



THE WASHINGTON CONNECTION

ASSOCIATION of GOVERNMENT ACCOUNTANTS

Washington Chapter • P.O. Box 423 • Washington, D.C. 20044-0423 • (703) 758-4080 • October 1998

*** You can receive this entire newsletter via email if you prefer. Contact Mike Sciortino or Bob Buchanan if you are interested!***

1998/1999 AGA Washington DC Chapter Monthly Luncheon and CPE Session

Thursday, October 8
Grand Hyatt Hotel
1000 H. Street, NW
(At Metro Center - 11th Street Exit)

11:30 to 12:00	Social
12:00 to 1:10 pm	Luncheon Meeting (1 CPE): Announcements Lunch Luncheon Speaker Questions & Answers
1:15 to 4:00 pm	Afternoon Session (3 CPEs):
1:15 to 2:30 pm	CPE Session
2:30 to 2:45 pm	Break
2:45 to 4:00 pm	CPE Session

Costs:

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

For reservations, please call the AGA Washington Chapter voice mail line at (703) 758-4080 and select option 1 by Monday, October 5, 1998.

Upcoming AGA Events...

- Oktoberfest at Blob's Park
October 17
- AGA's State and Local Government Leadership Conference in Sacramento, California
October 18, 19, and 20
- November Luncheon Speaker: Sally Thompson, Department of Agriculture, Topic: CFO Issues
November 5
- Annual Financial Management Partnership Update
Ronald Reagan International Trade Center
November 17 and 18



Joel Willemssen, Director of Civil Agencies Information Systems, GAO

Luncheon Speaker

Mr. Willemssen is Director of Civil Agencies Information Systems at the General Accounting Office (GAO). In this position, he is responsible for GAO's reviews of information technology management at many of the federal government's major departments and agencies, including the Departments of Agriculture, Education, Energy, Health and Human Services, HUD, Interior, Labor, Transportation, Veterans Affairs; and EPA and SSA.

He is often asked to testify on information technology issues, especially the Year-2000 computing crisis, before congressional committees. To date, he has appeared on more than twenty-five occasions during the 105th Congress.

Mr. Willemssen joined GAO in 1979 and since that time has participated in and led numerous computer systems reviews at a wide array of federal agencies. His experience is predominantly in systems development, acquisition approaches, performance evaluation, systems maintenance, and Year-2000.

Mr. Willemssen received bachelors and masters degrees in business administration from the University of Iowa and completed the executive level program in information systems at UCLA. He is a member of AGA and is a CGFM.

Mr. Willemssen will speak about the Year-2000 computing crisis.

Following Mr. Willemssen's lunchtime remarks the Chapter will sponsor an afternoon CPE session covering Year-2000 testing and contingency planning. The featured speakers will be Madhav Panwar, Technical Assistant Director in the Office of the Chief Scientist at GAO and Mike Dolak, Assistant Technical Director of Civil Agencies Information Systems at GAO. See page 2 for more detail on our October CPE session presenters.

President's Message.....



Eva Williams, CGFM, President

This month I want to highlight our membership recruitment and retention campaign, "2,000 by 2000". The Washington DC Chapter and AGA celebrate a 50th anniversary in September 2000, and our chapter has set a goal of having 2,000 members to coincide with that historic event. This is an ambitious goal for us but I believe we can make it and reap the benefits of a rich mix of members representing the various areas of government financial management at all levels of government.

Over the past few years, our membership has increased from 1,100 to over 1,600 at the beginning of this year. We have had a continuous influx of bright, ambitious, and dedicated people, whom we welcome in earnest. Your help in recruiting has had a tremendous impact. We have also increased the number of members who renew each year. This shows the government financial management community recognizes and values what the Washington DC Chapter of AGA can provide them.

Mike Noble, our membership director, and I recently sent you a letter talking about some of the benefits of membership. Let me briefly repeat them:

1. Monthly luncheons with outstanding speakers;
2. High quality afternoon CPE sessions at an unbeatable price;
3. One- and two-day seminars on current financial management issues at The Ronald Reagan Building & International Trade Center;
4. The arena to network and meet others who are facing the same challenges in their careers;
5. Rewarding community service opportunities;

6. Several occasions to just have fun and socialize.

Additionally, our Chapter newsletter and the National publications bring to you insightful articles on financial management and technical issues—a great example of this is the article this month on the standard general ledger by Simcha Kuritzky, our Professional Services/Research Director.

Overall, we do a first-class job of recruiting and retaining members which is an absolute must for the Chapter and its members. The Membership and Executive Committee plan to do their parts. We need you to join us in working to accelerate the flow of new members and in encouraging present members to retain their AGA Washington DC Chapter affiliation. I challenge each of you to recruit a new member this year and to encourage those members who for some reason may be thinking about dropping out of AGA to retain their membership. Considering your continuing support of our recruitment and retention campaigns, I know we can achieve and far exceed our goal.

Today, as in the past, AGA is the preeminent government financial management organization, but it requires exceptional diligence to stay number one. I am confident that with the outstanding financial management professionals that comprise our membership we will remain on top.

