we hold the Chapter election. Your ballot, as well as the candidates' biographies, is included with this newsletter. Be sure to vote by **April 15th**.

While voting is fresh in our minds, I'll take this opportunity to tell you about some of the highlights of the activities of board members who received our vote of confidence in prior elections.

Our Director of Membership, **Marc Page**, and his Committee have been innovative and resourceful this year. After they conducted a survey of former members, they decided to consider ways in which we might share the responses we received with the National Office. Some of them certainly merit follow-up action. Marc's article in this issue discusses the new membership drive that is now in progress. The most recent membership status report indicates we're leading our group of chapters in membership retention.

Ken George chairs our New Members Committee. He conducts orientation sessions, and arranges for various types of initiation for those who are new to our chapter.

Instead of continually searching for words to describe how noteworthy I think the efforts are of our Research Committee this year, I'll just say that this is the year to be proud of Washington Chapter research. Research chair, **Gail Young**, and Assistant Chair, **Helen Sherman**, have underway four excellent chapter research projects as well as one national research project. The research projects are described in Gail's report in this issue. Those of you who have been involved in AGA research know that this is an ambitious undertaking. Based on Gail's most recent

status report, her committee of 13 is truly a productive group.

Mike Serlin and his Awards Committee have just completed a tough round of deliberations in making nominations for our Chapter and National Award recipients. Their selections were unanimously approved by the Executive Board and we eagerly await the presentations to be made at our May meeting. We also have a surprise for you—a new award category for our chapter this year. The surprise will be unveiled at our final meeting of the year.

Our Public Service Coordinator, **Joe Dillon**, and his assistant, **Al Petrilak**, developed plans and are handling the logistics for the Volunteer Income Tax Assistance Program (VITA) that will operate until April 15th.

Chuck McAndrew, Chair, Small Business Education Committee and his corps of volunteers conducted quite a successful course in Basics of Financial Management for small business owners in the Washington area.

John A. McArthur has continuously given the last word on our monthly enlightenment in financial management in his news summaries that appear on the final page of the Chapter Newsletter. If you've missed reading current periodicals and journals in financial management, don't despair; you can feel as though you're an informed reader when you've reserved a few minutes to read "DID YOU KNOW" each month.

Although **Jean Bowles** is known as Chair, Chapter Recognition, she could rightfully be known as the Chapter's magician. When our former chairperson left this area, Jean assumed the responsibilities for compiling and reporting our Chapter activities posthaste. In the most recent status report received from the National Office we were listed as being in a strong number two position in our group of chapters. According to her projections we will have dual fulfillment for our chapter activities—enrichment from the participation and a respectable standing in the competition.

Terry Conway's cooperation with National Office Committee has made things run smoothly in that area. His follow through in getting liability insurance for our chapter is a big plus.

Joe Linneman, Chair, Cooperation with Educational Institutions, spearheaded our work for the chapter's scholarship award and he's now putting the finishing touches on the arrangements for recognizing outstanding students at our April meeting.

George Englert, Chair, Employment Referral Committee provides considerable help to members interested in new positions. In addition to information he gets from the National Office on vacant positions, he also makes information available that he gets from other members.

Tony Gabriel, Chair, Cooperation with Professional

continued on page 7

**WASHINGTON
CHAPTER
Executive
Committee
1984-1985**

Officers

President

Virginia Robinson, GAO, 275-9513

President-Elect

Susan Lee, Treasury, 535-9697

Secretary

Diane Bray, Treasury, 376-1097

Treasurer

Joe Rothschild, HUD, 426-5454

Past President

Kenneth Winne, JFMIP, 376-5415

Directorate

Awards

Michael Serlin, Treasury, 566-5594

Cooperation with Professional Organizations

Tony Gabriel, USDA, 447-7431

Education

Ron Lynch, Arthur Andersen, 862-3324

Loretta Shogren, Justice, 633-3291

Employment Referral

George Englert, JFMIP, 376-5415

Meetings

Carol Lynch, Education, 472-2395

Membership

Marcus Page, Treasury, 566-5038

Programs

David Dukes, HHS, 245-7084

Publicity and Agency Liaison

Judith Boyd, Treasury, 566-2112

Research

Gail Young, Energy, 252-4171

Committee Chairperson

Chapter Competition

Jean Bowles, State, 524-1188

Chapter Evaluator

Jim Smith, Navy, 695-1070

Cooperation with Educational Institutions

Joseph Linnemann, State, 524-1188

Financial Management Assistance

Ken George, ACTION, 634-9163

Newsletter

Lee Beaty, GAO, 275-9430

Professional Notes

John McArthur, Treasury, 376-0820

Small Business Education

Charles McAndrew, GAO, 523-8706

Public Service Coordinator

Joseph L. Dillon, EPA, 382-5113

Relations with National Office

Terry Conway, DOD, 697-3192

ABOUT OUR SPEAKER THIS MONTH

Following, in Dr. Briloff's own words, is a brief biographical vignette:

I was born in New York 67 years ago and have lived, been educated and worked there throughout my life.

