



# The Washington Connection

Association of Government Accountants, Washington, DC Chapter

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## Balancing the Budget and Clean Audit Opinions

Our speaker this month is Natwar M. Gandhi, PhD. He is Chief Financial Officer (CFO) for the District of Columbia, and is responsible for the city's finances, including its \$5.4 billion operating budget and bond obligations. Gandhi was nominated to this position by Mayor Anthony A. Williams and appointed on June 7, 2000. On November 6, 2001, the Council of the District of Columbia unanimously approved Gandhi's nomination to a new term as CFO that will extend to June 30, 2007.

At the beginning of his tenure as CFO, Gandhi established three goals: ending Fiscal Year (FY) 2000, and all subse-

quent years, with a balanced budget; receiving a clean opinion, on time, from the city's independent auditors for FY 2000 and beyond; and providing effective, efficient financial systems to support decisions made by District policymakers. Gandhi's first major achievement occurred on January 29, 2001 when he announced that for the fourth year in a row, the District of Columbia received an unqualified or "clean" opinion from the city's independent auditors on its Comprehensive Annual Financial Report (CAFR). The financial statements presented three days before their statutory release date revealed a FY 2000 general fund operating surplus of \$240.7 million. The

*continued on page 4*

## Awards Dinner Logistics

**Awards Dinner Meeting**  
Tuesday, April 23, 2002

**Grand Hyatt Hotel**  
1000 H Street, NW (At Metro Center – 11th Street Exit)

5:00 – 6:00	Social
6:00 – 7:00	Dinner Meeting (1 CPE)
7:00 – 8:00	Speaker Remarks

<b>Cost:</b>	Members	\$25.00
	Non-members	\$40.00

*For reservations, please call the AGA Washington DC Chapter voice mail line at 703.758.4080 and select option 1. If you prefer, you can register by email to [mkubaki@hq.nasa.gov](mailto:mkubaki@hq.nasa.gov) or you can register at our homepage: [www.agadc.org](http://www.agadc.org). Please forward your name, agency/company, and telephone number.*



## President's Message



Janet McBride, President

**S**pring is upon us and that means our Annual Awards Dinner can't be far behind. In fact, it's just ahead on April 23rd at the Grand Hyatt.

This special evening has traditionally featured a speaker from the District of Columbia, and I am pleased to say that the District's Chief Financial Officer, Natwar Ghandi, will be our guest. Mark your calendar and plan to join us for this special occasion.

As you probably know, one of our very own, Sam Mok, will be our guest speaker in May. Sam is the new Chief Financial Officer at the Department of Labor. He is also a past President of this chapter. Join us in welcoming Sam to the podium at the May 2nd luncheon.

Cis Kuennen, Director of Education, and Bob Freeman teamed up to put together a fantastic education event in February. Thank you, Cis and Bob, for your tireless efforts and dedication to the success of this event. A special thanks also to Sue Lazich, Chapter Treasurer, for keeping the financial end in order.

On April 23rd, our chapter will be joining KPMG's annual blood drive. I encourage you to donate blood as part of our community service activities. KPMG is handling the logistics so check the website for details.

Even though the current program year ends on June 30th, there are still many activities and events ahead. The agenda is already taking shape for our Accounting and Auditing Conference that will take place on May 20-21. Karl Boettcher and Phyllis Hunter are working with the Baltimore Chapter to sponsor a baseball outing, and Ron Longo is working with ASMC on a jointly sponsored golf outing at Fort Belvoir in June. Stay tuned for more details! •

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# Federal Executive Profile: A Discussion with Joseph Kull

## Deputy Controller, Office of Federal Financial Management, Office of Management and Budget

By Bob Freeman

**The Washington Connection (TWC):** Up until your present position at the Office of Management and Budget (OMB), you've spent your career with small agencies, first with the Civil Aeronautics Board (CAB) and then with the National Science Foundation (NSF). How has this career path led you to your current position at OMB?

**Kull:** The short answer is I don't know. The long answer is a little more complicated.

**TWC:** What do you mean?

Kull: First the short answer. I've never taken any position with the view that it would lead me to another more senior position, and finally to OMB. My strategy has been quite simple. I have always looked for challenges—places where I could make a difference.

**TWC:** Now the long answer?

**Kull:** My experiences with the CAB and NSF provided me with an opportunity to grow professionally and personally. I joined CAB in 1973 in the Controller's office after a short stint with a public accounting firm. You may remember that the CAB was among the first federal agencies to be "sunsetting"—its demise was covered by the Airline Deregulation Act of 1978. As the agency was being reduced in size, I found myself getting "battlefield-type" promotions—Economic Analyst, Budget Director, Deputy Controller, and Controller, and finally Executive Assistant to the Chairman. These experiences provided me with a deep appreciation of the relationship among policy, resources, and performance. It also provided me with the management skills necessary to succeed in a difficult environment.

