

FGAA



WASHINGTON CHAPTER
APRIL 1974

NEWS BULLETIN

LUNCHEON MEETING — THURSDAY, APRIL 11, 11:30 AM

Faculty Club—Cloyd Heck Marvin Center
George Washington University
21st and H Streets, N.W.



Donald C. Kull
Executive Director
*Joint Financial Management
Improvement Program*

Mr. Kull will discuss "The Expanded Role of the Joint Financial Management Improvement Program in Improving Financial Management Practices in Government."



L. J. Andolsek
Commissioner
U.S. Civil Service Commission

Commissioner Andolsek will present the awards to the top accounting students from the colleges and universities in the area.

(For more details see pg. 3)

MAKE YOUR RESERVATIONS BY 10 A.M. TUESDAY, APRIL 9, TO ASSURE PLACEMENT
Open Meeting Non-Members Welcome
Reservations Call 755-6310/5313 or (IDS) 138-56310

Washington Chapter Meeting Dates:
Apr. 11—May 9



Gerald Murphy

Treasury — Bureau of Accounts
Director, Government
Financial Operations
WO 4-5594 (184X5594)

President's Message

Accounting for Management—In January when the Capital Region held its seminar on "The Government Manager", I had the opportunity to meet and talk with Walt Frese, a charter member of FGAA and the Association's second National President. His deep conviction and enthusiasm for managerial accounting in Government gave me much food for thought. As I tried to relate his wealth of knowledge to my own much more limited experience, a number of thoughts came to mind. I have always thought of managing an operation in terms of (1) deciding what should be done, (2) seeing that the means are available, and (3) getting things done through other people.

Deciding what should be done requires planning. You can define *planning* as simply "thinking about what you are going to do before you do it". But the manager needs to plan carefully and set *specific* targets. Once people have something *specific* to do they concentrate on it and accomplish much more. It's been said that "If you don't know where you're going, any road will take you there". With all the things we need to do in government, we can't afford to take just "any road".

Mapping out a course of action to achieve your targets forces you automatically to consider whether the "means" are available, i.e., do you have sufficient staffing, equipment and other resources. Normally we lack the resources to do all the things we'd like to do, therefore, we need targets both for *performance* and for the *use of resources*.

These targets are quite important because everyone needs to know what is expected of him. Usually the manager who evaluates a subordinate will ask himself two questions. Did he get the job done? Did he do it efficiently? If specific targets can be set and agreed upon in advance, they are more likely to agree later on whether actual performance was acceptable or not. However, you can't hold someone accountable for results if you don't give him the tools he needs to manage an operation. One of the things he needs is some feedback on "how he's doing". Reports on actual results compared to targets are indispensable. They should include performance data to show whether he's getting the job done and resource data to show whether he's getting it done efficiently.

Over the years Federal agencies have used many different approaches to the management of resources. In some agencies, managers think only in terms of obligations. They plan in terms of obligations and they receive reports comparing planned and actual obligations. In other agencies, operating managers are involved in planning and controlling both obligations and costs. And in still others, the functions of planning and control of obligations are centered in the budget and accounting staffs while operating managers are concerned only with cost targets.

Internal Operating Budgets—Although required by P.L. 863, agency practice varies a great deal with respect to internal operating budgets. In fact, they could probably be rated on a scale going from "non-existent" to "overly-complicated". Some are developed from the top down and others from the bottom up. Some resemble formal allotments and others are strictly cost targets. The only system that I can describe in detail is the one used in my own bureau. The system developed by our Comptroller and his staff provides for operational planning and control in terms of expenses (funded and unfunded costs). Managers need only be concerned with performance and expense targets. Obligation control is provided by the Comptroller's combined accounting and budget staff under a single allotment.

Division heads may designate responsibility centers at whatever level they wish. By and large a "grass roots" approach is used, i.e., branches or even sections are designated as responsibility centers. Each center develops its own estimates and the accounting staff accumulates actual results to provide feedback at the same level. This complements a participatory management approach as it involves branches in operational planning and goal setting.

The operating budget cycle begins each spring with the development of expense estimates for the upcoming fiscal year. Responsibility centers project their expenses by month and by expense classification (salaries, travel, rent, consumption of supplies, depreciation, etc.). They also prepare a list of positions, a statement of capital equipment requirements, a statement of travel and training plans and a justification of major increases or decreases in expenses. These are reviewed at each successive management level and discussed fully with the Comptroller. As part of the Comptroller's review he determines that the sum of the operating expense budgets is within the total funds available (appropriated and reimbursable). As the appropriation is usually known by that time, the incentive is to set expense targets well within the amounts available. (In a situation where a supplemental appropriation will be required, the objective is to minimize the deficiency.)

