

# The Washington Connection

ASSOCIATION OF GOVERNMENT ACCOUNTANTS  
WASHINGTON D.C. CHAPTER



Issue 05 • January 2012

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Photos Courtesy of Chris & Barbie Escobar  
[info@c2bphotography.com](mailto:info@c2bphotography.com)

*"Education is the mother of leadership."*

- Wendell Willkie



CELEBRATING

BLACK  
HISTORY  
MONTH

JAN

## LUNCHEON SERIES

**Luncheon Speaker: Bryan Smith**

**Budget Director**

House Permanent Select Committee on Intelligence

Tuesday, January 24th, 2011

11:30 am - 1:30 pm • Clyde's of Gallery Place

[Read Bio](#)

## Looking For Ways to Get Involved With the DC AGA Chapter?

The AGA DC Mentorship Committee is seeking energetic volunteers interested in helping to improve the Mentorship Program. Last year we conducted a survey of our members to obtain their expectations. Today, we have planned several activities in response to improving our program. We are seeking volunteers interested in helping to continue to improve the Mentorship Program.

If you are interested in becoming a dynamic member of a great Chapter, please contact Keshia Pendergrast ([Pendergrast\\_kesha@pendergrastconsulting.com](mailto:Pendergrast_kesha@pendergrastconsulting.com)).

## Save The Date

**11th Annual AGA-DC/ GWSCPA**

**Education Conference**

**May 15th & May 16th, 2012**

Ronald Reagan Building and  
International Trade Center (Pavilion Ballroom)  
1300 Pennsylvania Ave, NW, Washington, DC

Check the link below for updated information:

[http://www.agadc.org/page.php?name=annual\\_conference](http://www.agadc.org/page.php?name=annual_conference)

Click here to sign up to get newsletter and meeting notices automatically e-mailed <http://agadc.org/mlistsubscribe.php>

# President's Message



by Terry Bowie

Welcome,

Happy New Year. FY 2012 is filled with AGA activity. We begin in January with Bryan Smith the Budget Director of the House Permanent Select Committee on Intelligence. In keeping with our need to understand the challenges faced during this time, Bryan Smith will provide insight on how his financial community is coping.

In February, registration opens for the annual AGA-DC/GWSCPA Spring Conference, "Tackling Financial Management Challenges in Extraordinary Times," to be held in May. Registration fills up quickly, so please sign up early. The events calendar here in the Washington Connection will provide additional information. It also has other information providing something for everyone's interest.

The Chapter also completed its Citizen-Centric report. AGA's Citizen-Centric reporting is intended to foster innovative means of communication between governments and their citizenry. The objective is to provide citizens a brief informational annual financial report that is clear and understandable. Towards this objective, the chapter report illustrates the basic properties for this form of reporting. I give special thanks to the AGA members, Directors and sponsors that were instrumental in creating our Chapter Report "State of the Chapter." We invite you to encourage your organizations to take the initiative to work with your government employer - whether city, county, or state - to persuade them to produce a similar report. AGA is ready and waiting to help with free consulting advice, a template and other tools to help accomplish this goal.

Given the start of the new year, want to take this opportunity to talk about new beginnings and the potential benefit of change. As an example, for the past few years I have been a consistent runner. Everyone knows that running has significant health benefits. Running enabled me to lower my resting heart rate to the mid to lower 40s. The extra activity burned calories and permitted me to sustain, in abundance, the enjoyment of my favorite foods. At one time I ran five miles every other day either outside or on a treadmill. Being a goal oriented person, the distance run became the little game I played in my head to keep me intellectually interested and emotionally challenged.

Over the last year, however, I began to suffer joint pain which in turn required me to shorten the runs. However, I continued to enjoy my favorite foods and therefore had to carry a bit more mass which further shortened my runs. Clearly, I had a problem that was getting worse and I found myself in a downward spiral -- can't exercise, can't stop eating, elevating heart rate and larger mass -- also known as getting fat. Then it hit me: bike riding does not pound the joints. Until this time I had not pursued bike riding because the distance necessary to burn calories was considerably higher than running. Clearly, I lost sight of the objective and was applying a flawed analysis to the problem. My emotional investment in clocking distance clouded the overall health goals. Armed with the correct analysis I re-assessed the merits and embraced bike riding as a simple solution to my downward spiral.

## President's Message (cont'd)

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So why am I sharing this story? As you implement your New Year resolutions, keep a couple of things in mind:

1. Keep your eye on the objective. Are you focusing on a milestone or striving towards your objective?
2. Be open to new ideas and methods. Don't get sidetracked by the hows; there are always new means to achieve the same end. When the old tried and true becomes stale or painful, it is time to do something different.
3. Change is sometimes necessary to keep and stimulate interest or to reach your objective from an alternative direction.
4. Remember your health, you only get one turn.