In October 1984, I joined the NSF as a new member of the Senior Executive Service responsible for budget execution. Within a year I had both execution and formulation. When the Chief Financial Officers (CFO) Act became law in 1990, I was made the CFO of NSF and given responsibility for financial management, grants, and contract management along with my budget responsibilities. Early in my career at NSF, I realized that there was a vast array of data but very little real information. Therefore, we developed an Executive Information System that provided real information to NSF senior managers with new information that improved the overall decision-making process.

These experiences taught me several fundamental principals: (1) policy and programs drive resources; therefore, financial managers must understand these drivers before they can be effective managers—or, there's more to life than debits and credits; (2) the past is prologue—or, you can't predict the future without understanding the past; and (3) people matter—or, computers are only a tool.

**TWC:** But these agencies are small and are quite different from large departments or independent agencies. How does your experience provide you with the insights needed to provide policy guidance to, say, the Departments of Agriculture or the Interior?

**Kull:** If you look at these large cabinet level departments, you'll find that each one is composed of several agencies or programs, each of which is managed independently and has a different mission. For example, the Department of the Interior while acting as the steward over America's public lands includes

the Minerals Management Service, the Bureau of Indian Affairs, the National Park Service, and several other major components. Each of these components has a set of programs and resources to support those programs which are unique to their mission. This is where performance really matters, and where real fundamental improvements in financial management must occur if what we do is to be real value-added. It is at this level that financial managers must be able to integrate policies, programs, and resources coherently.

**TWC:** What, then, is the role of the Departmental CFO?

**Kull:** I see them as a conductor of a large orchestra. To be successful, the CFO must understand the programmatic roles of each component or 'business line' and the resources required to support those roles; analyze the program and financial information provided by the agencies in order to better support their requirements to OMB, Treasury, and Congress; and support each agency's plans to improve its overall financial management capabilities. Fundamental to this is the concept that while there are common elements across agencies, each agency is designed to provide a different public service. Thus, a solution that works for one agency may not work for another.

**TWC:** This seems to indicate that you believe that long-term qualitative improvements in financial management start at the bottom and will be the collective product of the efforts of many program and financial managers across the government. Is this true?

**Kull:** Yes. And, this process will take years. However, I don't want you to

*continued on page 8*



# Balancing the Budget and Clean Audit Opinions

*continued from page 1*

effects of this effort were two-fold. After presenting evidence of the District's renewed fiscal strength to the financial community, Gandhi was able to secure bond rating upgrades for the city from the three major rating agencies. The FY 2000 CAFR was a milestone because the city had met the major requirement for ending the congressionally mandated control period: four years of balanced budgets. On October 1, 2001, the DC Financial Authority was dissolved and the city's elected leaders became solely responsible for the administration of the District.

Prior to this appointment, Gandhi served as Deputy Chief Financial Officer of Tax and Revenue for the District of Columbia, where he led a 600-employee organization that administers tax laws and annually collects \$3 billion in local revenues. Successes included collecting substantially more in tax revenue than in previous years, turning projected city deficits into huge surpluses in FY 1997 (\$185 million), FY 1998 (\$445 million), and FY 1999

(\$86 million); improving the District's accounting practices for business tax receivables; issuing more than 150,000 tax refunds within 15 days during the 1999 and 2000 tax-filing seasons; establishing a new Telephone Information Center and a one-stop, walk-in Customer Service Center to improve public outreach; and introducing an Integrated Tax System. Gandhi has substantial experience in managing and supervising large agencies and projects in business, academic, and government settings. Prior to his appointment to OTR, Gandhi served as the Associate Director of Tax Policy and Administration for the U.S. General Accounting Office (GAO). He has testified on tax issues numerous times before congressional and state legislative committees.

Before joining GAO, Gandhi taught financial and managerial accounting and financial analysis in several MBA programs. In 1990, Gandhi served as a special assistant to Governor Jim Florio of New Jersey, where he studied the

state pension system and advised on changes in its funding. Gandhi has also held consulting assignments with private sector corporations such as IBM and J&L Steel.

Gandhi has received numerous awards including GAO's Distinguished Service and Meritorious Service Awards, as well as the Achievement of the Year Award from the Association of Government Accountants (National and Washington, DC chapter). He also received the 2000 President's Award from the Greater Washington Society of CPAs. Gandhi has published several papers in professional journals on accounting and taxation, appeared on television programs, and is often quoted in popular and trade press on tax and accounting issues.

