ASSOCIATION of GOVERNMENT ACCOUNTANTS

WASHINGTON CHAPTER
NEWSLETTER

October 1989

About Our Speaker This Month

Elaine L. Chao was nominated by President Bush as Deputy Secretary of Transportation on Feb. 17, 1989 and was confirmed unanimously by the Senate on April 19.

As the second in command of the Department of Transportation, Ms. Chao functions as the chief operating officer of a 100,000-employee organization with a $28.4 billion budget and responsibility for program and policy guidance over surface, sea and air transportation. Ms. Chao is also the youngest Deputy Secretary in the Administration.

Prior to her confirmation, Ms. Chao was Chairman of the Federal Maritime Commission in Washington, D.C. From 1986-1988 she served as Deputy Administrator of the Maritime Administration.

Deputy Secretary Chao was Vice President - Syndications, at BankAmerica Capital Markets Group from 1984-1986. In that position, she helped to establish the West Coast Syndications Group in San Francisco. During 1983-1984, Ms. Chao worked on the President's policy staff as a White House Fellow at the White House Office of Policy Development. Previous to that, she was a banker specializing in transportation financings at Citicorp in New York. She worked at Gulf Trading and Transportation as a summer associate in 1978.

Ms. Chao received her M.B.A. from the Harvard Business School with a concentration in finance and general management. She was elected the lifeterm Class Marshal and Class Secretary of her graduating class. Ms. Chao obtained her undergraduate degree in economics at Mount Holyoke College, and spent the spring of her junior year at Dartmouth College and the summer of 1972 at Columbia University. She also studied international shipping at the Massachusetts Institute of Technology.

Deputy Secretary Chao is an elected director of the Harvard Alumni Association and also serves as a director of the Harvard Business School Alumni Council. She was appointed to the Executive Task Force on Women at the National Academy of Sciences, National Research Council. She is also a past Adjunct Assistant Professor of Marketing at St. John's University Grad-

(continued on back page)

October 5, 1989
WASHINGTON CHAPTER LUNCHEON MEETING TO FEATURE
The Honorable Elaine L. Chao

As Deputy Secretary of the Department of Transportation, the Honorable Elaine Chao will address her perspective on why management controls are important.

TOUCHDOWN CLUB
2000 L St. N.W.
(Near Farragut West Metro Stop)

Social Period:	11:30 a.m. (Cash Bar)
Luncheon:	12:00 p.m.
Menu:	Broiled Flounder
Cost:	$16.00 (Members)
	$18.00 (Non-members)

Reservations Recommended
Call 376-2161 thru October 3
NON-MEMBERS WELCOME!

Next Meeting: November 2

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Page

PRESIDENT'S MESSAGE

Doris Chew

Last month I briefly outlined the Washington Chapter Executive Board's plans for this upcoming year. Let me expand upon some of the plans and programs that some of the Board members have developed. For October 5th, **Mary Lee Mason,** our Education Director, has been working diligently to produce an outstanding program on "What's Hot in Management Controls?" This 1/2-day workshop, which will be held before our regular October luncheon meeting, will focus on strengthening management controls in Federal agencies. The Chief Financial Officers (CFO) Council, led by Frank Hodsoll, from the Office of Management and Budget, has made management controls a top priority for the Council's agenda for the 1990's. Additional program and registration information can be found on page 4 of this newsletter. The Honorable Elaine Chao, Deputy Secretary of the Department of Transportation, will be our October luncheon speaker and will address her perspective on why management controls are important.

Mary Lee has been working with the American Association for Budget and Program Analysis on a one-day workshop on accounting and budgeting to be held on February 15, 1990. In addition, Mary Lee and **Peggy Smith,** chairperson for Liaison with Professional Organizations, are working with Dan DeBoissere, the Chairman of the DC Institute of CPAs' Committee on Government Accounting and Auditing, for a one-day conference to be held in early spring of 1990.

We have several Washington chapter members: **Diane Bray, Ellie Clark, Judy Parson** and **Dick Willet,** working on the jointly sponsored 2-day leadership conference to be held on January 11 and 12. This conference will be co-sponsored by National and by the Capital Region chapters of AGA.