Eva

CPE Session Presenters

Mike Dolak

Mike Dolak is an Assistant Technical Director of Civil Agencies Information Systems at GAO. In this position, he is responsible for providing technical support to GAO's reviews of information technology management at many of the federal government's major departments and agencies. He participates in the development of GAO's technical guidance, and coauthored two of the Year 2000 guides—the enterprise assessment guide and the Year 2000 business continuity and contingency planning guide.

Madhav Panwar

Madhav Panwar is a Assistant Technical Director in the Office of the Chief Scientist at GAO. This office provides technical assistance to other groups on IT related audits. Prior to GAO, Mr. Panwar was at the Naval Air Systems Command where he was responsible for all of the software maintenance budget for naval aircraft. He was also responsible for software process improvement initiatives. Mr. Panwar holds a masters in computer science from Cal State University, a BS in Chemical Engineering from Columbia University, and a BA in chemistry from Columbia University. He is an SEI authorized lead evaluator.

Advertisements

The Washington Connection accepts advertisements that would be appropriate for our membership, i.e., ads which relate to the financial management profession and which do not conflict with the Association's goals and objectives. Advertisement prices are:

full page (7" x 9" ad on 8 1/2" x 11" page) \$300.00
 half page \$150.00
 quarter page \$75.00

All prices are for one printing in one issue. At a minimum, advertisement material should be provided as camera ready copy. It is preferable, however, to submit advertisement material electronically, i.e., on disk or as an email attachment. Prospective advertisers should discuss their proposed advertisements in advance in order to coordinate electronic submission and software issues. If you are interested in advertising in *The Washington Connection*, contact Bob Buchanan or Michael Sciortino by phone as listed on the back page of this newsletter or by email at the following addresses:

Bob Buchanan: rbuchanan@anteon.com
 Michael Sciortino: msciorti@usgs.gov

Highlights of the August 26, 1998 Executive Council Meeting

by Judy Czarsty, CGFM, Secretary

A provisional budget was passed. The only area needing additional work is the educational events. President Williams and Eleanor Long, Education Director, will get together this month and finalize those amounts.

Warren Cottingham, Awards Director, reported submitting the nomination of Sam McCall, Deputy Auditor General of Florida, for the AGA Distinguished State Government Leadership Award. He also reported that the October newsletter will contain an overview of the awards process.

Eleanor Long, reported that the November 17-18 educational event will be held in the Ronald Reagan Building. The room arrangement is quite nice, but also more costly than the J.W. Marriott or Grand Hyatt (which were already booked). The Board approved an increase over that of the one-day seminar. The two-day seminar costs will be: AGA Member \$245 with cash/credit card and \$265 with a government training form. The cost for Non-AGA members is \$265 with cash/credit card and \$285 with a government training form.

The Council approved taking a \$500 advertisement in the Region's Program and Membership Directory. This donation will help defray the costs incurred by the Northern Virginia Chapter in producing the directory.

Germaine Rowley, Administration Director, reported there are several changes in the Chapter Recognition Program this year. If we include a member profile in the monthly newsletter, we will earn fifty additional points. If the chapter designates a webmaster by November 15, 1998 we will earn an additional fifty points.

Community Service Corner

by Roger Von Elm

Many of you know how the Chapter has strongly encouraged its members to participate in community events and support the needs of this region's citizens. Well, the Chapter is happy to show some leadership by example. Our own Mike Noble used almost fifty unsold AGA tickets to the Orioles game in September to take children from a local orphanage to the game. We are so happy to see our members make the extra effort to consider the needs of others in ways just like this. This is the spirit that makes AGA such a great organization.

The next time you see an opportunity to help your fellow citizens, take a chance, take part and let us know about it. Our next sponsored collection will be for Project Harvest which we will mention in the next newsletter. Again, way to go Mike!

The Chapter has earned 2,600 points in the Chapter Recognition Program as of July 1998.

Inside the Black Box: When are an Accounting System's Pro Forma Transactions Compliant with the Standard General Ledger?

by Simcha Kuritzky, CGFM, CPA

When Are Transactions Compliant?

The SGL Board recently released a new draft of the SGL transactions. While these transactions are not yet official, they at least give accountants and programmers an idea of what a federal accounting system must be capable of recording. The SGL Board has also stated, on numerous occasions, that accounting systems do not have to post transactions identical to the way they appear in the guidance, so long as the end result is the same.

Two Ways to the Same Result

Take, for example, an obligation liquidating a commitment. Account 4610 Allotments - Realized Sources represents funds available for commitment or obligation, account 4700 Commitments represents unliquidated requisitions, and account 4801 Undelivered Orders - Unpaid represents unliquidated obligations (with no advance). SGL Transaction Code (TC) 2002 records a commitment as a debit to 4610 and a credit to 4700. TC 2004 records the obligation and decommitment as a debit to 4700 and a credit to 4801. Then, in case the obligation is not for the same amount as the requisition, the SGL Board has provided TC 2008 and TC 2010, as shown in Table 1.