I attended the New York public and secondary schools and then received my baccalaureate and master's degrees from the City College of New York, and my doctorate (in accountancy and taxation) from New York University, Graduate School of Business Administration. In May, 1984 the State University of New York, Binghamton, honored me with the degree of Doctor of Humane Letters.

I have pursued the profession of accountancy as a certified public accountant for more than two score years and, since 1965, have been a professor of accountancy at Baruch College. (Since 1976 I have been the Emanuel Saxe Distinguished Professor of Accountancy.)

My principal publications have been: *The Effectiveness of Accounting Communication* (1976); *Unaccountable Accounting* (1972); *More Debits Than Credits* (1976); *The Truth About Corporate Accounting* (1981). (The last three works were published by Harper & Row.)

I have lectured before professional and academic audiences on the themes of accounting concepts and accountants' responsibilities and have testified in those areas in behalf of corporate entities and governmental bodies.

My articles (undoubtedly in excess of a hundred) have been published in journals for the financial community, the accounting, legal and educational professions, and for general readership.

CALENDAR OF EVENTS

It's important to note that this month's meeting is a joint meeting of the Washington Chapters of AGA and the Institute of Internal Auditors. Also, the meeting will feature, in addition to Dr. Briloff's address, our annual presentations to outstanding local college accounting students.

Make plans now for our final luncheon meeting of the chapter year on May 2 which will include presentation of our annual awards for outstanding contributions to AGA and government financial management. We also have a super speaker lined up in Harold L. Stugart, our AGA National President and Auditor General of the Army. (Rayburn Bldg., 11:30 AM; 695-7954 for reservations).

Also, don't miss out on the April 25 Emerging Issues Conference sponsored by AGA and its Capital Region chapters. See page 6 for more information.

AGA Montgomery-Prince George's Chapter will host a half day workshop on "New Audit Techniques" in conjunction with its April 10 monthly dinner meeting. Dinner speaker is John C. Martin, EPA Inspector General. Location is the Lanham Ramada. Call Rich Savitsky for information or reservations (office 883-6284; home 469-8579).

Charles O. Starrett, Jr., Director, Defense Contract Audit Agency, will speak on "Managing an Independent Audit Agency" at AGA Northern Virginia Chapter's April 16 monthly dinner meeting. Location is the Springfield Imperial 400. Call Mike Janoski for reservations (756-2893).

Ms. Joan Byrne Gordon, Local Manager of Continental Telephone, will speak to Battlefield Chapter on "ConTel and Future Telecommunications Services" at the Chapter's April 17 monthly dinner meeting. Location is Kilroy's in Woodbridge. Call James Bridges for reservations (690-1961).

Institute of Internal Auditors Washington Chapter will host a half day seminar on "Electronic Funds Transfer: A High Risk Audit Area" in conjunction with its April 26 monthly luncheon meeting at the National Press Club. Luncheon speaker is Congressman Richard Wright of Georgia who will speak on "Defense Costs". Call Chris Hendricks (535-6138) for information on the seminar, and Gladys Tymas (245-0621) for luncheon reservations.



NOMINATING COMMITTEE REPORT

Notice of Election of Officers and
Directors for the Year Beginning
July 1, 1985

A postage-paid ballot is enclosed for the election of five Directors for the Washington Chapter for the year beginning July 1, 1985. In accordance with Article VI of the Chapter Bylaws, the Nominating Committee nominated one candidate for the offices of President-Elect, Secretary, and Treasurer. Since there were no nominations by petition for these offices, the names of the single nominees are not included on the ballot and their election has been certified by the Bylaws Committee. Based on the Bylaws, five Directors will be elected each year for a two-year term. There are ten nominees for the position of Chapter Director. No nominations by petition were received for these offices. All Chapter members (except honorary members) may vote for not more than five Directors. Any ballot postmarked after April 15 or received after April 18 are null and void. The results of the election for 1985-1986 will be announced at the Chapter luncheon in May. Please take the time to VOTE!!!