Our Programs Committee Co-Chairs, **Sam Mok** and **Evelyn Brown,** have done a fantastic job lining up some superb speakers for our luncheon meetings. Speakers lined up for the September through November meetings have included Judge Markey, U.S. Circuit Court; Elaine Chao, Deputy Secretary, Department of Transportation; and Constance Newman, Director of the Office of Personnel Management.

The Small Business Education Committee, chaired by **Lionel Henderson** and **German Guajardo** have coordinated an outstanding program for the small business course that our chapter provides for public service. This educational event, co-sponsored with the Small Business Administration, is especially useful to persons who have just started a business or who are thinking of starting a business. The course started on September 20 and runs through November 15. The Schedule of Events on page 3 notes the remaining course sessions.

The Capital Region Chapter Presidents and the Regional Vice President are planning to meet at least quarterly to discuss issues of common interest, as well as to exchange ideas and coordinate educational and meetings programs. I will discuss some of these issues next month. See you at our next meeting.

AGA
WASHINGTON CHAPTER
Chapter Executive Council for 1989/1990

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Doris Chew, JFMIP, 376-5415
President-Elect
Joyce Shelton, DOT, 366-1306
Secretary
Judi Fuerstenberg, JFMIP, 376-5415
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Bob Rogers, Consultant, 765-3857
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Judith Parson, OCC, 447-1721
Past President
Diane Bray, DOD, 697-8281

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Chapter Bylaws & Procedures
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Joe Rothschild, HUD, 426-6493
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Lionel Henderson, CSC, 982-2133
VITA
Joyce Charles, Labor, 523-5906
Education
Mary Lee Mason, FMS, 535-9693
Newsletter
Anna Wilson, OPM, 632-7450

CHAIRPERSONS

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Peggy Smith, 469-7290
Small Business Education
German Guajardo, Education, 732-5634
Education
Allan Chaney, PW, 296-0800
Coop. with Educational Institutions
Wallace Keene, 453-1775
Chuck Zlamal, GAO, 275-9505
Research
Larry Eisenhart, HHS, 245-6176
Ron Young, GAO, 275-9578
Meetings
Warren Cottingham, FMS, 566-3717
History
Bob Pewanick, GAO, 275-9508
Budget & Finance
Mike Wenk, OMB, 395-3993
Newsletter
John Wenstrup, House Info. Sys., 226-6177
Christy Poindexter, HHS, 245-6041
Student Awards
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Programs
Evelyn Brown, Commerce, 377-2679
Employment Referral
Bob Loring, OPM, 632-7450
Susan Lee, NARA, 724-2722
Legislative Tracking
Thomas Gilliland, FMS, 287-0669
Liaison with Interagency Groups
Samuel Adams, OMB, 395-6823

Schedule of Upcoming Events

Date	Activity
October 4	Third Session of the Washington Chapter/ Small Business Administration course; topic — accounting; time — 6:30-9:00 p.m., location — 400 Md. Ave., SW, Room 1134.
October 5	Washington Chapter miniseminar on "Management Controls" immediately preceding luncheon meeting — see page 5.
October 5	Washington Chapter Luncheon Meeting. (See front page.)
October 18	Fourth session of the Wash. Chapter/SBA course; topic — preparing a small business plan/financing; time and location — see October 4.
October 25	Fifth session of the Wash. Chapter/SBA course; topic — insurance; time and location — see October 4.
November 1	Sixth session of the Wash. Chapter/SBA course; topic — payroll taxes/income taxes; time and location — see October 4.
November 2	Washington Chapter Luncheon Meeting. Speaker — Constance Newman, Director, Office of Personnel Management. Menu — chicken cordon bleu; cost — $16.
[illegible]	[illegible] r/SBA