*Again Happy New Year live long and prosper.*

*Terry Bowie*

Terry Bowie  
President  
Washington DC Chapter

## Note From the Editor



by **Jorge Asef-Sargent,**  
**Editor**

Welcome to the January edition of the Washington Connection! In this month's edition of the newsletter we have information on the following activities:

- CGFM news and activities for this fiscal year.
- Our membership committee has a number of activities planned to continue building our membership and strong interest in all the AGA DC offerings, including continuing professional education and networking opportunities.
- Also, we have a technical article on the Prior-Year Adjustments treatment in FACTS II / GTAS in our *Inside the Black Box*, by Simcha Kuritzky.

This newsletter is only made possible because of the contribution of articles from the chapter's members. Thank you for all who submitted articles—these articles reflected the depth of knowledge and experience in this group, and the newsletter team is fortunate enough to review and publish these articles. We hope that you enjoy the newsletter and find it helpful for keeping up to date on events in the chapter and in AGA. Our team strives to produce a high quality newsletter notifying AGA D.C. members of Chapter and National events and services. And, if you are not already a member, we encourage you to join the AGA D.C. Chapter and enjoy the many benefits it offer, in particular the high quality luncheon series, learning opportunities, and conferences.

Do you have any comments or suggestions regarding the newsletter? Do you have an article you would like to see printed? Have you developed a time-saving process or procedure on the job? Have you traveled to any interesting locations? The Washington Connection requests that you submit

any and all items of interest to our federal, state, and local members including: reviews of recently published books related to financial management; unique travel experiences or assignments; lessons learned on roll-outs of new systems; appointments or promotions; employment opportunities; and noteworthy accomplishments by our members. We also welcome digital photos that accompany your submission. Your articles, comments, and ideas are what make this newsletter go and we welcome all input!

Sincerely,

*Jorge Asef-Sargent*

Jorge Asef-Sargent, CPA, CGFM  
AGA D.C. Chapter Newsletter Editor

## Newsletter Team

*Jorge Asef-Sargent, Editor*

*Allen Devine, Co-Editor*

*Erwin Solbach, Graphics*



# Welcome, New Members!

## MEMBERS NEW TO AGA DC

<i>Hesham Abdelaziz</i>	<i>Department of Agriculture</i>
<i>George John Adam</i>	<i>IRS</i>
<i>Binod Gupta</i>	<i>DC Dept of Health Care Finance</i>
<i>Shirley T. Holland</i>	<i>Office of Personnel Mgmt</i>
<i>Carrie D. Hunnicutt</i>	<i>US Secret Service</i>
<i>Antony R. Hutchins</i>	<i>Baker Tilly</i>
<i>Ishmael Intsiful</i>	<i>DRT Strategies Inc.</i>
<i>Wesley H. Johnson</i>	<i>US Coast Guard</i>
<i>Steven R. Kramer</i>	<i>Lockheed Martin</i>
<i>Neela S. Latey</i>	<i>GSA</i>
<i>Ronald Millspaugh</i>	<i>US Coast Guard</i>
<i>Revegene L. Moran</i>	<i>Dept of HUD</i>
<i>Reginald Nosegbe</i>	<i>GRC Assurance LLC</i>
<i>Diane D. Perry</i>	<i>US Coast Guard</i>
<i>Ana E. Rumm</i>	
<i>Richard H. Sahadeo, Jr.</i>	<i>Grant Thornton LLP</i>
<i>James Seegar</i>	<i>KPMG LLP</i>
<i>Joanna G. Shapiro</i>	<i>Bank of New York Mellon</i>
<i>Timothy C. Sommella</i>	<i>US Coast Guard</i>
<i>Carter Griggs Vick</i>	<i>Global Computer Enterprises</i>

## Request for Newsletter Submissions, Comments, or Suggestions

Do you have any comments or suggestions regarding the newsletter? Do you have an article you would like to see in print? Have you traveled to any interesting locations? The Washington Connection requests that you submit any and all items of interest to our federal, state, and local member including: reviews of recently published books related to financial management; unique travel experiences or assignments; lessons learned on rollouts of new systems; appointments or promotions; employment opportunities; and noteworthy accomplishments by our members. We also welcome digital photos that accompany your submission.

The deadline for submitting articles to appear in the **February 2012** issue is **January 20, 2012**. Please send your comments and contributions to **Jorge Asef-Sargent** and **Allen Devine**, the newsletter editors for the 2011-2012 program year, at [jasef-sargent@kpmg.com](mailto:jasef-sargent@kpmg.com) and [abdevine@kpmg.com](mailto:abdevine@kpmg.com).