The expense budget, as approved, provides the framework for each operating manager to "do his thing". The approved estimates are expense *targets*—not legal limitations. The operating budget is a tool for management—not a "hangman's noose". No one goes to jail if expenses exceed the target but there is strong internal motivation to better targets whenever possible.

Every responsibility center receives monthly reports which show planned and actual expenses for the month, for the year-to-date and variances to be analyzed. Determined efforts have been made in recent years to develop better

(Continued on page 7)

WASHINGTON CHAPTER Executive Committee 1973-1974

Officers

President

Gerald Murphy, Treasury, WO4-5594

President-Elect

Francis X. LaCava, Treasury, 961-7741

Vice President/Chairman, Finance

Audrey B. Dysland, Treasury, 961-7720

Secretary

Esther C. Kiel, NFS, 632-4019

Treasurer

James L. Daigle, SEC, 755-1314

Directorate

Programs

Joseph J. Donlon, GAO, 697-0818

OMBE Training

Perry Duncan, DOT, 426-1306

Employment Clearing House

Meir Gabbay, Commerce, 967-4407

Editorial Committee

Fred D. Layton, GAO, 386-5617

Education Committee

Waldron J. O'Brien, CSC, 632-7647

Membership

Sam Pines, GAO, 386-5243

Publicity

Bertram H. Rosen, JFMIP, 386-6006

Research Committee

Michael Simon, Arthur Andersen, 785-9510

Bylaws Committee

Sus Uyeda, OMB, 395-3144

Meetings Committee

Kent Crowther, HUD, 755-6310

Immediate Past President (Ex Officio)

John W. Cooley, DOD, 697-0585

From The Director, Programs

JOSEPH J. DONLON, GAO



For our April luncheon meeting we have scheduled a program of interest to all accountants, auditors, and financial managers. Mr. Donald Kull, the Executive Director of the Joint Financial Management Improvement Program, will speak on "The Expanded Role of the JFMIP in Improving Financial Management Practices in Government." We will also honor the top accounting students from the colleges and universities in the area. Civil Service Commissioner Andolsek will present the awards.

The Joint Financial Management Improvement Program began in 1948 by agreement among the Comptroller General, the Secretary of the Treasury and the Director of the Bureau of the Budget to seek improved means of carrying out the interrelated activities and responsibilities of these Central agencies. It also seeks to improve financial management activities of the operating agencies and interagency coordination. The Budget and Accounting Procedures Act of 1950 gave legal sanction to this working arrangement. Recognizing the need for recruiting, classifying and training qualified personnel, the Chairman of the Civil Service Commission was added to the Joint Program in 1966. The Administrator of General Services was invited to join the Joint Program in 1973 in recognition of the assignment by the President of certain financial management functions from OMB to GSA.

Mr. Kull's remarks will be directed to the expanded role of JFMIP in improving financial management throughout the Federal Government—both in the central agencies and in the operating agencies. He will discuss the important continuing responsibilities of JFMIP in the cooperative program for measuring and enhancing productivity in the Federal Government. Also he will discuss an important new dimension added to the Program—consulting with operating agencies on specific financial management problems, including those which involve working relationships with State and local agencies.

Mr. Kull was selected as JFMIP's first Executive Director last December. Prior to accepting the position, he was Deputy Director, Division of Management Information and Telecommunications Systems at the Atomic Energy Commission. He served in the Atomic Energy Commission for 20 years in several financial and general management positions and previously was employed by the Tennessee Valley Authority on the General Manager's budget staff.

Mr. Kull received a B.A. degree in Economics and Business Administration from Gustavus Adolphus College and an M.A. in Public Administration from the University of Minnesota. He is a member of FGAA, the American Society for Public Administration and the Association for Computing Machinery.

Commissioner Andolsek to Present Student Awards—Commissioner L. J. Andolsek, U.S. Civil Service Commission will be our special guest at the April meeting to say a few words and present our chapter awards to the top accounting students from each of the colleges and universities in the area.

This award program is designed to recognize outstanding accounting students and improve communications between the local academic community and professional government accountants. The winners are selected by their respective college or university and each will receive a \$50 Savings Bond and a certificate of recognition.

May Meeting—Our 15th Annual Awards Program will be the highlight of the May Meeting. The four winners of this year's Awards for Outstanding Achievements in the Federal Government will be honored. The 1974 Chapter Award for outstanding contribution to the Washington Chapter will also be presented.

