

The Washington Connection

ASSOCIATION OF GOVERNMENT ACCOUNTANTS
WASHINGTON D.C. CHAPTER



Issue 06 • February 2012

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Photos Courtesy of Chris & Barbie Escobar
info@chrisbarbiephotography.com

"I suppose leadership at one time meant muscles; but today it means getting along with people.

- Mahatma Gandhi

Happy Valentine's Day

FEB

LUNCHEON SERIES

Luncheon Speaker: James L. Taylor

Department of Labor

Chief Financial Officer

"CFO Act 20th Anniversary Report to Congress"

Wednesday, February 15th, 2012

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 Kesha Pendergrast (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

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,

Welcome to this month's DC Chapter Newsletter. Please note the calendar of events in this month's edition. Notably there are a number of activities for all in the month of February and I would not want you to miss any of them.

Last month I reported that the DC Chapter had completed its Citizen Centric Report. The DC Chapter's report is available on the DC chapter website. AGA promotes and sponsors the citizen centric report concept which is intended to foster innovative means of communication between government and its citizens. I am also happy to report that the US Treasury Department has completed the citizen's report for the entire Federal Government. The report entitled "Citizen's guide to the 2011 Financial Report of the United States Government" was distributed at our January AGA luncheon. The Treasury prepared Citizen's Guide for Fiscal 2011 is approximately 16 pages and highlights the major revenue streams and cost of the Federal Government. Further, the report presents not only the current but also future projections for various federal activities or programs. The information is displayed in an easy-to-read format with illustrating charts, if you have a few moments I would strongly recommend its reading.

Mark Reger the Deputy Assistant Fiscal Secretary Department of Treasury will be providing a more in-depth review and analysis of the report and the finances of the federal government as a speaker at an upcoming DC AGA event. The Federal Government report can be found at <http://www.fms.treas.gov/frsummary.frsummary2011.pdf>.

Also, I would like to thank James Taylor for accepting to be our guest speaker for the February luncheon. Mr. Taylor comes with a wealth of over 30 years' experience in federal financial management in various roles and disciplines. He has been the Deputy Inspector General for Homeland Security. He also has been the Deputy Chief Financial Officer for the Department of Commerce, the Deputy Chief Financial Officer of FEMA and he is currently the Chief Financial Officer for the Department of Labor.

President's Message (cont'd)

Lastly, it is not too early to sign up for the upcoming AGA Professional Development Conference (PDC) that will be held in San Diego this year. I encourage you to attend. The PDC is the authoritative source for the knowledge and contacts you will need to succeed in today's constantly changing environment. Offering 24 CPE hours, the PDC covers the latest research and information about the hottest topics in government accountability. Hear the experts speak about the battle to lower Improper Payments, long-term budget projections and financial systems innovation, to name a few topics. The PDC provides forum to update your knowledge and application of the latest pronouncements from GASB, FASAB, GAO, AICPA and OMB among others.

Terry Bowie

Terry Bowie
President
Washington DC Chapter

Note From the Editor



**by Jorge Asef-Sargent,
Editor**

Welcome to the February 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 Decoding the Statement of Custodial Activity 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 offers, 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

Deborah Khavkin, Assistant Editor

Erwin Solbach, Graphics



Welcome, New Members!

MEMBERS NEW TO AGA DC

<i>Oneida Del Carmen Adames-Ripley</i>	<i>OAS</i>
<i>Patricia F. Beinsu</i>	<i>Dept of the Navy</i>
<i>Michael J. Campbell</i>	<i>PricewaterhouseCoopers</i>
<i>Rekha Chatterjee</i>	<i>Neighbor Works America</i>
<i>Kim Natalie Cousins</i>	<i>US Army</i>
<i>Mary Ann Cox</i>	<i>DHS</i>
<i>Motunrayo S. Dindi</i>	<i>Dept of HUD</i>
<i>Nivin A. Elgohary</i>	<i>USDA</i>
<i>John C. Franks</i>	<i>Ingenuity, Inc.</i>
<i>Robert J. Hall</i>	<i>Dept of Justice</i>
<i>Zena L.L Huen</i>	<i>Dept of Transportation</i>
<i>LaTia Jackson</i>	<i>Williams Adley and Company</i>
<i>Julie Knight</i>	<i>KPMG, LLP</i>
<i>Jessica L. Kramer</i>	<i>Dept of the Navy</i>
<i>Stephanie T. George Mitjans</i>	<i>Kearney & Company</i>
<i>Ajay Nangia</i>	<i>Intellipoint Consulting, Inc.</i>
<i>Elie Naoum</i>	<i>AOC Solutions Inc.</i>
<i>Sabrina A. Nolasco</i>	<i>USCG</i>
<i>Jason V. Onorato</i>	<i>Dept of the Army</i>
<i>Lisa T. Rees</i>	<i>USCIS</i>
<i>Alvin Jose Rodriguez-Mendez</i>	<i>Williams Adley and Company</i>
<i>Drew H. Rosen</i>	<i>KPMG LLP</i>
<i>David Sells</i>	<i>AOC Solutions Inc.</i>