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## CGFM News and Upcoming Events

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**By Karl Payne and Leon Fleischer**

Greetings! Leon and I would like to take this opportunity to highlight the following items of interest. If you have questions or interest in CGFM please feel free to contact Leon or myself at [kpayne@kpmg.com](mailto:kpayne@kpmg.com) and [leon.fleischer@sba.gov](mailto:leon.fleischer@sba.gov).



### Update on Winter and Spring CGFM Training Classes

The DC Chapter will once again be offering free classes for all three modules of the CGFM exam. The classes will be held on the following dates in Washington D.C. (metro accessible):

- January 31, Module 1
- February 1 and 2, Module 3
- February 7-February 9, Module 2

Please be on the lookout for the training registration which will open in early January. There will be an e-mail blast sent out on the AGA listserv in early January announcing the opening of the registration. Please note that this is very popular and the classes fill up very quickly.

The registration acceptance will be first come, first serve.

### New CGFM Scholarship Program

In an effort to provide new programs and opportunities to help our members achieve their CGFM certification goals, the DC Chapter is proud to announce that we will be providing a CGFM Scholarship Program for the first time this year. The 1st opportunity is occurring during this month of December in which recipients of the scholarship will be reimbursed the full purchase cost of their exams, once they have passed all three required exams. The 2nd upcoming opportunity will be an essay contest (on subject of why do you want to be a CGFM and how will it benefit you) in which the winners will receive free training study guides. There will be further information regarding this essay contest sent out in January-please be on the lookout for this.



## CGFM News and Upcoming Events

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### Intensive Review Course after the NLC

Interested in the CGFM certification? Sign up for AGA's special [\*Intensive Review Course\*](#) and take the CGFM Examinations after the 10th Annual National Leadership Conference (NLC). Don't miss this opportunity to earn your CGFM. The Intensive Review Course will take place from 8:30 a.m. – 5:30 p.m. on Monday, Feb. 27, and Tuesday, Feb. 28, 2012. The CGFM Examinations will be offered by appointment only on February 29 – March 2, 2012. The cost of the course is only \$279 for qualified participants, and offers 18 CPE hours. And, as a special bonus: the CGFM examinations are offered at no cost to course attendees. The cost of this course is not included in the NLC registration fee. More information and a registration form for this event are available on the AGA website: [http://www.agacgfm.org/nlc\\_2012/cgfm\\_exams.htm](http://www.agacgfm.org/nlc_2012/cgfm_exams.htm).

### AGA's CGFM Website – It's a Great Place for Information

Have you visited the CGFM Certification Directory on the AGA national website? If not, make sure to check it out at [www.agacgfm.org/cgfm](http://www.agacgfm.org/cgfm). You will find a wealth of valuable information that will help you along your path to attaining certification. Just some of the topics you will find covered on the website are: [\*Why Earn the CGFM\*](#), [\*Where Do I Start\*](#), [\*What Do Exams Cover\*](#), [\*How Do I Prepare\*](#), [\*How Do I Purchase Exams\*](#), and [\*How Do I Maintain a CGFM\*](#). And, of course, Leon and I are available at a Chapter level to answer any of your question or concerns. Please feel free to reach out anytime.

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## WANT TO HELP?

If you're interested in being a liason or joining the mentor program, as either a mentor or mentee, please contact Kesha Pendergrast at 202-351-8636 or:

[Pendergrast\\_kesha@pendergrastconsulting.com](mailto:Pendergrast_kesha@pendergrastconsulting.com).

## Connect to the World of Government Accountability



AGA serves government accountability professionals by providing quality education, fostering professional development and certification, and supporting standards and research to advance government accountability.

Click on the link below to view a short AGA video:

<http://www.agacgfm.org/downloads/agaweb.wmv>

# Mentorship

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## Happy New Year from the Mentorship Committee!

The Mentorship Committee is wishing you a very happy and prosperous new year.

We are very excited about the activities planned for the New Year. We hope you mark your calendar for our upcoming event and we look forward to seeing you at other future events sponsored by the Mentorship Committee.

### Save The Date

*The Mentorship Committee is proud to announce its first "LUNCH and LEARN" session for FY12.*

**Theme:** *Building Effective Mentoring Relationships*

**Format:** *Panel of Senior Professionals in the Financial Management Community, TBA*

**When:** *Thursday, January 19, 2012*

**Time:** *11:30am-1pm*

**Where:** *Grant Thornton, DC Office  
1250 Connecticut Avenue, NW  
Washington, DC 20036*

*(2 blocks from Farragut North and DuPont Circle rail stops)*

**RSVP:** *Sharnell Montgomery, [Montgomery.Sharnel@dol.gov](mailto:Montgomery.Sharnel@dol.gov) or 202-693-6854  
or Kesha Pendergrast, [pendergrast\\_kesha@pendergrastconsulting.com](mailto:pendergrast_kesha@pendergrastconsulting.com).*

## Mentorship (cont'd)

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### Dear AGA Members,

The Mentorship Program is in need for more mentors!! We have a high demand of mentees this year, but not enough mentors for pairing.