Gandhi holds a PhD in Accounting from Louisiana State University, an MBA from Atlanta University, and an LLB and BCom in Accounting from the University of Bombay. •

## **GASB Teleconference**

### **Experiences in Preparing, Auditing, and Using Financial Statements Under GASB 34, May 8, 2002**

**F**or the third year, AGA and the National Association of State Auditors, Comptrollers, and Treasurers (NASACT) are co-sponsoring a teleconference on GASB 34 issues at various locations around the country. New topics are presented at the next AGA/NASACT satellite teleconference entitled "Experiences in Preparing, Auditing, and Using Financial Statements Under GASB 34". The teleconference is planned for Wednesday, May 8, 2002 from 9:30am to 6:00pm. This

CPE training is coming to you via satellite, which will save you time and travel costs. Register on-line for the Maryland or Virginia satellite site nearest you at the AGA's website, [www.agacgfm.org](http://www.agacgfm.org). There will be a light continental breakfast prior to the beginning of the broadcast. Directions to lunch sites will be given at the site. During this one-day special training event, GASB Chair and Staff will provide an overview on preparing, auditing and using GASB 34 based financial

statements. You will hear from early implementers on the challenges of preparing GASB 34 based financial statements. And members of the AICPA State and Local Government Audit Guide Task will address the new "hot off the press" AICPA State and Local Government Audit Guide. They will discuss the criteria that auditors must follow in conducting audits of GASB 34 based financial statements. Registration information is available on AGA's website at [www.agacgfm.org/academy/gasb34.htm](http://www.agacgfm.org/academy/gasb34.htm). •



## Hold These Dates! May 20th and 21st Accounting Update Event

The Washington DC Chapter of the Association of Government Accountants in conjunction with the Greater Washington Society of Public Accountants Educational Foundation will be presenting the "2002 Federal Accounting, Auditing, and Performance Measures Update Conference" at the Grand Hyatt Hotel, 1000 H Street, NW, Washington, DC, on Monday and Tuesday, May 20-21,

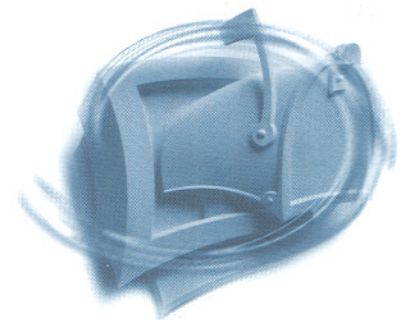
2002. This conference will provide 16 CPEs at a cost of \$375 for AGA and AICPA members and \$450 for non-members. Conference topics include the independence standard; accelerated reporting requirements; A-76; aligning cost accounting, performance measures and budgeting; intra-governmental transactions and eliminations; and changes in the way audits are performed. Additional information can be

obtained by contacting Cis Kuennen, AGA Washington Chapter Education Director, at 703.430.4535 or cisakuennen@aol.com, or Faskia Bekele, CPE Director, Greater Washington Society of CPAs, at 202.789.1844 or cpe@gwscpa.org. Information on speakers, program details, and registration will be posted on the Chapter's web site: AGADC.ORG •

## AGA Appoints New Representative to GASAC

Sharon R. Russell, CGFM, the vice chair of AGA's Financial Management Standards Board, has replaced Jon Wise, CGFM, as AGA's representative on the Governmental Accounting Standards Advisory Council (GASAC). Wise served the maximum of four years on the council. GASAC advises the Governmental Accounting Standards Board (GASB), which sets accounting standards for state and local governments. Russell,

the director of research and professional development for the Alabama Department of Examiners of Public Accounts, said she looks forward to serving. "I have a commitment to helping create quality standards because they are so important to the continued value of the accounting profession. Without quality standards, both in the accounting and auditing arenas, the quality of the finished product or service we provide is greatly diminished." •



## E-mail Mailing List

Would you like to receive e-mail reminders of our monthly meetings and conferences? If so, please go to [www.agadc.org](http://www.agadc.org) to sign up for our mailing list in the Member Services section of the website. •

## Recruit New AGA Members and Win!!!

AGA's Member-Get-A-Member Campaign is in full swing and we've got quarterly drawings for terrific prizes lined up, including an overnight duffel bag, a \$100 Hertz rental car voucher or even two round trip airline tickets to anywhere in the U.S. Every time you recruit a new member, the odds increase that you could win big. Don't let your colleagues be left unaware of all that AGA can do for them. Help a friend or business associate improve their professional skills and benefit through increased access to the latest technical information and new business contacts. Become eligible by making sure new members you



recruit return their completed applications no later than April 30, 2002. Remember to print your name on the Sponsor's Line section of the application to receive sponsor credit. Questions? Call 800.AGA.7211. •

## Newsletter Comments or Suggestions?

Do you have any comments or suggestions regarding the newsletter? Do you have an article you'd like to see in print? The deadline for submitting articles to appear in the June, 2002 issue is May 1, 2002. Please send your comments and contributions to the newsletter editor, Diane Wright at [diane.wright@ams.com](mailto:diane.wright@ams.com). •