Now, suppose an accounting system does not support these *pro forma* transactions, but instead does the following: the requisition records a

debit to 4610 and a credit to 4700. This is recorded when a requisition is entered, and the opposite is posted (debit

to 4700/credit to 4610) when an order liquidates a requisition. The order always posts a debit to 4610 and a credit to 4801. The order may be accompanied by a commitment liquidation (the system might even require that it be so accompanied) that also posts a debit to 4700 and a credit to 4610, but the *pro forma* transactions lists an order as a debit to 4610 and a credit to 4801, which does not appear in the SGL list of budget execution transactions. Is the system compliant? The answer is yes, since the SGL Board only requires that the end result be the same, and the accounting system's obligation posting can be defined as TC 2010 when the decommitment (posting to account 4700) is zero, or as TC 2004 minus TC 2002. Thus, if an event causes a series of postings in the ac-

counting system, and the result is the same as the set of postings listed in the SGL guidance, then the accounting system is compliant with the SGL.

When the Same Results are Not Really the Same

Timing, however, is an important consideration. The series of transactions just discussed have to be as the result of one event. It is not proper for an accounting system to record results spread across two events that the SGL requires be posted for a single event. For example, when a payment is made (the Treasury schedule is confirmed), the proprietary cash account (1010) and budgetary cash accounts (4902 or 4802) are credited. It is not proper for a system to credit the budgetary cash account when the payment is scheduled for disbursement, and then credit the proprietary cash account when the disbursement is confirmed. Although the net result is the same as in the SGL guidance, the system has split the SGL entry across two events that do not occur simultaneously, so the balance of the accounts between these two events will violate the basic formulas of the SGL (in this example, the requirement that proprietary and budgetary cash balances be the same).

When are the Results Close Enough?

The SGL Board has published a set of formulas for account

balances, that must be true to prepare meaningful statements from the trial balance (e.g., budgetary resources must equal budgetary statuses). However, there are

other requirements where a violation does not prevent the production of statements. For example, there is an OMB requirement that all budget activity against an old appropriation be recorded as an upward or downward adjustment. To support this, the SF-133 Report on Obligations has been defined so that upward adjustments appear on line 8, while downward adjustments appear on lines 3A1 (collected) and 4A (accrued). Netting downward adjustments against upward adjustments would change the reported results on the SF-133, but it would not prevent the preparation of the report or other financial statements, since all required formulas net lines 3A1, 4A, and 8 together.

(Continued, next page)

Table 1.

Transaction Code		Posting	
TC 2002	Commitment	Debit 4610	Credit 4700
TC 2004	Obligation Liquidates Commitment	Debit 4700	Credit 4801
TC 2008	Obligation < Commitment	Debit 4700	Credit 4610 & 4801
TC 2010	Obligation > Commitment	Debit 4610 & 4700	Credit 4801

(Inside the Black Box, continued)

This creates a gray area in determining a proper accounting model. Take the example of an expired-year travel order being canceled and the advance returned. The SGL entry (TC 4022) is to debit 4872 Downward Adjustments of Obligations - Collected and credit 4650 Expired Authority in the budgetary accounts, which would increase SF-133 lines 3A1, 10D (unavailable), 15B, and decrease line 14C. Now, suppose an agency separates the order and advance functions, and the travel order is canceled in the original year of the obligation, but the advance repayment is recorded in the next year. The accounting model has to either use the SGL adjustment account for the advance (4872) or the non-adjustment account (4802). The possible postings and results on the SF-133 are outlined in Table 2.

Table 2.

Scenario	Adjustment Entry	Non-Adjustment	Dual Adjustment
Advance Posting:	Debit 4872 Credit 4871	Debit 4802 Credit 4801	Debit 4872 Credit 4881
Line 3A1 - Collections	+		+
Line 4A - Recoveries	-		
Line 8 - New Spending			+
Line 14C - Ending Obligations	+	+	-
Line 15A - Disbursements		-	
Line 15B - Receipts	+		+

Using the adjustment entry properly records the cash receipt on lines 3A1 and 15B (the receipt column in part I of the SF-224), but it reduces the amount on line 4A, and could even cause it to go negative. The non-adjustment entry cannot cause line 4A to go negative, but it reports the collection on line 15A (disbursements column of the SF-224). A hybrid

solution is to record the advance collection as both an upward and downward adjustment, causing the collection to be reported on lines 3A1 and 15B, with an offsetting entry on line 8, since the collection itself did not change budgetary resources. Treasury FMS prefers the latter solution, though they will accept any of these models, if the agency's procedures or the accounting system make recording the dual adjustment difficult.

Federal Financial Management Workshop

The Montgomery/Prince George Chapter of AGA will be holding a 1/2 day workshop on current federal financial management topics from 1:00 pm to 5:00 pm at the MACPA Conference Center in Bethesda, Maryland on Wednesday October 28, 1998.