So, if you sign are among the first three qualified mentors to sign up as a new AGA DC Mentor before January 15, you will receive a **\$50 gift certificate** for *Ruth Chris*, *Fogo de Chao* or *Carmine's Italian Restaurant*. Your CHOICE is determined by the order of sign-up!

If interested in becoming a mentor, or have any questions pertaining to the Mentorship Program please reach out to Kesha Pendergrast at [pendergrast\\_kesha@pendergrastconsulting.com](mailto:pendergrast_kesha@pendergrastconsulting.com) or Sharnell Montgomery at [Montgomery.sharnel@dol.gov](mailto:Montgomery.sharnel@dol.gov).

#### Mentor Qualifications:

- Must have at least 10 years of professional experience in the federal financial management community.
- Willing to meet with a mentee face-to-face at least twice during the calendar year.
- Willing to share insight and provide guidance to a mentee to help shape their career.
- Open to building lasting relationships and making a positive impact on the lives of future leaders.

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## Luncheon Speaker: Bryan Smith

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Bryan Smith became the Budget Director of the House Permanent Select Committee on Intelligence in January 2011. He came to that position in January 2011 from the Senate Select Committee on Intelligence (SSCI), where he advised the Committee's Vice-Chair on the intelligence budget, acquisition, financial management, nuclear arms control, and energy security issues. Previously, he was acting Associate Director of National Intelligence and Chief Financial Officer of the Office of the Director of National Intelligence. He also served in the Intelligence Community as a CIA Senior Intelligence Officer, serving as the Associate Deputy Director of the National Reconnaissance Office. In addition, over 15 years at the Office of Management and Budget, Bryan served in various national security positions, including stints as acting Deputy Associate Director for National Security. In the late 1980's, he was a Foreign Affairs Officer at the U.S. Arms Control and Disarmament Agency at the State Department, where he was the staff architect of arms control verification regime for the Intermediate Nuclear Forces (INF) Treaty. Bryan was also an Advisor to the U.S. Delegation to the INF Treaty negotiations in Geneva, Switzerland in 1988. He began his government service as an Intelligence Officer in the U.S. Air Force and also served in the Air Force Reserves.

## Mark Your Calendars!



### **11th Annual AGA-DC / GWSCPA Education Conference**

**“Tackling Financial Management Challenges in Extraordinary Times”**

**May 15th & May 16th, 2012**

**Ronald Reagan Building and  
International Trade Center (Pavilion Ballroom)  
1300 Pennsylvania Ave, NW, Washington, DC**

This year's conference will focus on “doing more with less” in the face of historic economic conditions, deficit, and budget cuts. Session topics will include the 100 minute Ethics Training, CFO Career Advice Panel, OMB Update and much more.

- Earn 16 CPE's right here in the Washington Metro Area
- Network with colleagues during the Day 1 Reception
- Maximize your training investment – registration costs will remain at 2011 rates

Registration is scheduled to open in early February, 2012.

Please check the conference website for updated program information:

[http://www.agadc.org/page.php?name=announcement&announcement\\_id=245](http://www.agadc.org/page.php?name=announcement&announcement_id=245)

## Early Careers Corner

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### Happy New Year Early Careers!

Kick off 2012 by showing off your bowling skills at Lucky Strike Lanes on **Tuesday, January 17th**. This event is co-sponsored by DC and NOVA chapters.

***Don't miss out on the fun! FREE food, drinks, and bowling!!***

Space is limited. For more info and to RSVP, please contact Bethany Wilder at [bewilder@deloitte.com](mailto:bewilder@deloitte.com).

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### Check out Early Career upcoming events for 2012!

**February** 16 - NLC Networking Happy Hour

**February** - Fondue Party (TBD)

**March** - St. Patty's Day Happy Hour

**April** - Comedy Night

**May** - Mini Golf Tournament

**June** - DC Chapter Awards Gala

Regards,

*Lena Lewis & Stephen Wills*

DC Early Career Committee Directors

**THANK YOU**  
*For Your Support*



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## Want to Make a Difference?

### Consider a Career in Government Financial Management

Are you, or someone from your chapter planning to attend a career fair, or an event for college students? AGA now has an eye-catching brochure that offers information about government financial management careers and answers questions for aspiring government financial managers regarding the qualifications and skills needed to get started. It also includes a bookmark for students that directs them to the Tomorrow's Professionals website for more information. To order free copies of the brochure, please submit the collateral order form found in the Members Only section on the AGA national website [www.agacgfm.org](http://www.agacgfm.org) or contact **Jessica Jones** at [JJones@agacgfm.org](mailto:JJones@agacgfm.org).