Welcome, New Members!

MEMBERS NEW TO AGA DC

Robert C. Slahetka

Virginia W. St. John

Sarah Stearns

Jay F. Teitelbaum

Patrick J. Weiler

Dana L. Wilkins

Lynn M. Wilson

Kearney and Company

Deloitte & Touche

KPMG LLP

DHS

AOC Solutions Inc.

C2 Solutions Group

Dept of Commerce

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 members 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 **March 2012** issue is **February 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 and abdevine@kpmg.com.



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CGFM News and Upcoming Events

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 and leon.fleischer@sba.gov.



Update on Winter and Spring CGFM Training Classes

The DC Chapter's winter CGFM class is already filled and underway. However, in response to the overwhelming demand, the Chapter has decided to offer another class in March. The free class, covering all three modules of the CGFM exam, will be held on the following dates in Washington D.C. (metro accessible):

March 13, Module 1

March 14 and 15, Module 3

March 20 – 22, Module 2

Please be on the lookout for the training registration, which will open soon. There will be an e-mail blast sent out on the DC Chapter email distribution list announcing the opening of the registration – the announcement will also be posted on the Chapter website. 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. Although the roll-out has been delayed, the 1st opportunity is occurring this month, which will allow recipients of the scholarship to 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 soon – please be on the lookout for this.

CGFM News and Upcoming Events

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.

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. 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.

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.

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

Thank You...

The Mentorship Committee would like to extend a Special thank you to our January 2012 Lunch and Learn participants, as well as our speakers, Ms. Kim Farington of OPM and Mr. Phil Kangas of Grant Thornton, LLP/ Global Public Sector.

The participants were engaged in discussion around generational differences and obtained steps for effective mentoring.

Thanks to Jeff Stomel for all his assistance in coordinating logistics for this session. We had another great session, thanks to our members and new members of the Mentorship Committee.

If interested in becoming a mentor, please reach out to Kesha Pendergrast at pendergrast_kesha@pendergrastconsulting.com to get your assignment.

As we continue to increase our mentors, we'll begin pairing new mentees with new mentors.

If you would like to be a mentor, and learn more about AGA DC Mentorship Program, please feel free to contact us.

Kesha Pendergrast, Director of Mentorship (Pendergrast_kesha@pendergrastconsulting.com)
Sharnell Montgomery, Assistant Director of Mentorship (Montgomery.Sharnel@dol.gov)

Early Careers Corner

Come join the AGA DC Chapter Early Careers for our 2nd annual FONDUE PARTY! Experience happy hour, fondue style, with an assortment of cheese and chocolate fondues and dippers. Beverages will also be provided. Mingle and network with your fellow Early Careers. Let's have some fun!

When: Wednesday, March 7

Time: 6:30 pm

Where: The Melting Pot ~ 1220 19th Street, NW

Metro: Dupont Circle (Red Line)

Cost: FREE!

Please RSVP to Lena Lewis at lena.lewis@dhs.gov if you plan to attend.

Hope you can join us!

Check out our upcoming events:

TBA - St. Patty's Day Happy Hour

April - Comedy Night

May - Mini Golf Tournament

June - DC Chapter Awards Gala

Regards,

Lena Lewis & Stephen Wills

Lena Lewis and Stephen Wills
Directors, AGA DC Chapter Early Careers

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Awards Committee Update

The AGA/DC Awards Committee Needs Your Help!

