

**Minutes**  
**AGA National Executive Committee Meeting**  
**February 18, 2009**  
**JW Marriott, Washington, D.C.**

**ATTENDANCE**

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Committee Present

- Samuel Mok, CGFM, CIA, National President, Washington, D.C. Chapter
- William Morehead, CGFM, CPA, National President-Elect, Jackson Chapter
- Richard Fair, CGFM, CPA, Immediate Past National President, Trenton Chapter
- Thad Juszczak, National Treasurer, Washington D.C. Chapter
- Mary Lechner, CGFM, CPA, National Treasurer-Elect, Virginia Peninsula Chapter
- David Bennett, CGFM, CPA, Immediate Past National Treasurer, East Tennessee Chapter
- Karmen Stockman, CGFM, Senior Vice President for Regional Services Section II, Mid-Missouri Chapter
- Robert Bond, CGFM, Senior Vice President for Regional Services Section III, Northern Utah Chapter
- Deborah Davis, CGFM, CPA, CPFO, Senior Vice President for Regional Services Section IV, Chattanooga Chapter
- Kelly Stefanko, CPA, Senior Vice President At Large, Virginia Peninsula Chapter
- Karl Boettcher, MBA, CGFM, Senior Vice President At Large, Washington, D.C. Chapter
- John Radford, CGFM, CIA, CFE, Senior Vice President, Presidential Appointee, Portland and Mid-Willamette Valley Chapter
- Richard Bunce, CGFM, Professional Certification Board Chair, Richmond Chapter
- Henry Steininger, CGFM, CPA, Corporate Partner Advisory Group Chair, Washington, D.C. Chapter
- Relmond Van Daniker, DBA, CPA, Executive Director

Committee Members Not Present

- Ronald Cox, CGFM, Senior Vice President for Regional Services Section I, Indianapolis Chapter
- Zack Gaddy, CGFM, Senior Vice President, Presidential Appointee, Denver Chapter

Committee Member Present Via Telephone

- Gwen Sykes, MPA, CGFM, Senior Vice President, Presidential Appointee, Washington, D.C. Chapter

Other Present

- Lisa Casias, CPA, National President-Elect Designate, Washington, D.C. Chapter
- Joseph Kull, CGFM, CPA, National Treasurer-Elect Designate, Northern Virginia Chapter
- Wallace Alan Franklin, CGFM, CPA, Incoming Senior Vice President Regional Services, Section I, Boston Chapter
- Phillip Nally, CGFM, Incoming Senior Vice President Regional Services, Section IV, Central Kentucky Chapter
- Harvey Eckert, CPA, Chair of the International Development Committee, Central Pennsylvania Chapter
- Tom Sadowski, CGFM, CPA, Past National Treasurer, Past National President, Mid-Missouri Chapter
- Martin Benison, CGFM, Co-chair, Partnership of Intergovernmental Management and Accountability, Comptroller of Massachusetts

- Thomas Cooley, Co-chair, Partnership for Intergovernmental management and Accountability and CFO, National Science Foundation
- Hugh Webster, AGA Attorney, Webster, Chamberlain & Bean

National Office Staff Present

- Peter Aliferis, CGFM, Deputy Executive Director of Operations and Professional Certification
- Cristina Barbudo, CPA, Director of Finance
- Evie Barry, Director of Performance Reporting
- Susan Fritzlen, Deputy Executive Director of Programs
- Anna Miller, MBA, CPA, Director of Research
- Ray Harris, CGFM, Director of Chapter Operations
- Joe Jozefczyk, Director of Education
- Helena Sims, Director of Intergovernmental Relations
- Michiyo Wheeler, NEC Liaison and Governance Manager

**FORMAL NEC MOTIONS** (The motion passed unanimously unless otherwise noted.)

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**MOTION #1:** Approved agenda with amendment. Added DM 09-07 2009 National Performance Management Conference Co-Chairs recommendation to consent agenda.

**MOTION #2:** DM 09-01 Approved South Dakota Chapter formation

**MOTION #3:** DM 09-02 Approved Circle City Chapter Formation

**MOTION #4 :** DM 09-03 Approved Greg Kutz, Director, Forensic Audits Special Investigations Unit, GAO, Pasquale (Pat) Nigro, Director, Financial Advisory Services, Deloitte, and Art Hayes, JD, CGFM, Director of State Audit, Division of State Audit, Comptroller of the Treasury, State of Tennessee, as Co-Chairs of 2009 Internal Control & Fraud Conference.