The speakers will be James Short of the Office of Management and Budget (OMB) who will be talking about FY 1998 financial statement changes, and Cathy Presnell, Senior Manager, KPMG, who will discuss Year-2000 issues.

Please contact Ann Russo at russoa@nigms.nih.gov or (410) 381-6797, or Mike Kess at mkess@usmint.treas.gov or (202) 874-6354 for more details.

**Association of Government Accountants
Washington, DC Chapter
1998/1999 Program Year Events**

*Planned Speakers List
Grand Hyatt Hotel - 1000 H Street, N.W.*

<u>Date</u>	<u>Speaker</u>	<u>Planned Topic</u>	<u>CPE Session</u>
October 8	Joel Willemsen (GAO)	Year 2000	Testing & Contingency
November 5	Sally Thompson (Agriculture)	CFO Issues	Working Capital Fund
December 3	John Jones (Booz-Allen & Hamilton)	IRS Reorganization	Improving Organizations
January 7	BG R Scarce - Invited (DFAS)	TBD	TBD
February 4	Stanley Collender (Fleishman-Hilliard, Inc.)	Budget	Budget Issues
March 4	Tom Roslewicz - Invited (HHS)	Grants Management	Accounting for Grants
April 1	Wendy Comes (FASAB)	FASAB	FASAB Update
April Evening Event	DC Government Speaker	DC Government	
May 7	Gene Dodaro (GAO)	Govt Wide Audit	TBD

Educational Events

<u>Date</u>	<u>Topic</u>	<u>Location</u>
November 17 & 18	Financial Management Partnership Update	Ronald Reagan Building
February	Symposium on Financial Management Issues	Ronald Reagan Building
April	Federal Financial Systems	Ronald Reagan Building

Community Service Activities

<u>Month</u>	<u>Activity</u>
November	Project Harvest
December	Toys for Tots Holiday Party
	Assisting Central Union Mission
February-March	VITA
March-April	Career Awareness - College Campuses
April	American Heart Association Jazz Brunch
	Career Awareness - High Schools
	National Cherry Blossom Parade
	Small Business Symposium
May	Scholarship

Membership Activities

<u>Date</u>	<u>Activity</u>	<u>Location</u>
October 17	Oktoberfest	Blob's Park
December 10	Holiday Social	Grand Hyatt
January 10	Jazz Brunch	Market Inn
February	Chinese New Year Dinner	TBD
July/August	Crab Feast	Seneca Creek State Park
July/August	Summer Concert	Wolf Trap Farm Park

The AGA Capital Region Presents...

The Annual Financial Management Partnership Update

Ronald Reagan International Trade Center

November 17-18, 1998

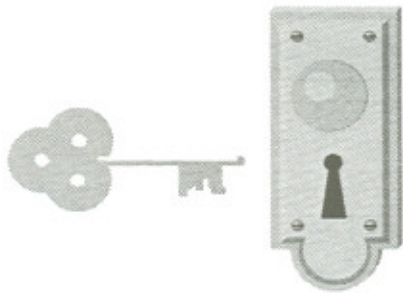
Recommended: 16 Hours CPE

*For Additional Information Contact:
Eleanor Long at (202) 327-5903*

Wolf Trap Photos



◆ ACTIVITY- BASED COST MANAGEMENT ◆ PERFORMANCE MEASUREMENT ◆
 ◆ BALANCED SCORECARD ◆ STATEMENT OF NET COST ◆
 ◆ PROCESS IMPROVEMENT ◆



**Grant Thornton LLP and Armstrong Laing Inc.
 Have a Seminar for You!**

Unlock the potential of Activity-Based Cost Management (ABC/M) for your organization. Join Grant Thornton, the host of a free breakfast seminar designed for managers and executives. ABC/M is being implemented in many areas of the Federal government for numerous purposes. The seminar is intended to help you:

- Increase cost awareness for your agency
- Facilitate implementation of cost accounting standards, GPRA, and other initiatives
- Provide numerous "real life" ABC/M success stories in the Federal government
- Assist in developing the Statement of Net Cost
- Help you understand how to use an ABC tool, HyperABC, to implement ABC/M.

When:
 October 14, 1998
 7:30am – 12:00pm

Where:
 Washington Hilton and Towers
 1919 Connecticut Avenue N.W.
 Washington, D.C. 20009
 (202) 483-3000

Registration:
 Jill Anuszewski
 703/847-7619 (phone)
 januszewsk2@gt.com (e-mail)

Grant Thornton one of the largest international accounting and management consulting firms dedicated to helping clients change in ways that will produce long-lasting advantages – not just short-term fixes.

Armstrong Laing is the developer of HyperABC, which allows you to capture cost information on all major government processes within a comprehensive management model.

Our seminar leaders have extensive Federal government experience in applying ABC/M. We welcome you to spend a few hours with them to explain the tools and their applications to these initiatives. Call us today to reserve your space.