Annually, the Association of Government Accountants presents at the Professional Development Conference and Exposition a series of awards to recognize individuals for their contributions to the Association. We need your assistance in identifying outstanding individuals who exemplify the characteristics described below:

- **Robert W. King Memorial Award**—an AGA member who has provided superior service that enhanced the AGA's national prestige and stature.
- **Einhorn-Gary Award**—An active AGA member or organization that has, over a sustained period of time, made major contributions to advancing government accountability at the federal, state, and/or local level.
- **Frank Greathouse Distinguished Leadership Award**— A government employee who has demonstrated sustained outstanding leadership and notable contributions to financial management, and to encourage increased interest, growth, development and distinctive leadership in the field of financial management.
- **Achievement of the Year Award**—A government employee who has exhibited leadership or outstanding achievement in developing, implementing and improving financial management in government service in the past year.
- **Educator Award**— An individual who have made significant contributions to the education and training of government financial managers.
- **Cornelius E. Tierney/Ernst & Young Research Award**— An individual who throughout their careers (minimum of 15 years) have made continuous contributions to governmental financial management by their direct participation in research activities and/or through their encouragement and support of others engaged in government financial management research.
- **Chapter Service Award**—An active AGA member who has consistently made important contributions to the development and enhancement of a chapter.
- **International Achievement Award**—A government employee who has exhibited leadership or outstanding achievement in international government financial management.
- **Emerging leader Award of Excellence**— A government financial manager with 5 to 10 years experience providing notable contributions toward excellence in financial management.

Please send the names and nomination information of outstanding professionals to Eleanor Crawford at Eleanor.long@EY.com no later than February 28, 2011. If you need assistance or have questions, feel free to contact Eleanor at 202-327-5903. For more information on each of these awards and their nomination forms, visit AGA's National website: www.agacgfm.org/membership/awards.

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

Washington Women Speak



**Grant Thornton LLP,
along with AGA's D.C. and Northern Virginia chapters,
invites you to attend the 6th Annual**

Women in Business: Transitioning & Transforming Together

Date: Thursday, March 15, 2012
Time: 8:00 am – 9:00 am, networking breakfast
9:00 am – 10:30 am, panel discussion
Location: Women's War Memorial, Arlington National Cemetery

This event is FREE and attendees will earn one (1) CPE credit for attendance. You must RSVP via email to WashingtonWomenSpeak@us.gt.com to confirm attendance and receive your CPE form after the event.

Hear the views of successful senior women executives in the federal sector discuss important steps in their career path that helped them get where they are today. Hear their views and advice on topics such as:

- Building a path to career success: Not just a job, but a career
- Communication that works
- Empowerment through support
- Being culturally competent
- Management styles: Using your brain to bring out the best in people
- Creating a plan for success
- Personal development/establishing yourself for continued growth
- Coaching/mentoring – did your coach/mentor help in breaking the barriers
- Discovering traits/skills/characteristics to build success

This annual event is an initiative of the Women at Grant Thornton. Established in 2004, the mission of Women at Grant Thornton is to enhance the recruitment, retention and advancement of women into leadership positions and is supported by a network of regional representatives and local office champions. Programs such as Washington Women Speak increase the awareness of women successes and enhance personal development at different stages of women's careers.



Grant Thornton



Chinese New Year Celebration

Monday, February 20
6:00 - 9:00 PM
China Garden
Rosslyn, VA

**The Annual Chinese New Year Dinner is quickly approaching
and we are heading back to China Garden to celebrate the Year of the Dragon!**

What: Annual Chinese New Year Celebration!

When: Monday, February 20
6:00 - 7:00 PM Cocktail Hour with cash bar
7:00 - 9:00 PM Dinner

Where: China Garden
1100 Wilson Blvd
Rosslyn, VA

How to get there: Take the Orange or Blue lines to the Rosslyn Metro Station.
When exiting the station turn Right onto North Nash Street and make a left onto Wilson Boulevard.
Proceed 1 block East on Wilson to 1100 Wilson Blvd.

Validated Parking is available in the parking garage below the building after 5:00 PM.

Cost: \$25 per person, cash bar
Please pay online via credit card in advance or cash or check only at the door.

Register online at the AGA DC website here:
http://agadc.org/page.php?name=chinese_new_year_information

If you plan to pay at the door:
Please RSVP by emailing Caitlin McGurn at Caitlin.McGurn@us.pwc.com.
Please RSVP by Monday, February 13.



Luncheon Speaker: James L. Taylor



James L. Taylor was confirmed by the United States Senate as the Chief Financial Officer for the Department of Labor on June 22, 2010. Prior to this position, he served as Deputy Inspector General for the Department of Homeland Security, where he assisted the Inspector General in managing over 600 auditors, inspectors, and investigators.