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## Connections at your Fingertips...



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[AGA Northern Virginia Home Page \(Virginia\)](#)  
[AGA Montgomery/PG Home Page \(Maryland\)](#)  
[MACPA Home Page \(Maryland\)](#)  
[VSCPA Home Page \(Virginia\)](#)  
[GWSCPA Home Page \(D.C.\)](#)  
[AICPA Home Page](#)

# Membership

## Membership News and Upcoming Events

The current year membership team is thrilled for the opportunity to help the AGA DC chapter to continue growing and thriving.

Our team is made of a diverse group of people from government and private sector.

### The members are:



**Boris Lyubovitsky**  
Director



**Ana Chaletzky**  
Assistant Director



**Megan Amend**  
Assistant Director



**James Dalkin**  
Assistant Director



**Mimi Goodwin**  
Assistant Director

Our main purpose is to continue building membership and attracting strong interest in all AGA DC offerings, including continuing professional education and networking opportunities.

### Planned Highlights:

- **Recruitment Contest:** Membership Committee will hold again a recruitment contest. The first 20 members of our Chapter to recruit/sponsor a new member and come with the new member to a chapter luncheon will receive a \$50 Visa or Master Gift card. The new member will also receive a \$50 Visa or Master Gift card and their first luncheon free.
- **Publishing New Members' Names:** Throughout the year we will continue publishing names of all new members in the Newsletter. Also, we will start sending DC chapter new member welcome letter.
- **Photos of New Members and Sponsors at the Monthly Luncheons:** We will continue to provide a monthly newsletter article with photos/names of new members and/or sponsors recognized at the monthly Chapter luncheons.

*If you have any questions and/or interested in learning more about our team, please contact:*

**Boris Lyubovitsky**  
**Ana Chaletzky**  
**James Dalkin**  
**Megan Amend**  
**Mimi Goodwin**

[Boris.Lyubovitsky@cfo.usda.gov](mailto:Boris.Lyubovitsky@cfo.usda.gov)  
[achal@loc.gov](mailto:achal@loc.gov)  
[DalkinJ@gao.gov](mailto:DalkinJ@gao.gov)  
[mrsamend@gmail.com](mailto:mrsamend@gmail.com)  
[mgoodwi@us.ibm.com](mailto:mgoodwi@us.ibm.com)



## Membership (cont'd)

### Recognition of AGA-DC New Members and Sponsors at the December 2011 Luncheon

#### AGA-DC Membership Committee Contest Winners

At the December 2011 Luncheon, Chapter President Terry Bowie presented Boris Lyubovitsky for recruiting Hesham Abdelaziz and Lena Lewis for recruiting Neela Latey with AGA-DC lapel pins and Visa gift cards.



**Left to right:** *New Members Hesham Abdelaziz, Neela Latey, Early Career Assistant Director Lena Lewis, Chapter President Terry Bowie, Membership Director Boris Lyubovitsky*



**Left to right:** *New Members Joanna Shapiro, Haris Rawasia, Chapter President Terry Bowie, Revegene (Reve) Moran, Membership Director Boris Lyubovitsky*

#### New Members at the December Luncheon

Terry Bowie also welcomed the following new members and presented each of them with an AGA-DC lapel pin:

- Revegene (Reve) Moran - US Department of Housing and Urban Development
- Joanna Shapiro – Bank of New York Mellon
- Haris Rawasia – PricewaterhouseCoopers



*Chapter President Terry Bowie thanks Luncheon Speaker Elizabeth Robinson for the presentation at the December Luncheon.*

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# AOC Kickoff

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## Where

Clyde's Restaurant - Gallery Place  
707 7th Street, NW, Washington, DC

## When

December 1, 2011

## Who and What

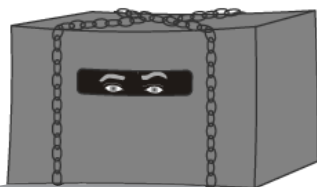
The Association of Government Accountants Washington, DC Chapter Accountability and Outreach Committee (AOC) hosted a trivia event and reception to educate attendees about the Certificate of Excellence in Accountability Reporting (CEAR) program. The agenda included opening remarks from Doreen Shute (Regional AOC Coordinator) and Wendy Morton-Huddleston (AOC DC Chapter Director) on the value and benefits to serving as a reviewer. Diane Dudley, Partner at KPMG LLP and CEAR Board Member provided an informative overview of the CEAR program, authoritative guidelines, and criteria for excellence. An average of 20 public sector and industry professionals enjoyed networking, trivia facilitated by Armando Mieles, refreshments, and the opportunity to garner insight regarding key legislation, genesis of the program, quality metrics, program expectations and timeline. Congratulations to trivia gift card winners Shona Mollison, Simcha Kuritzky, and Carol Boothe. The AOC is committed to promoting AGA's performance and accountability programs to the chapter members and the community and this was an excellent forum to help facilitate the requirements and recruit volunteers.