FREE Seminar on Activity-Based Cost Management

**October and November 1998 Courses at
 The National Capital Training Center, Graduate School, USDA**

October 1998

- 13-15 Introduction to Federal Budgeting
- 21-23 Basic Cost Accounting
- 26-29 Federal Appropriations Law

November 1998

- 2-5 Introduction to Federal Accounting
- 3-4 Accounting for Non-Accountants
- 4-6 Budget Justification and Presentation
- 16-19 Budget Formulation
- 17-19 Introduction to Financial Management
- 18-20 Federal Accounting Standards
- 30-12/2 Introduction to Federal Budgeting

To register for these courses, fax or mail your training form to The National Capital Training Center, Graduate School, USDA, 600 Maryland Avenue, SW., Room 280, Washington, DC 20024-2520, Voice (202) 314-3407, Fax (202) 479-4970. Note: The Graduate School needs instructors to teach accounting courses to federal government employees. Candidates must be able to objectively demonstrate successful training experience in the federal environment and knowledge of the practical application of the subject matter in the work environment. Applicants should have one to five years professional experience in the subject area. Instructional experience is strongly desired. Must be willing to travel to various locations in the U.S. Send a brief resume to the above address.

Membership '98

By Mike Noble, CGFM, Membership Director

"20,000 by 2000" and "2,000 by 2000"

In the President's Message, Eva Williams talks about the National and Chapter membership drives "20,000 by 2000" and "2,000 by 2000". The National goal is to build AGA's membership to 20,000 by the year 2000—the Chapter goal is 2,000 by the same time. The contest is explained in detail in *Topics*, the AGA newsletter. In addition to being eligible for a prize drawing, members can earn AGA dollars which can be redeemed for AGA merchandise, membership dues, and conference fees. After you recruit two new members, you earn five AGA dollars for each member recruited. The more you play, the more you earn! Now is the time to start recruiting. The 1998/1999 contest period runs from May 1, 1998 through April 30, 1999. When you give someone an application form, be sure to get credit by printing your name and membership number on the sponsor's line.

New Members

I am happy to welcome to the Washington Chapter the following people, who joined since May 1, 1998:

Nancy Abell
Ade T. Adebisi
Monique C. Austin, CGFM
Donald R. Baiardo
Deborah A. Barnes
Henry L. Barrett, CGFM
Christina R. Beck
Homer F. Blakey
JoAnn R. Boutelle
Johnny R. Bowen, CGFM
Clara D. Boykin, CGFM
Arkelga L. Braxton
Sharon L. Broderick
Maria E. Camacho, CGFM
Teresa S. Coppolino
Jack Denslow
Tom Doherty
Adelani L. Eko, CGFM
Willa Green
Dean E. Grothe, CGFM
Jami C. Hobbs
Carolyn A. Horlor
Diane H. James, CGFM
Barbara A. Jefferson, CGFM
Christine A. Kelleher
(To be continued next month)...

In addition, the following member transferred his membership to the Washington Chapter:

Robert J. Frank, CGFM

We are happy to have all of you as members and hope to meet you at a monthly luncheon, an educational event, or at one of the many social activities.

Social Activities

Fall social events have now been scheduled—mark your calendars:

October 17, Saturday, 7:00 to 11:00 pm: AGA will celebrate Oktoberfest at Blob's Park in Odenton, Maryland. The cost is \$15 per person at the door for cover charge and buffet dinner, plus cash bar for beer (good German beer plus others!) and dessert. Dinner includes sauerbraten, bratwurst, ham, hot German potato salad, and more! A German-style band plays music for polkas, waltzes, and other favorite dances—plus there is a floor show! Dress is casual, food and beer are good, and everyone has fun. Join us! No advance registration is required.

December 10, Thursday, 11:00 am to 2:00 pm: AGA has its annual Holiday Reception and Toys-for-Tots Drive at the Grand Hyatt Hotel. The reception is free to members but the price of admission is a toy for the Toys-for-Tots Drive sponsored by the U.S. Marine Corps.

January: we are planning another Jazz Brunch somewhere in Washington—details to be announced as soon as we've settled on a place and date.

February: will again bring a Chinese New Year celebration—we had a good time last year, and the food was excellent. The date is to be determined.

Positions Available

The Chief Financial Officer's Financial Analysis Division in the Internal Revenue Service is hiring Grades 7 to 14 Operations Research Analysts and Grades 11 to 14 Program Analysts. The offices involved focus on cost accounting, cost analysis, and revenue analysis. All positions are located at 820 First Street, N.E., near Union Station. For information on the announcements, expected to be open during the month of October, please call Donna Kozak at (202) 535-9701 extension 3230. For information on the specific positions, please call Mike Higgins at extension 3210, Paul Schlesinger at extension 3236, or Eva Williams at extension 3234.

AGA Cites Examples of Best Practices in Government Financial Management

Florida Government Accountability Report

Brief Description

Information about what Florida's state government does and how effectively it meets the needs of Florida's citizens is fragmented across many sources, making it difficult to compare programs with similar activities. The Florida Government Accountability Report solves this problem by putting this information in one location accessible to the legislature and the public. Legislators and the public now have free, direct access to an Internet service that monitors the activities and performance of all major state government agencies and programs.