FOR PRESIDENT-ELECT

GARY A. PALMQUIST—Member since 1969. AGA Service: Director, Programs Committee 1979-80; Director, Research Committee 1977-78; Project Director, AGA Task Force on Cost Accounting Standards 1977-78; Chairperson, Professional Awareness Committee 1976-77; Member, Research Committee 1975-76. Wrote articles appearing in the Washington Chapter AGA *Newsletter*, and the *Government Accounts Journal*. Is Director of Compliance, Peace Corps.

FOR SECRETARY

KEN GEORGE—Member since 1975. AGA Service: Chairperson, Financial Management Assistance 1984-85; Co-Chairperson, Research Committee 1983-84; Member, National Research Board 1980-81, 1979-80. Is Director of Accounting, Action.

FOR TREASURER

CAROL LYNCH—Member since 1975. AGA Service: Director, Meetings Committee 1984-85; Member, Meetings Committee 1982-83, 1981-82; Member, National Committee on Relations with AICPA 1981-82. Is Chief, Advanced Techniques Audit Branch, Office of Inspector General, Department of Education.

FOR DIRECTORS

LEE BEATY—Member Since 1972. AGA Service: Newsletter Editor 1984-85; GAO Liaison 1984-85, 1983-84, Member, National ADP Subcommittee 1977-78. Is Systems Accountant, General Accounting Office.

DIANE BRAY—Member since 1979. AGA Service: Secretary, 1984-85; Chairperson, Financial Assistance Committee 1983-84, 1982-83; Instructor for "Basic Training Course in Accounting and Financial Management" for small businesses 1983-84; Member, Meetings Committee 1980-81. Is Systems Accountant serving as the Department of Treasury's representative the Joint Financial Management Improvement Program.

WILLIAM KENDIG—Member since 1981. AGA Service: Member, National Executive Committee 1984-85; Chairman of Financial Managers' Council (formed under AGA sponsorship) 1984-85; Chairman, Federal Government Committee of National AGA 1983-84. Assisted Education Directorate and Chapter Nominating Committee. Served as Speaker, Seminar on Internal Controls, Recipient of 1983 Chapter Outstanding Achievement Award. Is Director of Financial Management, U.S. Department of the Interior.

JOSEPH LINNEMANN—Member since 1980. AGA Service: Chairperson, Cooperation with Educational Institutions Committee 1984-85; Member, AGA's Task Force on Financial Management in Government 1983-84; Assisted in forming an AGA group of Federal Managers to examine financial management issues which cross-cut Government. Spoke at AGA's 1981 PDC. Wrote an article for the *Government Accounts Journal* in 1982. Is Associate Comptroller, Financial Systems, Department of State.

DANIEL H. MCRATH—Member since 1970. AGA Service: Member, Research Committee 1984-85; Co-Chairperson, AGA National Task Force on Cash Management 1977-83; Member, Meetings Committee 1972-73. Wrote articles appearing in the Washington Chapter AGA *Newsletter*, and the *Government Accounts Journal*. Speaker at PDC 1981, 1979; various chapter meetings; Cash Management Workshop 1979; AGA/JFMIP Letter of Credit Workshop 1978; and Chaired AGA/JFMIP Cash Management Workshop 1978. Is Director, Financial Reporting Division, Financial Management Service, Department of the Treasury.

CHARLES MCANDREW—Member since 1977. AGA Service: Chairperson, Small Business Education Committee 1984-85, 1983-84; Recipient of 1984 Chapter Award for Outstanding Contribution. Is Systems Accounting, Accounting and Financial Management Division, General Accounting Office.

JOSEPH ROTHSCILD—Member since 1980. AGA Service: Treasurer 1984-85; Co-Chairperson, Research Committee 1983-84; Member, Awards Committee 1981-82, 1980-81; Member, National Committee to

Select Authors Award; Member, AGA Task Force on Internal Controls in Government. Is Director, Analysis and Evaluation Division, Office of Fraud Control and Management Operations, Office of Inspector General, Department of Housing and Urban Development.

JOYCE SHELTON—Member since 1972. AGA Service: Member, Research Committee 1984-85; Served as Moderator, Treasury/AGA Workshop on Agency Reporting. Is Director, Financial Management, Department of Transportation.