Date	Activity
November 15	Eighth session of the Wash. Chapter/SBA course; topic — banking/course review; time and location — see October 4.
December 7	Washington Chapter Luncheon Meeting. Menu — 6 oz. filet mignon; cost — $17.
January	Washington Chapter Luncheon Meeting. (Actual date to be determined.)
Feburary 1	Washington Chapter Luncheon Meeting. Menu — salmon steak; cost — $17.
February 15	Joint Washington Chapter/Am. Assoc. of Budget & Program Analysis Educational event.
March 1	Washington Chapter Luncheon Meeting. Menu — london broil; cost — $16.
April 5	Washington Chapter miniseminar immediately preceding luncheon meeting —
April 5	Washington Chapter Luncheon Meeting. Menu — broiled chicken; cost — $16.
May 3	Last Washington Chapter Luncheon Meeting for the 1989/90 season. Menu — pot roast of beef; cost — $16.
June 4-6	Professional Development Conference on [illegible] Professionalism." [illegible]

Call for Articles

The Newsletter is an excellent way for you, as a member of the Washington Chapter, to share with other members information about financial management projects, studies, system improvements and other initiatives or activities in which you or your agency is involved. The Newsletter Committee is asking that you seriously consider taking advantage of this opportunity to publicize your work.

Articles should not exceed two typewritten pages in length and may cover a variety of financial management topics of a work-related or personal nature, e.g., accounting, budget, procurements, personnel matters affecting financial managers, personal finance, taxes, etc.

You may contact any one of the Newsletter Committee members listed on page 2 to submit an article. Submission due dates are as follows:

November	**October 2**
December	**November 6**
January	**December 4**
February	**January 2**
March	**January 29**
April	**March 5**
May	**April 2**

Mark Your Calendar

By Mary Lee M[illegible]

Reservations	: Call 376-2161 (answering machine), specifying interest in attending the miniseminar. Call by COB October 2.
Cost (includes lunch)	: $35 (members); $40 (non-members)
CPE Credits	: Will be available.

With respect to the November 7 education program stated in last month's Newsletter, please note that it is being rescheduled to a different date. Announcement of the new date will be made in upcoming Newsletter issues.

THIS AND THAT

Member Profile

This month's member profile is of Doris Chew, the current President of the Washington Chapter of AGA, pictured on page 2. Doris is the Assistant Executive Director at the Joint Financial Management Improvement Program (JFMIP), with the responsibility for managing and directing various projects on financial management improvements. Doris has an MBA in financial management and a B.S. with high honors in accounting from the University of Maryland. She also has a CPA license in the state of Maryland.

Doris began her federal career in the [illegible]

About Chapter Members

We are very pleased to announce that **Joyce Shelton, President-Elect of the Washington Chapter**, was among those top Federal workers honored September 14, 1989, by President Bush as recipients of the 1989 Meritorious Presidential Rank Awards. The meritorious executive rank is bestowed on a handful of executives in the prestigious Senior Executive Service, with an award of $10,000. The award is presented annually to Federal managers for extended exceptional performance in Government. President Bush pointed to these individuals as examples to all of us of what can be accomplished by talented individuals dedicated to serving their fellow Americans. Ms. Shelton, whose Federal career includes over 27 years in top-level management positions, led an interagency group in the development of the U.S. Standard General Ledger, a major financial management initiative of Reform '88. Congratulations, Joyce! We are all very proud of you.

Best wishes are extended to **Darlene Shongala** as she successfully completes her career development assignment as a project director for the Joint Financial Management Improvement Program and begins a new position in cash management at Treasury's Financial Management Service. Good luck Darlene, in your new job!

Don't forget to call us with your news about Chapter Members!
John James Wenstrup, 226-6177

Award Nominations Sought

The Financial Management Service (FMS) of the Department of the Treasury is requesting agencies to submit their nominations for FMS's Annual Financial Management Improvements Awards Program. In the past five years, FMS has given over $500,000 to 232 Federal employees and Secretary's Certificates to 302 Federal employees from 27 agencies. FMS will be recognizing outstanding performance by individuals and groups for their contributions in improving Federal Financial Management in Fiscal Year 1989. Nominations are encouraged from all levels who directly contribute to improving Financial Management practices. The award winners will be announced by FMS in January 1990. All nominations must be received by FMS no later than November 3, 1989. Contact FMS's Cash Management Division (287-0722) for further information.

Changing Your Address?
Contact National Office Directly!