## Web Resources

<http://www.agacgfm.org/performance/cear/>

# Inside the Black Box

by Simcha Kuritzky, CGFM CPA



## Prior-Year Adjustments in FACTS II/GTAS

### Introduction

Treasury Financial Management Services (FMS) has been preparing the consolidated Financial Report of the U.S. Government for a few decades now, and is still struggling to get clean data. It's hard enough to consolidate the activity from dozens of agencies, but since FMS has little control over what data is submitted and even less ability to research discrepancies, it is a nearly impossible task. What accountants working with one entity's books take for granted is only a fond wish for FMS. So FMS has been tweaking the FACTS interface to capture the information necessary for consolidation. For FY2008, they added the Prior-Year (PY) Adjustment field, which allows FMS to compare the beginning balance agencies report now with what they had reported as their ending balance last year.

### How the Field Works

There are 3 values for the PY Adjustment field: **X**, **P** and **B**. Most data should be coming in with value **X** which means that it reflects only current-year activity. If an agency finds transactions that should have been reported in a prior year but were not, they would correct the error in their system and report that activity with a flag of **P**. This would let FMS know that, in a perfect world, this would have been reported in a prior year, but the world isn't perfect so the agency is only reporting it now. The important value for FMS is **B**. This value indicates that the agency manually adjusted their FACTS submission to reflect transactions that were not yet in their system of record, then entered the transactions in their system in the subsequent year.

### New Edits

FMS has adjusted edit 12 and added a new edit 13 to work with PY Adjustments. Amounts associated with a value of **B** are ignored. Edit 12 compares activity in the budgetary cash accounts with cash activity on FMS's books (in their central accounting system). Cash activity that FMS reported but didn't get into the agency's books could be posted in the current year with a **B** PY Adjustment flag so it doesn't throw the current year comparison off. The new edit 13 compares the beginning balance of accounts with their ending balance from the previous year.

When the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) comes on line later this year, edit 55 will check that all amounts associated with a value of **B** net to zero within Treasury Account Symbol (TAS), and edit 56 does the same for flag values of **P**. Validation 84 requires beginning balances to have a PY Adjustment value of **X**, while validation 94 does the same for TAS in their first year (such as a current single-year fund). Validation 72 says that for an expired fund, any appropriation activity (e.g., balance in 4119 Other Appropriations Realized) must use a value of **P** or **B**.

### Example

An agency receives an IPAC of \$100,000 on September 30, but doesn't figure out what this entry represents in time to book it. So they adjust the FACTS II entry by debit 4222 Unfilled Customer Orders With Advance credit 4221 Unfilled Customer Orders Without Advance. Previously, the agency had a \$4M balance in 4221 and \$2M in 4222.

## Inside the Black Box (Cont'd)

### Option 1

If the agency's system retains the FACTS II adjustment for the last year and moves it to the current year (i.e., it generates the beginning balance entries from the prior-year FACTS II submission and not from the system's records), then the agency would post the actual entry during the new year with a value of **B**. They don't have to post to the same accounts as they had reported the previous year, as long as the net cash budgetary posting is the same, so they could instead post debit 4252 Reimbursements and Other Income Earned - Collected credit 4251 Reimbursements and Other Income Earned - Receivable. The ending balances will be correct, the net ending budgetary cash will be correct, and the artificial increase to cash collections in the new year will be ignored by edit 12. Since the agency generates the beginning balances from the prior-year FACTS II submission, they will always pass edit 13.

### Option 2

If the agency's system recalculates FACTS II beginning balances for the current year from the system's records, then the agency will have to post the adjustment to the beginning system balance with a value of **P**. The reason they should use **P** and not **B** is that this adjustment brings the system balance up to what FMS has, so it has to be included in the edit. The correcting entry to back out the 4221 / 4222 posting and enter 4252 / 4251 instead should also use a value of **P**, though as long as both postings use the same flag value it won't matter because they will net out for edit 12. Since both 4221 and 4222 do not close at year end, the balances of these accounts will be compared with what had been reported in FACTS II for the previous year, requiring the update to beginning balances.