Area Chapter Meetings

Montgomery—Prince George's Chapter

Date: April 10, 1974

Place: Sheraton S.S.

Time: Social Hour at 6 pm., Dinner (\$5.25) at 7 pm.

Speaker: Dr. Robert H. Anthony, Professor, Harvard Business School

"Government Accounting: What Next?"

Reservations: Call Mathew Groff at 557-2986 by April 5th.

Northern Virginia Chapter

Date: April 16, 1974

Place: Valle's Steak House

Time: Dinner (\$5.00) at 6 pm.

Speaker: James H. MacNeill, Financial Accounting Standards Board

Reservations: Call Jim Alubowicz at 557-2151, by April 12th.

Membership Directory Revised

Committee Chairman Paul J. Gist will have a limited supply of the new directory at the April luncheon meeting. Chapter members attending the luncheon may pick up a copy for their use. If you can't attend in April, be sure to make the May meeting when a second supply will be available. Single copies will be mailed to FGAA agency liaison representatives and other members upon specific request. Those who can't get to either luncheon should send their request to Paul J. Gist, 3903 21st Avenue, Hillcrest Heights, Md. 20031.

Federal Government Accountants Association of Washington, D.C.

A postage-paid ballot is enclosed for the election of Officers and Directors of the Washington Chapter for the year beginning July 1, 1974. The ballot contains the nominations of the Nominating Committee appointed by the President in accordance with Article XI of the Chapter By-Laws. That article also provides that nominations may be made by petition signed by at least 1/10th of the Chapter members in good standing and filed with the Secretary. No nominations by petition were received. All Chapter members (except honorary members) may vote for one candidate each for President-Elect, for Secretary, for Treasurer, and for not more than eight Directors. The candidate receiving the highest number of votes for Director will be the Vice-President. The names of candidates for each position are listed on the ballot in alphabetic order. The ballots are to be sent to the Election Procedures Committee. Any ballots received AFTER MAY 5 or postmarked AFTER MAY 1 are null and void. Elected officials will be announced ^{at} the Chapter luncheon on May 9.

THE CANDIDATES

For President-Elect

DONLON, JOSEPH J. — Member since 1970. FGAA service: Director of Program Committee, 1973-74. Member of Capital Region Seminar Committee, 1973-74. Director of Editorial Committee, 1973. Member of Sophisticated Audit Techniques Seminar Committee, 1972. Is Assistant Director, Division of Financial and General Management Studies, General Accounting Office.

MILLER, RICHARD E. — Member since 1971. FGAA service: Chairman, Committee on Budgeting, 1973-74. Chairman, Program Coordination and Support Committee for Regional Seminars, 1974. Is Comptroller for the Department of Labor.

For Secretary:

DOLAN, PAUL J. — Charter Member, Rochester, New York Chapter. Member Washington Chapter since 1969. FGAA service: Assistant Secretary, 1972-73. Is Manager, Post Office Section, Accounting Systems Branch, Finance Department, U.S. Postal Service.

MUNDELL, THOMAS F. — Member since 1970. FGAA service: Assistant Secretary, 1973-74. Served on Membership Directory Committee, 1973. Member of Meeting Committee, Election Procedures Committee, Membership Directory Committee and Vice-Chairman, Membership Committee, 1972. Membership Committee, 1971. Is Systems Accountant, Department of the Treasury.

For Treasurer:

CLARK, ELLIE — Member since 1969. FGAA service: Membership Committee 1972-74. Research Subcommittee, 1972-74. Is Accounting Officer, National Foundation on the Arts and Humanities.

FIELDS, SUE — Member since 1970. FGAA service: Member of the Chapter Membership Committee, 1973 and 1974. Member of the National Public Relations Committee 1973 and 1974. Chairman, Ladies Activities, 1971 National Symposium. Is an Operating Accountant at the National Institute of Health, Department of Health, Education and Welfare.

For Directors:

COHEN, MORTON — Member since 1958. FGAA service: National Awards Committee, 1973-74. National Publications Policy Committee, 1970-72. Is Director, Contract Audits Division, Office of Audits, General Services Administration.

GABBAY, MEIR S. — Member since 1961. FGAA service: Director, Employment Clearing House, 1973-74. Co-Chairman, Chapter Research Committee, 1972. Is Chief, ADP Administrative Systems Division, Office of the Secretary, Department of Commerce.

HOGG, ROY B. — Member since 1973. Is Supervisory Systems Accountant, Office of Economic Opportunity.

LAYTON, FRED D. — Member since 1968. FGAA service: Director of Editorial Committee, 1973-74. Is Deputy Director, Financial and General Management Studies Division, General Accounting Office.