The easiest and fastest way of changing your mailing address for all Chapter and National Office mailings is to mail a notice with the new address and an AGA mailing label with the old address on it to:

AGA National Office
601 Wythe Street, Suite 204
Alexandria, Virginia 22314

Other Chapters' Meetings

- **Northern Virginia Chapter:**
  Date and Time: 6:15 P.M. (dinner) December 20, 5:30 P.M. (social)
  Location: Sheraton National Hotel, Columbia Pike & Washington Blvd., Arlington
  Speaker: To be announced
  Topic: To be announced
  Cost: $16.00 (members); $18 (non-members)
  Reservations: Andrea Walker, 245-3066
- **Montgomery/Prince George's Chapter:**
  Date and Time: October 11, 1989. 5:30 P.M. (social); 6:45 P.M. (dinner)
  Location: College Park Holiday Inn, 1100 Baltimore Boulevard
  Speaker: Ken Delaski of Deltech Systems
  Topic: Computer Software for Government Contracts
  Cost: $15.00 (members); $5 (students)
  Reservations: Gary Fishbein, 366-0500 or 6074
  Note: This meeting follows a half-day workshop with the MACPA on Automation in Accounting and Auditing

Washington Chapter Executive Council Committee Members, from left to right: Ron Young, Mike Wenk, Bob Loring, Jean Bowles, Warren Cottingham, German Guajardo, Chuck Zlamal, Christy Poindexter, John Wenstrup.

Washington Chapter Executive Council Officers and Directors from left to right — front row: Joyce Shelton, Doris Chew, Mary Lee Mason; back row: Joe Rothschild, Diane Bray, Judith Parson, Sam Mok, Judi Fuerstenberg, Larry Wilson, Anna Wilson.

TECHNICAL TOPICS

Did You Know . . .

By Ron Young, Research Chair (275-9578)

The Governmental Accounting Standards Board (GASB) is the recognized accounting standard-setting body for state and local governments. It has been in existence for about five years now and is continuing to address important issues. Two such issues are the measurement focus and basis of accounting for governmental funds and accounting for pensions. These are two issues that are very important to the federal sector and will need to be addressed by GAO (the federal government accounting standard-setter).

Consequently, the work by the GASB on these issues and the experience gained in the state and local sector should prove valuable to the federal sector. A brief discussion of the GASB's progress to date on these issues follows.

The GASB recently published a revised Exposure Draft (ED) of its proposed statement to be titled *Measurement Focus and Basis of Accounting—Governmental Fund Operating Statements* (MFBA). The revised ED incorporates major changes from the original MFBA ED, the most important being to limit its scope to the operating statements of governmental funds. The balance sheet will be dealt with later, along with the reporting model. Also, the GASB will soon publish an ED on employers' accounting for pensions quite different from its earlier *Preliminary Views* on that subject.

In MFBA, the GASB set out to define the basis of accounting for governmental funds. While some Board members contemplated that a move from "modified accrual" toward full accrual basis accounting would imply increased differences between GAAP statements and budgetary statements, and thus the need for separate reporting on cash flows and balances (much as businesses now report on both bases), the original deliberations were conducted without explicit consideration of the reporting model to be used by governmental entities. The original ED proposed to accrue both revenues and liabilities in funds more extensively than the current governmental fund accounting model, with its emphasis on "expendable, available funds." Some respondents objected to the proposed change. Some focused particularly on the balance sheet, suggesting that users would be confused by reporting fund deficits when current financial resources were available for appropriation. The Board therefore decided to study the issues further.

In *Preliminary Views,* the GASB proposed to use FASB Statement 87 to define the *minimum* pension expense and liability that could be recognized. The philosophy about the role of governmental accounting underlying this proposal was similar to that contemplated by the FASB and the SEC: accountants attempt to provide relevant, neutral information helpful to external users who wish to assess the financial position and results of operations of the reporting entity. At the same time, the GASB proposed to allow modifications to FAS 87 in response to concerns expressed about its potential effect on funding practices. Governments would have been able to expense larger amounts than called for by FAS 87, if they used an actuarial method that called for a larger amount to be contributed to the plan. Governments would also have been able to use a "market-related" discount rate to reduce the volatility caused by use of a current settlement rate to value the pension obligation.