**MOTION #5:** DM 09-04 Approved Councilor Buchanan and Mitchell as AGA's independent auditor for fiscal year 2009 and four succeeding fiscal years.

**MOTION #6:** DM 09-05 Approved contract with PRG Hi-Tech for production and audio/visual services from 2009-2012. The contract covers services for PDC 2009 – 2012, and includes options to provide service (at AGA's discretion) for AGA's NLC and Internal Control & Fraud Conference.

**MOTION #7:** DM 09-07 Approved Cheryle Broom, CGFM, King County Auditor, Seattle Washington, Srikant Sastry, CGFM, Partner, Global Public Sector, Grant Thornton LLP as Co-Chairs of 2009 National Performance Management Conference.

**MOTION #8:** DM 09-06 Approved to revise the existing Chapter 14, Section A and C.

**MOTION #9:** Approved FY 2010 Budget as amended by a motion to transfer from the Operating Reserves the anticipated cost to run the Intergovernmental Project for one more year instead of the funding coming from regular operations.

## FINANCIAL HIGHLIGHTS

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- The National Treasurer presented the new IRS Form 990. The form is available on the internet. The National Treasurer reviewed the following sections with NEC:
  - Part IV: Checklist of Required Schedules
  - Part VI: Governance, Management, and Disclosure (Brand New Section) – this section requires involvement of the governing body.The National Treasurer and AGA's Chief Financial Officer will establish a timeline for NEC to review before filing of Form 990.
- The National Treasurer reviewed documents of Chapter 14 Section A (Budget Formulation, Execution and Approval) and Section C (Revenues and Expenses) with both track changes and completed versions. The most important edit was the addition to each of these sections of the key internal controls embedded in this document. This stems from the Internal Control project that the FBC has been tasked with and that ultimately will allow the Executive Director to certify on the effectiveness of these controls as required by the Internal Control Self Assessment (Chapter 14; Section D-2). The FBC will continue to go through the remaining sections of Chapter 14 Financial Policies to present revisions for approval by the NEC. This project is expected to be completed by the next NEC meeting in June.
- The National Treasurer presented DM 09-06 to revise the existing Chapter 14, Sections A and C and it was approved unanimously.
- The National Treasurer – Elect presented the budget for FY10, showing an excess of operating revenues over expenses of \$27,343, after approved use of Board Designated Reserves. She highlighted two areas in which the revenues reported in the budget had not been clearly identified and could represent risk areas: 1) Intergovernmental Project: no current source of funding exists for this project; and 2) SEA program assumes \$55,000 will be obtained from new source yet to be identified. Discussions arose regarding the methodology used for budgeting and the Director of Finance explained how past trends were key as well as a general conservative approach with some stretch goals for some programs. The idea is to achieve some “cushion” by the conservative budgeting should any of the stretch goals not materialize and achieve the overall budgeted bottom line when all programs are combined.
- The Treasurer-Elect offered her and the FBC's commitment to the NEC to closely monitor the financial results of the association and report on the progress of early events, such as membership renewals and PDC that would offer information to decide whether remedial action is required or not to meet the budget.
- The Executive Director mentioned that if the new revenue is not obtained for SEA, then the \$50,000 budgeted as a GASB contribution could be used to cover the shortfall in the SEA revenues above mentioned. He explained how supporting SEA reporting is consistent with GASB's position so in essence, AGA will be furthering GASB's agenda even if in an indirect way.
- Discussions ensued about the funding of the Intergovernmental Cooperation Program. The current approved funding from the Program Development Reserve will end on March 31, 2009. Members discussed 1) whether AGA should fund the continuation of this program and 2) for how long (three months or a year). After extensive discussions, the NEC unanimously approved the funding of the estimated expenses (\$123,797) to run the program for one more fiscal year from the Operating Reserve. The NEC requested that a business plan be prepared for this endeavor and presented at their next meeting in June

## DISCUSSION

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- **Issues from Regions**—2009-2012 RVP-Elect positions have been filled except Northwestern Region. Quad Cities Chapter has gone inactive. Ohio-Michigan Region is having a problem receiving emails from AGA. DFAS computers blocks any emails coming from non-government email address. SVPRS recommended to send emails to members' personal email address. National Office staff were asked to investigate and report back to NEC. San Francisco Chapter was struggling for a while but revitalizing efforts is working and the chapter is now doing well.

- **Chapter Development**—The importance of regular communication between the National Office and chapter and regional leaders was discussed. Email and conference calls are the primary means of communications. The chapter scorecard is used to classify chapters as strong, nurturing, and needing major revitalization. The challenge that we are facing is senior chapter leaders' involvement. One of the reasons is as they move up in their career field and take more responsibilities, the amount of time spent for their volunteer time with AGA decrease. Discussion ensued about the importance of bringing younger 'early career' members into AGA.
  