For each major state program, the report provides profiles containing this information:

- Why Florida provides the program, how the program operates, and who it serves;
- The amount of funding and the number of personnel positions authorized for the program;
- The Office of Program and Policy Analysis & Government Accountability (OPPAGA) comments about concerns and issues facing the program, the quality of performance measures, and the level of performance the program has achieved; and
- References to and summaries of other sources of information and assessments.

Reasons for Development

The Florida Legislature's OPPAGA created the Florida Government Accountability Report to help legislators and the public focus on the programs they care about by providing dynamic research tools and access to frequent updates of performance data. It will help legislators monitor state government performance and rapidly identify and compare state programs. Legislators may also refer to their constituents to the Florida Government Accountability Report in response to questions. Legislative staff can use the report to complete research projects more quickly and readily obtain information on how state agencies are implementing legislative initiatives.

How it Works

Available on the World Wide Web, the Florida Government Accountability Report is an encyclopedia of brief profiles of state programs that show descriptive, financial, and accountability information. It offers flexible capabilities to allow users to search the profiles for key information, such as the types of

services provided to citizens or the range of government entities that participate in administering a particular policy area. The Florida Government Accountability Report can be found at www.oppaga.fl.us/government.

Benefits

The Florida Government Accountability Report is designed to help the legislature, legislative staff, and the public obtain information on what tax dollars are delivering for Florida's citizens. It puts comparative and performance information about state government in one accessible place to benefit the legislature and the public.

Applying Activity-Based Costing Techniques to an \$800 Million Program at the Internal Revenue Service

Brief Description

The application of activity-based costing techniques to determine the fully burdened costs of processing tax returns is a large (\$827 million), complex, geographically disbursed activity. Identifying cost drivers and understanding the direct, indirect, overhead, and capital costs associated with this activity are all part of the process.

Reasons for Development

The IRS has an initiative to increase electronically filed returns and reduce the burden and costs of processing more than 200 million paper tax returns and forms filed annually. Part of this effort involves deciding whether to pay private contractors for providing electronically filed returns. In order to make informed judgments about outside contracting and to understand the budget trade-offs, the IRS must know its full costs to process electronic returns and paper returns for each type of return filed.

How it Works

The IRS' financial system was the main source for the labor and non-labor resource costs. As a starting point to trace these costs from resources to activities to products, the service center time tracking system was used. All service center employees report their time to Organization Function Program (OFP) codes. OFP codes display where the organization's work was

(Continued, next page)

(Best Practices, continued)

performed, the function (or activity) performed and the type of work processed. Where costs did not tie directly to tax return type, cost drivers were identified via interviews to assign the costs. For example, to assign the proper rent costs to the source organization, square footage was used; to assign the "mail handling" activity costs to tax return type, volume of tax returns filed was used. To "fully burden" the tax return type costs, direct costs from within the service centers as well as indirect support costs from within and outside the service centers were included.

Benefits The IRS now knows, by tax return type, the cost differences between electronically filed returns and paper returns. It has a baseline from which to make future predictions. This effort has become the springboard for additional analysis including:

- Performing a sensitivity analysis to predict the costs of submission processing at various volume points of increasing electronic filings and decreasing paper filings;
- Understanding the fixed and variable costs of this activity;
- Identifying best practices between offices performing the same processing activities at far different costs; and
- Developing a roadmap for future activities including a categorization of lessons learned.

Reprinted from the September 1998 Capital Ideas, the newsletter of the New York Capital Chapter of AGA.

More Wolf Trap Photos



Membership Application

I. Name & Preferred Mailing List

Check here if renewing

Mr. Mrs. Ms. Dr. Prof.

Please circle: male/female

Name: First _____ Last _____ Middle _____

Address _____ Apt./Suite# _____

City _____ State/Province _____ Zip/mail code _____ Country _____

Home or Work Address

Business phone _____

Business fax _____

Home phone _____

E-mail _____

II. Business Information

Job Title _____ Department _____

Organization _____

Employer (Government): Federal State County City International* _____
 Private Academia Student Retired Private International _____

Responsibility Area: Accounting Academia Auditing Budgeting Contract Management
 Consulting Finance Information Systems Legal Management
 Retired Student Other _____

**include multilateral organizations that deal with a region(s) of the world.*

Education: Highest degree attained _____ Year _____ Accrediation and Certificates: _____

III. Sponsor's name (if applicable) _____ Member ID # _____

IV. Membership Data/Dues

Please choose a membership category below. *Retired?* Call the AGA Membership Department, 1.800.AGA.7211 to find out about our retired membership category.

Full - \$70.00/year • Career professionals performing financial management activities in an operational, administrative and/or supervisory capacity.

Early Career - \$40.00/year • Practicing professionals who have fewer than six years of financial management experience.

Special Early Career - \$25.00/year • Full-time students and those in their first year of employment.