LORDAN, JOHN J. — Member since 1969. FGAA service: Member National Office, Federal Financial Management Standards Board, 1971-74; Chairman, 1972-73. Member National Committee on Government Cooperation, 1973-74. Is Director, Office of Financial Management, Office of Federal Management Policy, General Services Administration.

MAYCOCK, RICHARD W. — Member since 1967. FGAA service: Member of Program Committee, 1969. Moderator of Accrual Accounting workshops, 18th and

Notice of Election of Officers and Directors For The Year Beginning July 1, 1974

22nd National Symposiums. Is Deputy Director for Financial Management, Division of Financial and General Management Studies, General Accounting Office.

MEREDITH, JAMES E. (TED) — Member since 1958. FGAA service: National Director of Government Services, 1973-74. Is a Partner with Coopers & Lybrand.

NOVOTNY, THOMAS W. — Member since 1972. Is Deputy Director, Bureau of Accounts and Statistics, Civil Aeronautics Board.

OLEWINE, LAURENCE E. — Member since 1972. FGAA service: Chairman, Chapter Seminar on Presentation Techniques, 1973. Member, National Education and Training Committee, 1972-74. Author, articles for Federal Accountant. Is Special Assistant for Education, Office of the Assistant Secretary of Defense (Comptroller), Department of Defense.

ROSEN, BERTRAM H. — Member since 1969. FGAA service: Director of Publicity Committee, 1973-74. Executive Secretary of the Financial Management Standards Board, 1973. Chairman of Publicity for Capital Region Seminar, 1973. Is Executive Secretary, Joint Financial Management Improvement Program.

SAYLOR, JAMES W. — Member since 1962. FGAA service: Chairman, Committee for Cooperation with Professional Organizations, 1973-74. Member Nominating Committee, National Office, 1973. Chairman, Committee for Cooperation with Government Agencies, 1972 (member 1969-71). Chairman, Chapter Nominating Committee, 1970. Member Education Committee, 1963, 1964, 1965. Member National Finance Committee, 1966. Member, Program Committee National Symposium, 1966. Winner Chapter Outstanding Achievement Award 1969. Is Director, Investment Division, Office of the Secretary of Defense, Department of Defense.

SELLERS, H.E. — Member since 1957. FGAA service: Member, Chapter Awards Committee, 1973-74. Member of Financial Management Round Table Committee. Member, Research Committee. Is Director of Audits, Office of the Secretary, Department of Transportation.

THORN, LESLIE D. — Member since 1958. Is Director of the Office of Financial Policy and Systems, Office of the Assistant Secretary for Administration, Department of Labor.

TWITTY, DONALD M. — Member since 1969. FGAA service: Chairman, New Member Activities, 1973-74. Is Supervisory Budget Analyst, Office of the Comptroller, Veterans Administration.

WOODBURY, MAYNARD B. — Member since 1953. FGAA service: Chairman, National Education Committee, 1964. Member of various committees in prior years. Is Deputy Comptroller for Audit Policy, Office of the Secretary of Defense.

NOTE: Tom Loftus of the Civil Service Commission was nominated by the nominating committee to run for Director but later withdrew his candidacy because of other commitments.

**RECRUIT ONE
MEMBER
MORE
IN
'74**

MARCH MEETING REPORT



Assistant Postmaster General Richard F. Gould discusses the financial aspects of managing the Postal Service.

Richard F. Gould, Assistant Postmaster General For Finance, U.S. Postal Service, discusses the "Financial Aspects of Managing the Postal Service"

Mr. Richard F. Gould was named Assistant Postmaster General for Finance on November 1, 1971. The Postal reform and reorganization came about under President Johnson. One of the prime purposes for this move was to remove it entirely from politics. There are 700,000 plus persons in the Postal Service. Emphasis is being placed on the need to narrow the differences in rate cases. This is sometimes a long and controversial action to bring about. Everyone is interested in Postal affairs and are examining their progress with both praise and criticism. Patience, above all, is called for in the overall Postal Reform.

Mr. Gould pointed out that the ultimate aim of the Postal Service is to give the best possible service at the lowest possible cost. There are many factors which are a hinderance to this goal. Modernization is slow. Introduction of cost saving machinery is costly. Implementing better systems to operate more effectively and at lower costs requires precious time. In spite of all these, and more, barriers the Postal Service expects to become self sufficient in October. When these goals are accomplished the Postal Service will no longer continue to be a burden to the tax payer.