STEPHEN J. VARHOLY—Member since 1979. AGA Service: Member, AGA Financial Management Standards Board 1984-85; Speaker on Internal Controls at PDC 1984; Mid-West Symposium, Lake of the Ozarks, Mo. 1983; Indianapolis Chapter Meeting and Northern Virginia Chapter Symposium 1982; on Performance Auditing at DC Chapter Symposium 1981; Harrisburg, Pa. Chapter Meeting 1980. Is partner, Arthur Young and Company.

DICK WILLET—Member since 1969. AGA Service: Speaker at ten PDCs or National AGA Symposiums on Internal Controls or Financial Management Systems Design. Worked in Government Services since 1967. Is Partner, Alexander Grant and Company.

DEVELOPMENTS IN THE ACCOUNTING PROFESSION

(Editor's Note: Joseph F. Moraglio, Director, Federal Government Division of the American Institute of Certified Public Accountants [AICPA], was guest speaker at the Chapter's February 7 luncheon meeting. Following is a synopsis of his remarks developed and submitted by David Dukes, Chapter Program Director.)

The AICPA, with nationwide membership of 230,000, will celebrate its 200th birthday in 1987. Fifty-three percent of the members are in public practice.

Mr. Moraglio stated the AICPA's objective is to improve the quality of professional services, advance the technical and ethical standards of the profession, and increase the recognition and prestige of CPAs throughout the United States.

The AICPA had revenues of \$59.6 million for its year ended July 31, 1984. With a staff of 575, most of whom are located in New York, the AICPA sets technical standards for auditing, accounting and review services and management advisory services. The AICPA does not set generally accepted accounting principles (GAAP) which is reserved to the Financial Accounting Standards Board.

The Washington office was established in 1972. Its purpose, Mr. Moraglio stated, is to increase the pro-

profession's visibility in Washington and to be a source of service to the Legislative and Executive Branches. The office is staffed with 22 people.

Mr. Moraglio identified several key issues and concerns in the profession. The first of these is the profession's credibility in Washington as a result of alleged audit failures. Mr. Moraglio pointed out that, over the past 4 to 5 years, only 75 cases of alleged audit failures have been reported out of 50,000 publicly held companies' audits. It is this small percentage that is getting press and Congressional attention.

The second area is the AICPA's interest in improving the quality of service related to single audit. The AICPA has released for public comment, due by May 1, an exposure draft of a proposed audit guide which tells how to conduct these audits.

Another area of concern, Mr. Moraglio said, is the environment in which the public accounting members are operating: increased competition, expanded services, new emphasis on marketing arrangements that conflict with AICPA's code of ethics. He went on to say that the Government is now questioning the legality of a number of AICPA's rules which the Government says were violating anti-trust laws—the rules must allow competition and advertising.

Of interest to members who are not in public practice, Mr. Moraglio stated that the AICPA is studying its code of conduct and whether the code should apply to members outside public practice.

In a final comment, Mr. Moraglio acknowledged that there is much criticism of the fairness of the CPA exam standards. The AICPA has a Model Accountancy Bill for consideration by the States. This Bill proposes a two-tier approach: tier one is the CPA certificate; tier two would license the CPA for public practice based on meeting experience requirements.

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, the highlights of the previous month's Board meeting are 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 February 28 Executive Board meeting:

—A new investment policy proposal was passed for handling funds in excess of the Chapter's immediate disbursing needs. Commitments in the investment portfolio would not extend beyond the Board's term of office. A proposed internal control plan also was

continued next page

passed. Its intent is to define the responsibilities of the Treasurer and Assistant Treasurer and to provide through established policy continuity between Board tenures.

—The agendas for upcoming meetings were established to include:

- March—Past Presidents will be honored for their contributions to the Chapter.
- April—Students from local universities will be recognized for their achievements. They will be accompanied by their sponsoring professors.
- May—Chapter awards will be presented.

—The following letters were received and discussed:

- The National Office has requested that chapters continue to publicize the PDC to be held from June 24 to 26 in San Diego.
- Children's Hospital acknowledged our contribution with a letter of appreciation. A donation was made at our December luncheon.

—Financial management articles are needed for the newsletter. Individuals wishing to submit articles should contact Lee Beaty on 275-9430.

—A spring membership drive will be held from April 1 to May 31 to recruit new members. Incentives for recruitment include: the member who sponsors the most new members (minimum of four) will receive \$75.00; the first two runners up will receive \$25.00 each; and the first twenty-five members recruiting a new member will receive an AGA lapel pin.

The VITA program is in its second week of operation and is going very well.