- **Performance Reporting**—Twenty reports were submitted to the CEAR Program. The award dinner is scheduled for May 20, 2009 at the National Press Club. Scheduled an audio conference on March 25, 2009, "SEA: Taking Accountability and Transparency to a New Level" with Sam McCall, CGFM, City Auditor, Tallahassee, Florida, a Past National President who is completing his Ph.D. in Public Administration, and Ken Smith, Ph.D. professor at Willamette University and academic advisor for the SEA Program. Mr. McCall's dissertation is on SEA and he will focus his remarks on this topic. Recently developed a website that offers SEA prepares helpful hints in preparing and improving SEA reports. This website will reduce the time spent by Cindy Green, AGA's technical consultant, in reviewing each SEA report and thus reduce the expense. Also established three award levels for SEA reports – gold, silver and bronze. The first gold award recipient was Bellevue, Washington.
  
- **Case Challenge**—The second AGA Government Finance Case Challenge generated interest from 17 universities, with two finalists that were set to make presentations at the NLC—the University of North Carolina at Pembroke and the University of Nebraska at Omaha. Ten universities will be using the case as a classroom example in their courses.
  
- **Emerging Issues**
  - The second Emerging Issues Forum was held in conjunction with 2009 National Leadership Conference. A white paper "*A Report on Emerging Issues in Government Financial Management*" will be developed after the forum, and distributed at the PDC and to members of the Administration and Congress. A session at the PDC will also be devoted to the findings in the paper.
  - The Financial Management Standards Board issued 20 Comment Letters, to nine different standards setters, including five to the FASAB over two months late in 2008 and early in 2009. FMSB provided testimony before the FASAB on its comment letters on the proposed statements on social insurance and on. The FASAB, GAO and GASB have sent letters/emails to the FMSB Chair thanking him for the FMSB feedback. Comments made by the FMSB have been acted on by the FASAB in their deliberations and the FMSB at the request of the FASAB, submitted suggestions for the FASAB's future technical agenda.
  - The Corporate Partner Advisory Group Research Program has completed six reports this year. Five have been printed and the sixth is being printed. In all, we have completed 20 reports since the inception of the program just over four years ago. Many of the research report topics are picked up as audio conferences topics, with the researcher or sponsor as a speaker, at no cost to AGA, so they contribute to AGA revenue generation in addition to the CPAG support. We get requests for reports from many countries and get considerable media coverage, especially since issuing Research Releases. There was a session on our XBRL research at an International Conference in Vancouver and on our Grants Management research at the NGMA Grants Conference in Washington, DC. We receive many requests for copies and considerable media coverage. Both federal and tribal entities use the reports. The Library of Congress OIG requested a copy of the report on Audit Committees to have for their records and the Director of Internal Audit, Salt River Pima and Maricopa Indian Community, Scottsdale, is using the same report to help them set up an audit committee. One report, Financial Management Shared Services: A Guide for Federal Users (July 2005), has been included in

OMB guidance, in testimony before the Subcommittee on Government Management, Finance, and Accountability, Committee on Government Reform, House of Representatives, has been referenced in a Congressional Research Report (CRS) Report for Congress, and is included in its entirety in yet another congressional hearing record.