The March Meeting Headtable Included:



(L to R) Frank La Cava (Treasury); Esther Kiel (NSF); Bob Meyer (GAO); Kent Crowther (HUD); George Cate (Booz, Allen & Hamilton); Jerry Murphy (Treasury); Richard Gould (Asst. Postmaster Gen.); Joe Donlon (GAO); Audrey Dysland (Treasury); John

TABLE OF THE MONTH — MARCH MEETING SELECTIONS:

EACH MEMBER OR GUEST SEATED AT TABLES WHERE PHOTOS WERE TAKEN WILL RECEIVE A FREE COPY OF THE PHOTO AT THE NEXT MEETING



(L to R) Maria Hykes (ICC); L. Rodriguez (ICC); Charles Thomason (ICC); Scott Decker (ICC); Aubrey Herndon (ICC); Bill Moss (ICC); Marilyn Kessinger (ICC); Robert Barrett (ICC).



(L to R) Fred Layton (GAO); Dick Maycock (GAO); Glenn Mayer (USPS); Leonard (Len) Lyon (WR Systems); John C. Bulwinkle (WR Systems); Ron Wisner (Arthur Andersen & Co.); Don Clement (GAO); Gene Ramey (GAO)

President's Message

(From page 2)

quantitative performance measures and such data is also reported. The largest activity has made extensive use of unit cost data for years and more should follow in the future. These reports tell every manager whether he's getting the job done and whether he's doing it efficiently. If performance or expenses seem out of line, the manager can take corrective action quickly before a major problem develops. This takes some of the worry out of management. When you know how you're doing, your boss seldom has to tell you. The objective is to provide information for management rather than on management. It is given to those who have direct responsibility for operations—not just to those above them for evaluation and control purposes.



Cooley (DOD); Joseph Dodwell (Coopers & Lybrand); Maurice Pujol (Senate Appn. Committee)

EMPLOYMENT CLEARING HOUSE . . .

Meir S. Gabbay, Chairman

The Employment Clearing House Committee has recently sent a letter to personnel officers of Federal bureaus and establishments in the Washington, D.C. area reminding them of the employment referral services available from the Washington Chapter of FGAA.

Applications for membership in FGAA were given to three prospective members by the committee during the past month.

Vacant positions as of March 19, 1974, are as follows:
Maritime Commission, Washington, D.C., 1 Budget and Accounting Analyst, GS-12; 1 Staff Accountant, GS-11. Contact Mrs. K. Mealy 523-5773
Dept. of H.E.W. - Audit Agency, Washington, D.C., Auditors, GS-12-13. Contact Mr. F. Lehrer 755-8880

Dept. of Commerce - Office of the Secretary, Washington, D.C., 1 Systems Accountant, GS-11/12/13. Contact Mrs. S. Maged 967-2324

National Labor Relations Board, Washington, D.C., 1 Systems Accountant, GS-11/12. Contact Mr. W. Crews 254-9044 or Mr. H. McIntyre 254-9307

Bureau of Engraving and Printing, Washington, D.C., 1 Chief Accountant GS-15, 1 Deputy Chief Accountant, GS-14. Contact Mr. J. Conlon 967-7214

Dept. of Commerce - National Oceanic and Atmospheric Administration, Miami, Fla. area, 1 Accountant, GA-11/12. Contact Mr. B. Brown 496-8795

WELCOME NEW MEMBERS

Russell L. Bee HUD
Joseph P. Branch FTC
Glenn W. Brandt VA
Richard J. Butler HUD
Ray C. Cline NASA
Robert M. Cohn Commerce
Ralph E. Crews Customs
Bartlett A. Derrick Treasury
Charles A. Ellison SESA
Joseph W. Frye USDA
Clair Adam Hoffman, Jr. GAO
Thomas A. Hughes FBI
Dennis J. Hubscher Commerce
Lawrence Lashier GAO
Peter J. McGough GAO

George M. Lowe, Jr. GAO
John S. Reifsnyder GAO
Daniel D. Sullivan Customs
George R. West NASA
Edwin G. White Federal Reserve Board
George J. Wolff HEW
Christine D. Decker GAO
George J. Honyara NLRB
India D. Johnson Patent Office
Donald J. Rees HUD
Thomas M. Vapniarek AID
Eugene A. Hamilton Interdec, Inc.
Martin D. McLaughlan Coopers & Lybrand
Henry E. Schlenker Touche Ross & Co.

The Federal Government Accountants Association WASHINGTON CHAPTER



NEWS BULLETIN

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Dale City, Va. 22191

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*April - Operating budgets
not by targets, etc.*