SPRING MEMBERSHIP DRIVE

By Mark Page, Chairperson,
Membership Committee

April 1st begins the Washington Chapter's Spring Membership Drive. The drive will continue through May 31st. This is a special opportunity for each member to participate in making AGA truly representative of the governmental accounting profession. Commit yourself to talking to at least three of your professional colleagues about AGA. Commit yourself to converting at least one of those into a new member. The value of AGA to you depends heavily on the sum of its member(s). Make a contribution to enlarging that sum.

And there is added incentive for those who can provide real leadership in membership growth. The member who sponsors the largest number of new memberships received by the National Office between April 1st and May 31st will receive a membership award of \$75.00. The next two in order will receive \$25.00. The opening bid for qualifying for the awards

is four new memberships. But wait, that's not all! The first twenty-five members who sponsor a new membership during the drive will receive one of the new AGA lapel pins. Extra effort during the drive could also qualify you for the national Membership Sponsor Recognition Program which also offers cash awards for successful recruiting.

Supplies of recruiting brochures with application forms will be available at all chapter meetings or by calling me (office 566-5038, home 362-2362).

EMERGING ISSUES CONFERENCE!

Chapter members should have by now received brochures on the April 25 Emerging Issues Conference co-sponsored by AGA and its Capital Region chapters, to be held at the Shoreham. The conference is an intense one-day event you'll find exciting and rewarding.

Through lecture, discussion, and example, you will be given the opportunity to share thoughts, experiences, and perceptions for the purpose of seeking new, creative solutions to issues facing the financial community today. The conference will use the discussion panel format with participants which include a wide diversity of distinguished financial management leaders from both government and the private sector.

For brochures or additional information call the AGA Education Department (684-6931).

CHAPTER WELCOMES NEW MEMBERS

David R. Anderson	Naval Intelligence
Tevan Aroustamian	Private Sector Council
(Sponsor: Hazel Thornton)	
Jeffrey R. Barnes	Veterans Administration
Wayne W.P. Ching	State Dept. (AID)
(Sponsor: Ron Johnson)	
Richard A. Diamond	Dept. of Health and Human Services
Joel R. Feidelman	Fried, Frank, Harris, Shriver and Kampelman, Attys
Amanda E. Flo	General Accounting Office
William M. Henderson	Environmental Protection Agency
(Sponsor: Helen Sherman)	
Evangeline B. Johnson	Naval Audit Service
Brenda R. Montgomery	Dept. of Housing and Urban Development
(Sponsor: Joe Rothschild)	
Ron Schwartz	Department of Housing and Urban Development
Dennis M. Scott	General Services Administration
Mary John Seidman	MSA
Kathryn J. Wick	Defense Contact Audit Agency
(Sponsor: Ron Johnson)	
Gerald A. Williams	Dept. of Agriculture (OIG)

CHAPTER RESEARCH COMMITTEE REPORT

by Gail T. Young, Chairperson,
Chapter Research Committee

The Chapter Research Committee is presently moving forward with four Chapter-level research projects. These projects address the following areas: (1) distribution of the GM/GS-510 Accountant population in the Washington Area across selected functional areas; (2) contracting out of Federal financial management functions; (3) relative effectiveness of auditors or others in evaluating management controls; and (4) availability of financial management training in the Washington Area. All four of the projects are expected to generate information that will be of value to the Washington Chapter, other Area Chapters, and AGA National. This information should also prove useful to individual members, particularly those located in the Washington, D.C. area.

On certain of the Chapter-level projects, Chapter and other Washington Area members who are employees of the Federal Government may have been called upon to prepare responses to questionnaires or provide other input related to our efforts. Some of you may have facilitated timely and accurate response by your agency or department. For any member that falls in one or more of these categories, I would like to take this opportunity to thank you for your cooperation and support on this year's research efforts. In addition to benefitting AGA, any efforts expended should also be of value from an agency or departmental perspective. I know this is the case from my own organizational perspective at the Department of Energy.

The Research Committee is also supporting a research effort that is responsive to a subset of an AGA National Research Board proposal on comparative analysis of the results of major studies of Federal financial management that have been done over the years. As this project is still in the preliminary stages, it would be premature to address what the Committee will be able to accomplish during the current year.

If there are any questions or additional information is required on any of the projects, I can be reached on 252-4171.