In the forthcoming ED, however, the GASB will endorse a fundamentally different approach, based on a "funding requirements" philosophy. It will define periodic pension cost by a variety of actuarial methods. The main question still to be resolved by GASB is whether to permit some governmental entities to apply FAS 87.

Inquiries concerning GASB's work may be directed to Larry Modlin, Accounting and Financial Management Division, General Accounting Office (202) 275-9533.

Just the Facts about FACS

Submitted by Larry Eisenhart, HHS
a member of the Washington Chapter

A new core accounting system, the Financial Accounting Control System (FACS), is being installed by the Health Care Financing Administration (HCFA). This system is an off-the-shelf accounting software package that was purchased from Arthur Young and Company. The software package is commercially known as Federal Success (FS) and has been installed at several Federal Agencies. It utilizes a transaction code concept that employs the Department's CAN and table explosion approach. The procurement of the FS software package is a joint undertaking between HCFA and the Centers for Disease Control (CDC).

While HCFA and CDC will install the same baseline software package including the FS accounts payable module, the agencies will tailor the FS package to meet their unique operating requirements. At the same time, the Phoenix Project Design Guidelines and other common departmental requirements, transaction codes, interfaces, and accounting formats need only be programmed once. This approach will not only reduce the cost to both agencies but also utilizes the collective experience of both organizations. In addition, the software package has been modified to meet the Federal-wide Standard General Ledger (SGL) requirements. Once all modifications have been completed and the software packages installed, both agencies will have a custom-developed state-of-the-art accounting system that meets the latest Federal accounting and reporting standards.

After HCFA purchased the FS package, a number of meetings were held between the staff of the Division of Accounting (DA), the Department's Office of Financial Systems (OFS), Arthur Young, and the programming subcontractor AGS Genasys to determine the modifications that were needed to FS to enable it to meet the Department's requirements. The next major hurdle was to determine the methodology to convert data from the current HART accounting system to FACS. The conversion approach was recently agreed to and the necessary programming to accomplish conversion is curently underway. HCFA is currently testing FACS to insure that the accounting system meets the Phoenix Project, Department Umbrella, SGL, and HCFA operating requirements. The testing is being done by DA's Acceptance Team task force, headed up by the Chief of

(continued on back page)

ASSOCIATION OF GOVERNMENT ACCOUNTANTS
601 Wythe Street • Suite 204 • Alexandria, Virginia 22314

MEMBERSHIP APPLICATION

NAME

Mr. _____ Ms. _____ Mrs. _____ Miss _____

LAST NAME FIRST NAME MIDDLE INITIAL JR., II, III, OTHER

BUSINESS ADDRESS

NAME OF AGENCY, UNIVERSITY OR FIRM

STREET NUMBER STREET NAME

CITY STATE ZIP CODE

RESIDENCE ADDRESS

STREET NUMBER STREET NAME

CITY STATE ZIP CODE

Preferred Mailing Address: Business _____ Residence _____

TELEPHONE

Office: _____ AREA CODE NUMBER EXTENSION **Residence:** _____ AREA CODE NUMBER

CLASSIFICATION (See Membership Criteria Below) ☐ Full ☐ Associate ☐ Special Associate

CHAPTER WASHINGTON, D.C.

EMPLOYER POSITION TITLE

☐ Federal ☐ State ☐ County ☐ City ☐ Private Employer ☐ Academia

☐ Accounting ☐ Auditing ☐ Budgeting ☐ Systems ☐ Other (specify)_____

EDUCATIONAL BACKGROUND

SCHOOL	LOCATION (STATE)	DATES (YEARS)	MAJOR	DEGREE

ACCREDITATIONS AND CERTIFICATES

	STATE	CERTIFICATE NUMBER	YEAR
☐ CPA			
☐ CIA			
☐ CMA			
☐ CISA			
☐ _____			

FINANCIAL MANAGEMENT EXPERIENCE (List most recent experience first)

Completion of this section is optional if applicant has one or more certificates indicated above. Completion for more than 3 years experience is optional if applicant has listed a 4 year degree in a financial management field in the Education section of this form. Listing more than 6 years experience is optional for all applicants.