From 1999-2005, Mr. Taylor was the Deputy Chief Financial Officer for the Department of Commerce, where he successfully implemented the department's first integrated financial management system, and earned its first clean audit opinion. Prior to his position at Commerce, Mr. Taylor served as the Deputy Chief Financial Officer for the Federal Emergency Management Agency, where he helped transform FEMA's financial operations to more effectively support the agency's disaster response activities, and achieved its first clean audit opinion.

Mr. Taylor has received the Donald E. Scantlebury Award for Excellence in Federal Financial Management, and the Presidential Rank Award of Distinguished Executive. He received his BA from Old Dominion University and an MPA from the University of Delaware, where he was a Public Service Fellow.

Member Services

Thanks to everyone who joined us at the happy hour at Capital City Brewing Company. It was a big success and we were happy to see so many new faces. If you weren't able to attend we hope that you will be able to join us at one of the events in the near future. As a reminder, our goal at Member Services is to provide our members a chance to network in a fun and casual setting, meeting new people and catching up with colleagues. We hope that you see the value in our events and continue to take advantage of them.

On February 20, we ring in the Chinese New Year with a celebration at China Garden in Rosslyn. Tickets can be purchased on the AGA website.

For questions, please reach out to Caitlin McGurn at caitlin.h.mcgurn@us.pwc.com. There are a limited number of tickets for each event so be sure to sign up quickly. Be on the look out for information on the upcoming spring events also!

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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 or contact **Jessica Jones** at JJones@agacgfm.org.

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[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



Sal P. Ercolano, Jr.
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
Sal P. Ercolano, Jr.

Boris.Lyubovitsky@hq.dhs.gov
achal@loc.gov
DalkinJ@gao.gov
mrsamend@gmail.com
mgoodwi@us.ibm.com
sal.ercolano@cliftonlarsonallen.com

Membership (cont'd)

Recognition of AGA-DC New Members and Sponsors at the February 2012 Luncheon

AGA-DC Membership Committee Contest Winners

At the January 2012 Luncheon, Chapter President Terry Bowie presented Ryan Bolz for recruiting William Blackburn; Lena Lewis for recruiting Larry Rosenberg; Karl Boettcher for recruiting Rekha Chatterjee and Taylor Kopunovitz; and Becky Knotts for recruiting Binod Gupta with AGA-DC lapel pins and Visa gift cards.



Thank you to President Elect, Eileen Parlow for taking this picture.

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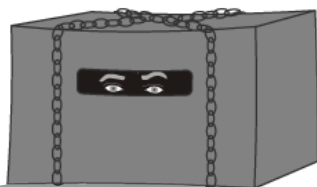
savantage solutions

Snapshots



Inside the Black Box

by Simcha Kuritzky, CGFM CPA



Decoding the Statement of Custodial Activity

Introduction

The Statement of Custodial Activity (SCA) is pretty straightforward until you try and map it to Standard General Ledger (SGL) accounts. Most agencies don't need to prepare it, since it must be material to the agency's operations (although a footnote is required if they are not material). Custodial activity can be defined functionally as Treasury General Fund (GF) Receipts that are not reported on the Statement of Net Cost or Statement of Changes in Net Position. Common examples include taxes and interest revenue from delinquent accounts receivable.

Purpose

Sometimes federal agencies act as agents of the U.S. Treasury. Agencies make a number of special types of deposits that they are not allowed to keep, which instead go into Treasury's General Fund. Since the agency knows how and why these were collected, Treasury relies on the agency to report the revenue on the SCA. Agencies also declare to Treasury the type of deposit being made by assigning it the proper Treasury Account Fund Symbol (for example, if an agency uses GF Receipt Account 0152, they are depositing excise taxes, while deposits to 1435 represent interest).

Revenue Activity

The top section (lines 1-10) of the SCA list the types of revenue. The first 7 lines list types of collections (line 8 is the total). Line 1 through 6 are six different types of taxes. Originally they were mapped to account 5800 Tax Revenue Collected, but in FY2009, each type of tax got its own SGL account, as shown in the following chart (the SCA line goes with the tax collected account in the next column).