Chapter: Washington, DC

V. Method of Payment

Check enclosed (make checks payable to AGA) Charge to my: VISA MasterCard AMEX Discover

Total amount enclosed _____ Card number _____ Expiration date _____

Signature _____

Please send or fax completed application and payment to:

Association of Government Accountants
 2200 Mount Vernon Avenue
 Alexandria, Virginia, USA 22301-1314

For more information, call 1.800.AGA.7211, fax
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**October, November, and December 1998 Courses
at the Inspectors General Auditor Training Institute (IGATI)**

October 1998

8-9	Contract and Procurement Fraud
14-15	Making Effective Audit Presentations
19-11/6	Introductory Auditor Training
28-30	Advanced Audit Tools and Techniques

November 1998

16-20	The New Auditor-In-Charge
16-17	Government Performance and Results Act (GPRA)
18-19	Federal Financial Auditing I
30-12/1	Writing Successful Audit Reports

December 1998

2-3	Auditing the Federal Contract Process
7-11	Intermediate Auditing

To register for any of these courses or if you have any questions, please call Gale Moore, Registrar, at (703) 805-4501. An SF182, SF1556, other training authorization forms, VISA IMPAC card, or personal checks may be sent to Registrar, IGATI, P.O. Box 518, Ft. Belvoir, Virginia 22060 or faxed to (703) 805-4503. All classes are held at 5500 21st St., Ft. Belvoir, Virginia. Special arrangements can be made to have dedicated classes given on-site. Please call for details.

**October, November, and December 1998 Courses at
The Center for Applied Financial Management**

October 1998

8-9	Dollars and Sense
17	Basic Accounting Concepts
20-21	Implications of Federal Appropriations Law
29-30	Bridging the GAAP

November 1998

3	Certifying Officers: Your Roles & Responsibilities
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December 1998

8-9	Budget Execution Game
10	Reconciling the Statement of Differences
11	Reconciling the Fund Balance with Treasury

Contact Kimberly Pringle at (202) 874-9560 for more information or fax requests to (202) 874-9629. To register for Center courses, submit an SF-182 to the Registrar, The Center for Applied Financial Management, 1990 K Street N.W., Washington, DC 20227. All courses are held at 1990 K Street location, unless otherwise noted.

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<u>Agency/Organization</u>	<u>Liaison</u>	<u>Phone</u>	<u>Email</u>
AID	Calvin Kearns	(202) 712-1605	ckearns@usaid.gov
Agriculture	Gary Maupin	(703) 305-2191	gary_maupin@fcs.usda.gov
American Management Systems	Bob Freeman	(703) 227-5622	bob_freeman@mail.amsinc.com
Andersen Consulting	Karen Holmcrans, CGFM	(202) 862-6703	karen.j.holmcrans@ac.com
Arthur Andersen	Raina Rose Tagle	(202) 862-2549	raina.rose.tagle@arthurandersen.com
Center for Applied Financial Mgmt.	Francis "Roger" Elmore	(202) 874-9585	francis.elmore@fms.sprint.com
Commerce	Denise O'Brien	(301) 413-8591 x 108	denise.d.obrien@noaa.gov
Coopers & Lybrand	Andy West, CGFM	(703) 918-3614	andrew.west@us.coopers.com
Corporation for National Service	Stuart Graff, CGFM	(202) 606-5000 x230	sgraff@cns.gov
Customs/Treasury	Linda Lloyd, CGFM	(202) 927-0119	lloyd@lloyd165.customs.sprint.com
Defense	Rick Miskovich, CGFM	(703) 607-5024	rmiskovich@cleveland.dfas.mil
Defense Contract Audit Agency	Ibrahim Mohamed, CGFM	(301) 214-9772	irmrhm@aol.com
Education	Eileen Parlow, CGFM	(202) 401-2131	eileen_parlow@ed.gov
EPA	Roland Cyr, CGFM	(202) 260-8591	cyr.roland@epamail.epa.gov
Ernst & Young	Salim Mawani	(202) 327-5604	salim.mawani@ey.com
FDIC	J. Russ Cherry, CGFM	(202) 736-3038	jcherry@fdic.gov
FASAB	Lucy Lomax, CGFM	(202) 512-7359	lomaxm@fasab@gao.gov
FCA	Robert Coyle, CGFM	(703) 883-4309	coyle@fca.gov
FCC	Jim Swartz, CGFM	(202) 418-1060	jswartz@fcc.gov
Financial Mgmt. Institute	John Edward Murphy, CGFM	(703) 532-9106	johnemurphy@juno.com
Financial Management Service	Michelle Bennett, CGFM	(202) 874-3522	michelle.bennett@fms.sprint.com
GAO	West Coile, CGFM	(202) 512-9324	coilew.aimd@gao.gov
Grant Thornton	Joan Garner	(703) 847-7631	jgarner@wdc.fsa.usda.gov
GSA	Jolene W. Romanyshyn, CGFM	(202) 501-1084	jolene.romanyshyn@gsa.gov
HHS	Linda Hoogveen App, CGFM	(202) 690-5509	lapp@os.dhhs.gov
HUD	Angela Story	(202) 708-0614 x3610	angela_g_story@hud.gov
ICF/Kaiser	Eileen Carpeaux	(703) 934-3408	ecarpeaux@icfkaiser.com
KMPG Peat Marwick	David Gardiner	(202) 974-2096	dgardiner@kpmg.com
Interior	Cis Kuennen, CGFM	(703) 648-5969	ckuennen@usgs.gov
IRS	Mike Noble, CGFM	(202) 273-7113	mike_noble@cfomail.fin.irs.gov
James Martin	Greg Mundell	(301) 457-1212	gmundell@jamesmartin.com
Justice	Anthony Marasco, CGFM	(202) 305-3222	marascoa@justice.usdoj.gov
Labor	Joe Fasceski	(202) 219-8391	fasceski-joseph@dol.gov
National Archives	Phil Giza, CGFM	(301) 713-6830 x239	phil.giza@arch2.nara.gov
Nat'l Partnership for Reinventing Gov't	Richard Conoboy	(202) 694-0034	rconoboy@npr.gov
Off. of Fed. Hous. Enterprise Oversight	Gail Palestine	(202) 414-3816	gpalestine@ofheo.gov
OPM	Anthony Belliotti, CGFM	(202) 606-4824	belliotti@opm.gov
Oracle Corporation	Wayne Bobby, CGFM	(301) 907-2316	wbobby@us.oracle.com
PeopleSoft	Laura Glass, CGFM	(301) 571-5959	laura_glass@peoplesoft.com
Price Waterhouse	Chris Reed, CGFM	(202) 226-1901	chris_reed@notes.pw.com
State	Mattie Harms, CGFM	(703) 302 7283	harmsmr@state.gov
USDA Graduate School	John Amey	(202) 314-3408	john_amey@grad.usda.gov
USIA	Chuck McAndrew, CGFM	(202) 619-4324	cmcandre@usia.gov
Veterans Affairs	Monica Congleton	(202) 273-5548	monica.congleton@mail.va.gov
World Bank	Caroline Harper, CGFM	(202) 473-6892	charper@worldbank.org