- **Certification**—Statistics show that the number of CGFM applications increases each year. Demographic breakdown of all CGFMs and current CGFMs were added to the statistics. The effort on how to bring inactive CGFMs back to active will be discussed at the next PCB meeting. Statistic also shows that the new CGFMs are generally from the private sector. Recently revised the Continuing Professional Education (CPE) requirements and publicized it via email among current and new CGFMs. Received printed book recently and they will be distributed to the chapters. Receiving frequent requests for reactivation, waivers, and reinstatement was mentioned. Currently the only people receiving waivers are those deployed with the military.
- **Intergovernmental Partnerships**— Massachusetts Comptroller Martin Benison, CGFM, and National Science Foundation CFO Tom Cooley, who co-chair AGA's Partnership for Intergovernmental Management and Accountability (Partnership), made brief remarks about the Partnership. They presented nine deliverables submitted by the Partnership, including two monitoring tools that will be instrumental in helping governments monitor sub-recipients under the newly-enacted \$787 billion recovery package. They encouraged the NEC to continue funding the Partnership for another year, noting that it has accomplished a great deal in a short time and that it had made progress in opening the lines of communication among governments. All of the deliverables are posted on AGA's website at <http://agacgfm.org/intergovernmental/resources.aspx>. Mr. Benison said that the products produced by the Partnership should help in obtaining funding in the future, since they demonstrate the concrete contribution made by the Partnership to intergovernmental relations.
- **Responsibility for Handicap Issues**—A hearing-impaired member of the Boston chapter requested assistance to be available to participate in an audio conference. The Boston chapter came to the National Office for guidance on how to accommodate this member. AGA's counsel was brought in to shed light on the legal requirements. The American Disabilities Act (ADA), Title III, Public Accommodations and Services Operated by Private Entities states "No individual shall be discriminated against on the basis of disability in the full and equal enjoyment of the goods, services, facilities, privileges, advantages, or accommodations of any place of public accommodation by any person who owns, leases (or leases to), or operates a place of public accommodation." There is an exception called "Undue hardship" which means an action requiring significant difficulty or expense when accommodation would impose an undue hardship on a covered entity, factors to be considered. This section has been the grey area and there have been no deciding cases by the courts on this particular aspect of the ADA. Individuals can file a lawsuit if they believe that they are being discriminated against but they cannot get damages beyond attorney fees & court costs. Discussion ensued and it was decided that AGA needed a written policy that it could share with all of the chapters. National will work with legal counsel on drafting a policy. It was requested to add this topic to the 2009 Sectional Leadership Meetings (SLM) for discussion.

**AGA Academy**—AGA's Academy for Government Accountability received an unqualified opinion with no significant deficiencies in its audit. As of January 31, 2009, Academy has about \$140,000 in net cash resources available. Two issues were discussed. One of the issues is related to the Dittenhofer Dissertation Award for Ph.D. students. No one seems to be interested in applying for this award. Second, the Einhorn Research Award received four proposals but the Academy Trustees chose not to fund any of them. National President shared three concepts related to the Academy funding that were brought up at the Academy Board meeting: 1) Termination, 2) Suspension but to fund \$5,000 per year for the audit, and 3) Review the business model to generate the funding. There weren't any decisions

made due to the Board didn't have the quorum. National President expressed concern about the state of affairs of the Academy.

- **Governance Task Force Report**—The Governance Committee was formed by the National President. Members on the committee are John Radford, Gwen Sykes, Kelly Stefanko, CGFM, Jeff Hart, CGFM, Dan Christovich, CGFM, and Charles Harrison, CGFN. The Governance Committee Proposed Charter was presented to the NEC. The National President stressed that this committee is purely an advisory committee and doesn't have any authority to make any decisions. Members were asked to review the proposed charter and send their suggestions to John Radford, CGFM.
- **AGA Sponsored Training Courses**—To date, AGA has 19 courses and has generated \$105,000 in revenue. This compares to our courses and zero revenue two years ago. A new training and education catalogue/brochure is available for wide distribution. This is the first brochure that has all of AGA's educational offerings such as CGFM classes, onsite courses, audio conferences, national conferences and online education. The target audience will be leaders and decision-makers in the public and private sectors, academia and AGA chapters.
- **CPAG Research**—The number of private sector organizations coming to AGA is growing each year. The CPAG's role is to bring people together and exchange information, support professional development, etc, through networking via theNLC, PDC, and CFO dinners. The CFO breakfast will be brought back this year with speakers surrounding the new administration. AGA would like to produce a compendium of the first 20 research reports and have it be available at the PDC. The Chair expressed that under the current economy, we will keep a close watch over the finances including corporate partner dues, research sponsorships and conference participation.

## **ACTION LIST**

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### **NEC Members**

- Review AGA Governance Committee Proposed Charter and send suggestions to John Radford.

### **Relmond Van Daniker**

- Work with Lisa Casias on understanding better how government employee can participate in AGA activities within current government ethics compliance.
- Report NEC on certify secure site so that the AGA email won't be blocked by the government email address.
- Work with AGA attorney and draft a policy regarding handicap accommodations and send a draft via email.

### **Ray Harris**

- Make sure that the new chapters receive any communications they need from the National Office (e.g., invitation to the chapter meetings)
- Identify the staff person on series of committees and send them research reports and also ask them questions what they are interested in knowing???

### **Helena Sims**

- Work with the Intergovernmental Partnership Chair and Co-chairs and draft a business plan for the NEC.

### **Pete Aliferis/Katya Silver**

- Widely distribute the revised Continuing Professional Education (CPE) requirements booklet to members and chapters.

## **FUTURE NEC MEETINGS**

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- June 20, 2009, New Orleans, LA.