### Option 3

Another option would be to post a double adjustment in beginning balances, so the net effect would be zero to the agency's records but still pass edits 12 and 13. In the example, the agency would post debit 4222 credit 4221 with PY Adjustment Flag of **P**, then the reverse entry debit 4221 credit 4222 with PY Adjustment Flag of **B**. This last entry would be backed out during the year. This way, the agency's beginning balance equals the post-close ending balance in both FMS's system and their own. I suspect this is what FMS may have had in mind when they set up the three different values for the PY Adjustment flag. The following table summarizes the entries in FMS's central accounting system and the agency's system for all three options:

<i>Account</i>	<i>FMS balance</i>	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>
<i>4221 begin</i>	<i>\$3,900,000</i>	<i>\$4,000,000 X but \$3,900,000 in the interface</i>	<i>\$4,000,000 X 100,000 P</i>	<i>\$4,000,000 X 100,000 P +100,000 B</i>
<i>4221 activity</i>	<i>- 0 -</i>	<i>100,000 B</i>	<i>- 0 -</i>	<i>100,000 B</i>
<i>4222 begin</i>	<i>\$2,100,000</i>	<i>\$2,000,000 X but \$2,100,000 in the interface</i>	<i>\$2,000,000 X +100,000 P</i>	<i>\$2,000,000 X +100,000 P 100,000 B</i>
<i>4222 activity</i>	<i>- 0 -</i>	<i>+100,000 B</i>	<i>- 0 -</i>	<i>+100,000 B</i>

### What SGL Accounts are Affected

Almost all SGL accounts require the PY Adjustment flag. The only accounts not affected are anticipated amounts which should have a zero balance at year end anyway, 4139/4149 contract and borrowing authority carried forward, 4195 Transfer of Obligated Balances, 4201 Total Actual Resources - Collected, and certain types of authority that shouldn't exist past year end (such as 4420 Unapportioned Authority - Pending Rescission or 4700/4720 Commitments).

## Inside the Black Box (Cont'd)

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### Reporting with the Flag

GL Balances whose Prior-Year Adjustment Flag has values of P and B are reported separately from those with X on the SF-133 Report on Obligations. The adjustments appear on line 1020 Adjustment of unobligated balance brought forward, October 1; line 3001 Adjustments to unpaid obligations, brought forward, October 1; and line 3011 Adjustments to uncollected customer payments from Federal sources, brought forward, October 1; while the unadjusted amounts appear on lines 1000, 3000, and 3010, respectively.

### Conclusion

How an agency implements the PY Adjustment flag depends on how they record adjustments and how their system generates the beginning balances reported to FACTS. Some agencies will only record adjustments as current-year activity using a value of **B**, other agencies will adjust their beginning balances directly and use a value of **P**, and others will do both.

*Simcha Kuritzky*

**Simcha Kuritzky, CGFM CPA**

Comments and critiques, as well as specific questions or suggestions for future topics, are always welcome. Send them to [Simcha.Kuritzky@CGIFederal.com](mailto:Simcha.Kuritzky@CGIFederal.com), and not to the AGA.

This column is provided as part of a free exchange of ideas in federal accounting, and is not reviewed substantively before publication.

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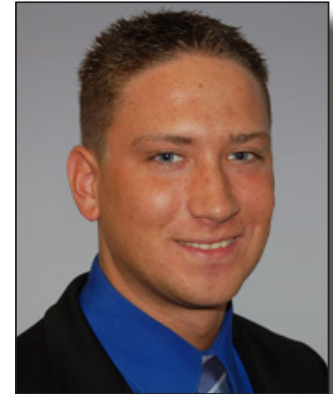
Ryan Bolz



We hope everyone enjoyed their time off for the holidays and have settled back in. We had some great presentations at the luncheons in 2011 and are looking to continue the trend in 2012 as there are several excellent speakers on the agenda. Please remember to sign up early and arrive early as the private room we have at Clyde's has come close to capacity each time.

January's luncheon will feature the following delicious 3 course meal:

Mark Kandra



**Appetizer** – Mixed Green Salad

**Entrée** – Rosemary Chicken served with Mashed Potatoes and Seasonal Vegetables

**Dessert** – Seasonal Fruit Crisp

*See you there!*

*Ryan Bolz and Mark Kandra*

Ryan Bolz, Mark Kandra  
Meeting Team

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# Calendar of Events - 2011/2012 Program Year