Tax Accounts:	SCA	Collected	Accrual	Contra	Refund
<i>Individual Income and FICA/SECA Taxes</i>	<i>line 1</i>	<i>580100</i>	<i>582100</i>	<i>583100</i>	<i>589100</i>
<i>Corporate Income Taxes</i>	<i>line 2</i>	<i>580200</i>	<i>582200</i>	<i>583200</i>	<i>589200</i>
<i>Excise Taxes</i>	<i>line 3</i>	<i>580400</i>	<i>582400</i>	<i>583400</i>	<i>589400</i>
<i>Estate and Gift Taxes</i>	<i>line 4</i>	<i>580500</i>	<i>582500</i>	<i>583500</i>	<i>589500</i>
<i>Federal Unemployment Taxes</i>	<i>line 5</i>	<i>580300</i>	<i>582300</i>	<i>583300</i>	<i>589300</i>
<i>Custom Duties</i>	<i>line 6</i>	<i>580600</i>	<i>582600</i>	<i>583600</i>	<i>589600</i>
<i>Other (Not Otherwise Classified)</i>	<i>line 7</i>	<i>580000</i>	<i>582000</i>	<i>583000</i>	<i>589000</i>

All other collections go into line 7. This is tricky because revenue accruals and write-offs can get mixed in, and we only want cash collected. The revenue accounts include Interest (531000- 531200), Penalties and Fines (532000), Administrative Fees (532500), Donations (560000), Taxes not already listed (580000), and Miscellaneous (590000). If an agency does not accrue revenue, then they can simply use those revenue accounts. If the agency uses subaccounts to distinguish collected versus accrued (e.g., 53200001 for Penalties collected and 53200002 for Penalties accrued, just as the SGL uses 580000-580600 for tax collections and 582100-582600 for taxes accrued), then they can just use the collected subaccounts. Otherwise, the agency must net against the revenue account any change in the associated receivable account (131000, 134000-134300, 136000-136300, and 137000-137300). Note that account 132500 Taxes Receivable is not used since that account is associated with the 5820 series of accounts and we are only

Inside the Black Box (Cont'd)

looking at accounts 580000-580600. This is further complicated if the agency writes bad debts off, since this will decrease the receivable when funds are not collected. Since setting up the allowance debits contra-revenue and credits contra-receivable, and writing off the debt debits contra-receivable and credits receivable, one must calculate collections by taking the net credit balance of the associated revenue, contra-revenue, receivable, and contra-receivable (e.g., for loan penalties, net the change in balances of accounts 532000, 532400, 136100, and 136500, where credits show up as positive and debits as negative). Alternatively, an agency could use 101000 Fund Balance with Treasury, either by setting up special subaccounts, or relying on the Treasury Account Fund Symbol, to facilitate reporting custodial revenue collections. Line 8 is simply the sum of lines 1-7.

The accrued revenue net of contra-revenue appears on line 9. For taxes, this is the accrued tax accounts 582000-582600 net of tax contra-revenue accounts 583000-583600. For other types of revenue, it is the change in net receivables (the receivable and contra-receivable accounts), and also any refunds still payable. If an agency does not accrue revenue, then this line should be zero. If the agency separates out accruals with a subaccount, then they could use that plus contra-revenue here instead of net receivables. Accounts payable (211000) should only be associated with custodial revenue, so the agency must limit the entries picked up based on fund, subaccount, or some other data element. Since line 10 is equal to the sum of lines 8 and 9, and also is supposed to equal the net of all revenue and contra-revenue accounts, one could back into the value of line 9 by taking the net of all revenue and contra-revenue accounts and subtracting the balance of line 8.

Disposition

In the next section, the agency declares what has been done with the custodial revenue: line 11 shows what has been transferred to others, such as the General Fund, line 12 shows what is yet to be transferred, including what has only been accrued, and line 13 shows refunds and amounts scheduled for payment but not yet disbursed. The accounting models published by Treasury show that account 298000 Custodial Liability is credited when custodial revenue is accrued or collected, and this amount is reduced only when the funds are withdrawn by Treasury. Only if the agency transfers the collection to another fund or agency on their SF224 is account 298000 bypassed, and account 599800 Custodial Collections Transferred Out to a Treasury Account Symbol Other Than the General Fund of the Treasury is debited instead. When 298000 is posted for an accrual, account 599100 Accrued Collections for Others is debited, and when 298000 is posted for a collection, account 599000 Collections for Others is debited.