EMPLOYER	LOCATION	TITLE	POSITION SERIES & GRADE	YEARS

SPONSOR (If applicable) NAME (Print)_____

SPONSOR'S AGA MEMBERSHIP NUMBER_____

SIGNATURE Date of Application_____ Signature of Applicant_____

PAYMENT Send one year's dues with this application to Association of Government Accountants.

Enclosed Payment $_____ Invoice Employer $_____

MEMBERSHIP CRITERIA

Full Membership (Dues $47.50) — An individual who has a minimum of 6 years experience in accounting, auditing, budgeting, or other financial management fields. A graduate of an accredited college or university with a major in the financial management or allied fields may substitute education for experience. A four-year degree counts as 3 years of experience. Holder of CPA, CMA, CIA, and CISA certificates are qualified for full membership without further experience requirements.

Associate Membership (Dues $33.00) — A colleague that has less than the experience required for full membership. Except for holding an elected national office, all other services and privileges of membership are provided. It is anticipated that associate members will become full members through additional experience.

Special Associate (Dues $19.00) — Only for junior associates in their first year of employment and full-time students.

Just the Facts . . . *(continued from page 6)*

DA's Accounting Systems and Procedures Staff. Once the testing is completed and the system is accepted, DA will operate FACS in parallel with the current HART system. During this period, DA will convert HART's subsystems, i.e. letter-of-credit, accounts receivable, and time and attendance to FACS. FACS is scheduled to become HCFA's accounting system of record beginning in FY 1991 and the "plug" will be pulled on HART.

HCFA is currently upgrading the hardware that will be used in conjunction with FACS. A dedicated IBM 9377 is scheduled for installation in the early part of FY 1990. Coupled with this is the installation of a local area network (LAN) and IBM PS2 Model 30s for the entire DA staff. The installation of the PS2s started with the delivery of 13 PS2s in May and is scheduled to continue throughout the summer until over 50 PS2s are installed.

Long range plans include the expansion of the FACS system with other off-the-shelf software. Initial areas include budget, travel, procurement, and property management. As these subsystems are implemented, evaluations of other software packages will continue to expand the applications run in conjunction with FACS. In this manner, HCFA will continue to expand its reputation that was first established in the early 1980's with the implementation of the HART system, as an organization with a state-of-the-art accounting system. "JUST THE FACS" will take on a new meaning at HCFA, one that will mean the complete, accurate, and timely processing of financial information utilizing the latest state-of-the-art technology.

Contact: Gerald M. Hankin, Director, Division of Accounting, HCFA (FTC) 646-5418.

About Our Speaker . . . *(continued from page 1)*

uate School of Business. In May of 1989, Ms. Chao received an Honorary Doctorate of Law from Villanova University.

Ms. Chao is the recipient of many honors and awards for her professional abilities and community service. She was selected as one of the Ten Outstanding Young Women of America for 1987. She received the Outstanding Young Achiever Award from the National Council of Women in 1986, and Mount Holyoke College conferred on her its Mary Lyon Award for the Outstanding Young Alumna in 1984. Ms. Chao also served on the Council on Foreign Relations' President's Regional Linkage Task Force.

Deputy Secretary Chao is listed in the *Directory of Distinguished Americans, International Biography* and *International Directory of Distinguished Leadership.*

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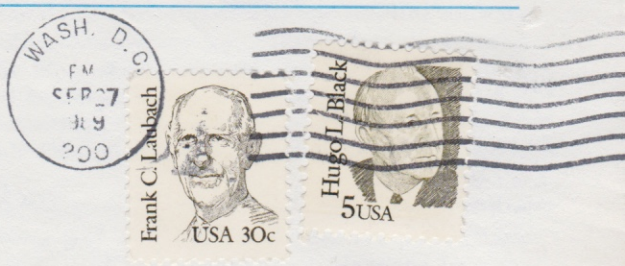
WASHINGTON CHAPTER
NEWSLETTER

P.O. Box 423
Washington, D.C. 20044
October 1989



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