Month	Luncheons	Community Service	Education / CGFM	Membership Services	Early Careers	CEC Meetings
January	24	24	11 / 25	10	17	
	<b>January Luncheon</b> Location: Clyde's of Gallery Place Time: 11:30am - 1:30pm Speaker: Bryan Smith CPE: 1.0	<b>Make-a-Wish During January Luncheon</b>	<b>Audio Conferences - Getting a Handle on Internal Controls / Jumpstart Your Entity's Performance and Processes with an Extreme Government Makeover</b> Location: 901 15th Street, NW, Washington, DC room 4070 Time: 2:00pm CPE: 2 Reservation Deadline: 9 Jan / 23 Jan	<b>Washington Capitals Game</b> Location: Verizon Center Time: TBA *** <b>DC Chapter CGFM Modules</b> See Notes for more information	<b>Bowling Bonanza</b> Location: Lucky Strike Lanes Washington, DC Time: 6:00pm - 8:00pm	Teleconference #: 888-283-7402 Access code:2809637 12:00 - 1:00pm
February	15		8	8	16 / 29	
	<b>February Luncheon</b> Location: Clyde's of Gallery Place Time: 11:30am - 1:30pm Speaker: Jim Taylor CPE: 1.0	<b>VITA</b> Location: TBD Time: TBD	<b>Audio Conference - The New Stewardship Imperative—Federal Financial Management at the Crossroads</b> Location: 901 15th Street, NW, Washington, DC room 4070 Time: 2:00pm CPE: 2 Reservation Deadline: 6 Feb	<b>Chinese New Year Dinner</b> Location: China Garden Time: TBA *** <b>DC Chapter CGFM Modules</b> See Notes for more information	<b>NLC Networking Happy Hour</b> Location: TBA Time: TBA *** <b>Fondue Party</b> Location: The Melting Pot in Dupont Circle Date: 1/29 Time: 6:30pm	Teleconference #: 888-283-7402 Access code:2809637 12:00 - 1:00pm
March	20		7	10	TBD	
	<b>March Luncheon</b> Location: Clyde's of Gallery Place Time: 11:30am - 1:30pm Speaker: Steve App CPE: 1.0	<b>USO</b> Location: TBD Time: TBD	<b>Audio Conference - Data Mining to Prioritize Investigation of Contract Fraud</b> Location: 901 15th Street, NW, Washington, DC room 4070 Time: 2:00pm CPE: 2 Reservation Deadline: 5 Mar	<b>Upcoming Event</b> Location: TBA Time: TBA	<b>St. Patty's Happy Hour</b> Location: TBD Time: TBD	Teleconference #: 888-283-7402 Access code:2809637 12:00 - 1:00pm
April	18		18	7	TBD	
	<b>April Luncheon</b> Location: Clyde's of Gallery Place Time: 11:30am - 1:30pm Speaker: Mark Easton CPE: 1.0		<b>Audio Conference - Find Strength in Numbers: Sampling Techniques to Improve Financial Audit, Control and Program Performance</b> Location: 901 15th Street, NW, Washington, DC room 4070 Time: 2:00pm CPE: 2 Reservation Deadline: 16 Apr	<b>Virginia Wine Tour</b> Location: TBD Time: TBA	<b>Comedy Night</b> Location: TBD Time: TBD	Teleconference #: 888-283-7402 Access code:2809637 12:00 - 1:00pm



# Calendar of Events - 2011/2012 Program Year

Month	Luncheons	Community Service	Education / CGFM	Membership Services	Early Careers	CEC Meetings
May	15	15	15 - 16 / 9 / 23	12	TBD	
	<p><b>May Luncheon</b>                      Location: Clyde's of Gallery Place                      Time: 11:30am - 1:30pm                      Speaker: TBA                      CPE: 1.0</p>	<p><b>Cell Phone &amp; Eye Glasses Collection and Donation During May Luncheon</b></p>	<p><b>Spring Conference</b>                      Location: Ronald Reagan Building                      Speaker: Various                      CPE: 16                      ***</p> <p><b>Audio Conferences:</b>                      Carlo Ponzi or Bernard Madoff—Who Was the Bigger Villain? / Ethics Dilemmas—Recognizing, Analyzing, and Resolving Situations Where There Are Two Right Choices                      Location: 901 15th Street, NW, Washington, DC room 4070                      Time: 2:00pm                      CPE: 2                      Reservation Deadline: 7 May / 21 May</p>	<p><b>Upcoming Event</b>                      Location: TBA                      Time: TBA</p>	<p><b>Mini Golf Tournament</b>                      Location: TBD                      Time: TBD</p>	<p>Teleconference #: 888-283-7402                      Access code:2809637                      12:00 - 1:00pm</p>
June	9			9		
	<p><b>Awards Gala</b>                      Location: JW Marriott - 1331 Pennsylvania Avenue Northwest Washington D.C., DC 20004                      Time: 6:00pm</p>			<p><b>Washington Nationals Game</b>                      Location: Nationals Park                      Time: TBA</p>		
<b>NOTES</b>						
<p>CGFM Module 1 - January 31st - 1801 K Street, NW, Washington, DC - 8am - 4pm - 8 CPE                      CGFM Module 3 (Session 1, Session 2) - February 1st, 2nd - 1801 K Street, NW, Washington, DC - 8am - 4pm - 8 CPE                      CGFM Module 2 (Session 1 - 3) - February 7th-9th - 1801 K Street, NW, Washington, DC - 8am - 4pm - 8 CPE</p>						



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