The only way to directly calculate line 11 Transferred to Others is to use a special cash subaccount for the transfer, or use account 599800 which is only posted when the transfer takes place (if it is not going to the GF). Otherwise, if Treasury has withdrawn all of the agency's collections the agency can calculate that amount as the balance of account 599000. If the withdrawal is not equal to collections for any reason, then the agency must calculate the withdrawal as total accrued and collected (balances of accounts 599000 and 599100) less what hasn't been given to Treasury (account 298000 Custodial Liability). This means that 298000 should show what has yet to be transferred, which is line 12. However, if all collections have been transferred, then the 298000 balance would equal what has only been accrued, which is account 599100 (except that a receivable recorded in a prior fiscal year would have its balance sitting in 331000 Cumulative Results and not 599100). Tracking refunds in line 13 may also be difficult, except for taxes which have their own refund account series 589000-589600 (not to mention, tax refunds generally use a different Treasury Symbol so that is another way to distinguish them).

Line 14 Retained by the Reporting Entity is calculated as line 10 less lines 11, 12, and 13. However, the only

Inside the Black Box (Cont'd)

amounts that should be retained are those transferred to another fund of the agency, which would be shown in account 599800. If the agency does not transfer all that was collected, the amount reported has to be backed into, or shown as the cash balance of those funds that are only used for such collections. Line 15 is just a proof of the formula that sources = uses, and should always be zero.

Conclusion

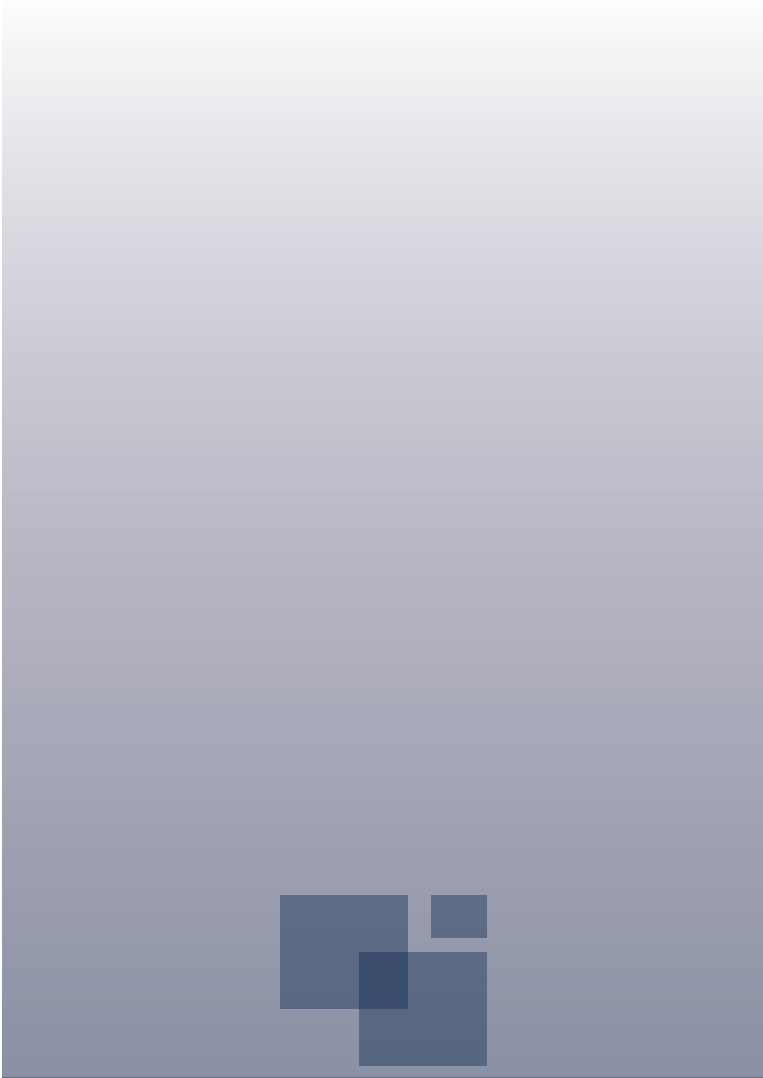
The SCA is a short statement that only some agencies must prepare, but its preparation does require some planning and mapping out of data elements such as fund, revenue source or subaccount.

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, 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.



Meetings Team

Ryan Bolz



Mark and I would once again like to thank all our members (both old and new) for another SELL OUT luncheon in January. Bryan Smith was a great speaker and gave us some good insight in to the Budget cuts that the Intelligence Community may be facing over the next couple of years.