ABOUT CHAPTER MEMBERS

AGAs everywhere join us in extending congratulations and best wishes to distinguished member **Charles L. Dempsey** on his retirement from 31 years of government service. Since 1977 Mr. Dempsey has been Inspector General at the Department of Housing and Urban Development. He also was chosen by the White House last year for a special assignment to help resolve some problems at EPA, and was acting IG there for several months.

Ray's buying, folks! Plaudits due **Ray Kudobeck**,

of the Department of Education's Division of Financial Systems, for his recent departmental cash award. Ray's leadership is cited as the major factor in the Department exceeding its improved cash management goals and objectives.

Hey! Don't forget us with **your** news items about chapter members (Lee Beaty, 275-9430.)



PRESIDENT'S MESSAGE continued from page 2

Organizations keeps us in good stead with our fellow professionals. Our April meeting will be our second joint event with another professional organization and Tony's assistance will again be in evidence.

Lee Beaty, our Newsletter Editor, is one who represents what we really mean by professionalism. This is evident in every issue of our most important communication to our members—the Chapter Newsletter.

Ron Lynch and **Loretta Shogren**, Co-Chairs, Education and their Committee provide the leadership for workshops and seminars conducted for our Chapter and our Capital Region. They conduct surveys to ascertain types of educational events preferred by members and they also provide input for educational agreements that are negotiated with the National office.

The success of our meetings depends upon a number of energetic people. **David Dukes**, Director of Programs obtains the speakers. **Judith Boyd** directs our publicity for meetings and other events with the assistance of our agency liaisons. **Carol Lynch** handles the logistics of the meetings as well as the menu, registration, and collections.

Chapter Secretary, **Diane Bray**, records minutes of executive board meetings, provides notifications of meetings to board members and handles orders for special publications such as the Federal Tax Handbook.

Treasurer, **Joe Rothschild**, is the keeper of the purse in every sense of the word. He handles our finances. If I describe all of the functions he performs, you may say ah! Infractions of internal control. He is in the process now of updating our accounting and internal control practices. Joe is assisted by Assistant Treasurer, **Maggie Greene**.

The aforementioned activities are just the highlights of chapter activities that are performed not only by board members but numerous volunteers who actively participate in making our chapter an outstanding AGA component.

DID YOU KNOW . . .

by John MacArthur

- The Internal Revenue Service projects more than 101 million individual income tax returns will be filed in fiscal year 1985, representing the largest number ever filed, and the largest single year increase since World War II. As might be expected, the IRS attributes the increase to today's higher employment. This record volume contrasts with that in effect during the birth of our income tax system in 1913 when only one citizen in 271 was affected. In those days very few persons exceeded the thresholds of \$3,000 for individuals and \$4,000 for couples. Those that did were not hurting as they paid at the rate of one percent of taxable income up to \$20,000 and a top rate of six percent over that amount.
- JFMIP has published a revised "Financial Handbook for Federal Executives and Managers." The Handbook was initially issued in 1981 to help non-financial managers understand financial management. It has been revised to reflect changes in laws, regulations and technologies. A copy may be obtained by contacting JFMIP Publications on 376-5415.
- Private sector health benefits for retirees are beginning to emerge as a major financial liability, according to a recent survey completed by an international management consulting firm. A sample of 250 companies in the Fortune 1000 revealed that 94 percent provide lifetime health insurance for their retired employees. As virtually all the group's

health plans are coordinated with Medicare, the company sponsored plans will be required to pick up the slack from reduced Medicare benefits. This situation will be exacerbated by increases in medical care costs and in the number of retired workers. According to a survey spokesman, these commitments have long been regarded as a relatively insignificant expense item, but they are now required by the F.A.S.B. to be footnoted on financial statements.

- The Financial Management Service has recently begun phasing in the new paper check, which features attractiveness, light weight, ease of handling, and most important, greatly improved resistance to counterfeiting. When the conversion is complete, savings of \$6 million annually will be realized through cheaper and lighter paper stock and reduced costs for storing the over 600 million checks issued each year. Phase-in begins in February, 1985 for individuals who receive tax refunds in Delaware, Maryland, Pennsylvania, and the District of Columbia. In May the new check will be used for Social Security payments for those living in Philadelphia. The anticipated nationwide distribution calls for the conversion of all Social Security payments in December, 1985 and IRS tax refunds in February, 1986. By early 1987, all Federal salary and vendor payments will have been converted, with the total phase-out of the green punched card check. The Financial Management Service is conducting a major public awareness program to introduce the new check that includes flyers, posters and other materials for businesses and financial institutions, as well as public service announcements on television and radio.

NEWSLETTER

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