For more information, contact liaison coordinator, Jolene Romanyshyn at (202) 501-1084 or via email at jolene.romanyshyn@gsa.gov

Chapter Officers, Directors, and National Representatives

OFFICERS

President, Eva J. Williams, CGFM
Treasury/IRS (202) 535-9701 Ext. 3234
Email: eva_williams@cfomail.fin.irs.gov
President-Elect, Vincette L. Goerl, CGFM
Treasury/Customs (202) 927-0600
Email: vincette@aol.com
Past President, William J. Anderson, Jr., CGFM
GAO (202) 512-9319
Email: andersonw.aimd@gao.gov

Secretary, Judith B. Czarsty, CGFM
GAO (202) 512-9370
Email: czarstyj.gsc@gao.gov
Treasurer, Miguel A. Castillo, CGFM
GAO (202) 512-9468
Email: castillom.aimd@gao.gov

DIRECTORS

Administration, Germaine P. Rowley, CGFM
Treasury/Customs (202) 927-0451
Email: rowleyg@wizard.net
Agency Liaison, Jolene Romanyshyn, CGFM
GSA (202) 501-1084
Email: jolene.romanyshyn@gsa.gov
Awards, Warren J. Cottingham, CGFM
Treasury/FMS (202) 874-9584
Email: warren.cottingham@fms.sprint.com
Budget & Finance, Janet A. McBride, CGFM
Agriculture/IG (202) 720-9983
Email: jmcbride@cfo.usda.gov
Community Outreach, Roger Von Elm, CGFM
Urbach Kahn & Werlin PC (202) 296-2020
Email: rvonelm@ukwdc.com
Education, Eleanor Long
Ernst & Young (202) 327-5903
Email: eleanor.long@ey.com

Membership, Michael W. Noble, CGFM
Treasury/IRS (202) 622-8978
Email: mike.noble@cfomail.fin.irs.gov
Monthly Programs, Joseph J. Donlon, CGFM
Grant Thornton (703) 847-7663
Email: jdonlon@gt.com
Prof. Services/Research, Simcha L. Kuritzky, CGFM
American Management Systems, Inc. (703) 227-5796
Email: simcha_kuritzky@mail.amsinc.com
Publications/Newsletter Editor, Bob Buchanan, CGFM
Anteon Corporation (703) 246-0298
Email: rbuchanan@anteon.com
Assistant Newsletter Editor, Michael D. Sciortino, CPA
U.S. Geological Survey (703) 648-7251
Email: msciorti@usgs.gov

NATIONAL REPRESENTATIVES

Section Representative, Evelyn A. Brown, CGFM
DOT (202) 366-5626
Email: evelyn.brown@ost.dot.gov
Capital Region Vice-President, Paul W. Bognaski, CGFM
SEC (202) 942-0346
Email: bognaskip@sec.gov

Regional Vice-President-Elect, Carol A. Stagg, CGFM
Grant Thornton (703) 847-7636
Email: cstagg@gt.com



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