The invitation has already gone out for the February's luncheon...with only a few seats left at press time, we are sure to SELL OUT again. Please ensure that you are registering early and showing up to Clyde's no later than 1150 to ensure you have a seat and

can enjoy the food. Since we do have sold out luncheons every month, we normally have a stand-by list of members wanting to get in. Please let us know if you are not able to attend, as we can clear someone else in to your spot.

We will be having Clyde's great service and food in February, with a lighter dessert! Hope to see everyone there.

Cheers,

Ryan Bolz and Mark Kandra

Ryan Bolz, Mark Kandra
Meeting Team

Mark Kandra



THANK YOU
For Your Support



CliftonLarsonAllen

AGADC

Calendar of Events - 2011/2012 Program Year

Month	Luncheons	Community Service	Education / CGFM	Membership Services	Early Careers	CEC Meetings
February	15		8	20	16 / 29	
	February Luncheon Location: Clyde's of Gallery Place Time: 11:30am - 1:30pm Speaker: Jim Taylor CPE: 1.0	American Heart Association Heart Disease Awareness during the February Luncheon Location: Clyde's of Gallery Place Time: During Luncheon	Audio Conference - The New Stewardship Imperative—Federal Financial Management at the Crossroads Location: 901 15th Street, NW, Washington, DC room 4070 Time: 2:00pm CPE: 2 Reservation Deadline: 6 Feb	Chinese New Year Dinner Location: China Garden Time: 6:00pm - 7:00pm: Cocktail Hour with Cash Bar 7:00pm - 9:00pm: Dinner *** DC Chapter CGFM Modules See Notes for more information	NLC Networking Happy Hour Location: Chef Geoff's Downtown Time: 5:30pm *** Fondue Party 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	15	TBD	
	March Luncheon Location: Clyde's of Gallery Place Time: 11:30am - 1:30pm Speaker: Steve App CPE: 1.0	USO Location: TBD Time: TBD	Audio Conference - Data Mining to Prioritize Investigation of Contract Fraud Location: 901 15th Street, NW, Washington, DC room 4070 Time: 2:00pm CPE: 2 Reservation Deadline: 5 Mar	Washington Women Speak Location: Women's War Memorial, Arlington National Cemetery Time: 8:00am - 10:30am CPE: 1.0 *** DC Chapter CGFM Modules See Notes for more information	St. Patty's Happy Hour Location: TBD Time: TBD	Teleconference #: 888-283-7402 Access code:2809637 12:00 - 1:00pm
April	18		18	7	TBD	
	April Luncheon Location: Clyde's of Gallery Place Time: 11:30am - 1:30pm Speaker: Mark Easton CPE: 1.0		Audio Conference - Find Strength in Numbers: Sampling Techniques to Improve Financial Audit, Control and Program Performance Location: 901 15th Street, NW, Washington, DC room 4070 Time: 2:00pm CPE: 2 Reservation Deadline: 16 Apr	Virginia Wine Tour Location: TBD Time: TBA	Comedy Night Location: TBD Time: TBD	Teleconference #: 888-283-7402 Access code:2809637 12:00 - 1:00pm
May	15	15	15 - 16 / 9 / 23	12	TBD	
	May Luncheon Location: Clyde's of Gallery Place Time: 11:30am - 1:30pm Speaker: TBA CPE: 1.0	Cell Phone & Eye Glasses Collection and Donation During May Luncheon	Spring Conference Location: Ronald Reagan Building Speaker: Various CPE: 16 *** Audio Conferences: 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	Upcoming Event Location: TBA Time: TBA	Mini Golf Tournament Location: TBD Time: TBD	Teleconference #: 888-283-7402 Access code:2809637 12:00 - 1:00pm
June	9			9		
	Awards Gala Location: JW Marriott - 1331 Pennsylvania Avenue Northwest Washington D.C., DC 20004 Time: 6:00pm			Washington Nationals Game Location: Nationals Park Time: TBA		
NOTES						
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 CGFM Module 1 - March 13th - 1801 K Street, NW, Washington, DC - 8am - 4pm - 8 CPE CGFM Module 3 - March 14th-15th - 1801 K Street, NW, Washington, DC - 8am - 4pm - 8 CPE CGFM Module 2 - March 20th-22nd - 1801 K Street, NW, Washington, DC - 8am - 4pm - 8 CPE						

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