## Bush Management Scorecard Gets a Green Light

Tanya N. Ballard, Government Executive

The “traffic light” system the government is using to grade federal agencies on their efforts to solve the government’s most pervasive problems is a promising first step toward improved federal management, legislators and government officials said at a House subcommittee hearing Feb. 15. The Bush administration’s 2003 budget proposal includes the Executive Branch Management Scorecard, which rates agencies in five areas: Strategic Human Capital Planning, Competitive Sourcing, Improved Financial Management, eGovernment, and Budget and Performance Management Integration. The scorecard uses a

“traffic light” grading system with green for success, yellow for mixed results, and red for unsatisfactory. The first scorecard, released Feb. 4, was awash with red, which did not surprise Rep. Steve Horn, R-Calif., chairman of the House Government Reform Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations.

“I have spent the last seven years examining these problems,” Horn said after calling the hearing to order. “What I find most frustrating is that the problems do not need to persist.” Strong leadership, sustained focus and



more accountability would eliminate the problems, Horn said.

Office of Federal Financial Management Controller Mark Everson testified during the hearing that the “traffic light” system was a first effort at performance-based budgeting, and was long overdue.

Read more at [www.govexec.com/dailyfed/0202/021502t1.htm](http://www.govexec.com/dailyfed/0202/021502t1.htm) •

## CIO Council Seeks Comments on IT Work Force Recommendations

Tanya N. Ballard, Government Executive

The Federal Chief Information Officers Council wants to hear what government workers have to say about several proposals to change the way information technology workers are hired and paid.

To make it easy for workers to share their views, the council has posted a study of the IT work force on its website at [www.cio.gov/Documents/napa\\_study\\_link.html](http://www.cio.gov/Documents/napa_study_link.html) along with an online form for comments. The study, prepared by the National Academy of Public Administration, recommends that the government create an alternative pay system for technology workers to help address recruitment and retention needs. It also recommends that IT pay be tied to performance.

Read more at [www.govexec.com/dailyfed/0202/021902t1.htm](http://www.govexec.com/dailyfed/0202/021902t1.htm) •



## eGovernment Hits the Mainstream

Joshua Dean, Government Executive

A survey released by the Council for Excellence indicated that electronic government has moved from the fringes of society into the mainstream, according to a survey conducted by polling firm Hart-Teeter for the Council for Excellence in Government last November. Most of those polled believe that eGovernment is a key part of the Bush administration’s homeland security effort. According to the survey, 67% of adults have access to the Internet, up from 63% in 2000. Of this percentage, 77% use the Internet very or somewhat often. More than three-fourths of respondents said they had visited a government website. “Most Americans now interact with their government online,” said Patricia McGinnis, President and CEO of the Council for Excellence in Government, “and have high expectations for the role of eGovernment in their lives.”

Read more at [www.govexec.com/dailyfed/0202/022602j1.htm](http://www.govexec.com/dailyfed/0202/022602j1.htm) •



# Inside the Black Box

## In with the New... In with the Old (Continued)

By Simcha Kuritzky, CGFM, CPA

### Introduction

Last month I discussed the new FACTS II field, Year of Budget Authority, which is only used for no-year funds, to indicate whether the authority disbursed was new to the current year or was carried over from a prior year. One of the recommendation solutions I discussed was to split up the no-year fund into separate budgets. This month I will apply that solution to the requirement that agencies track upward and downward spending adjustments in unexpired funds.

### Recoveries

Most obligation activity is reported on line 8 of the SF-133 Report on Budget Execution and the Statement of Budgetary Resources (SBR). When cash is collected against a prior-year obligation, either a vendor refund or the return of a prior-year advance, the activity is reported on line 3A1 of the SF-133. When an obligation or accrual is reduced, the activity is reported on line 4A of the SF-133. Since lines 3A1 and 4A are considered funding sources, OMB may require that this funding be apportioned and budgeted before it can be spent.

### One Symbol, One Budget

If an agency's system is set up so that each Symbol gets only one budget, then identifying and tracking recoveries can get complicated. Each document would have to be associated with a funding year, so that if it is modified downward, the system would know whether it is a prior-year document and so must record a recovery, or a current-year document which requires no special treatment. In addition, if OMB requires that recoveries be budgeted for that fund, then the system would have to withdraw the available amount from the lower-level budgets whenever it records a recovery, but leave the funding in the budgets if it is not a recovery.

### Splitting up the Fund

Due to these complications, many agencies have opted to split their no-year and multi-year funds out by budget year. Each year that the fund is unexpired, the available amount that was left unspent in the old year would be carried over into a new budget, where it would be apportioned and budgeted anew. No authority would be left in the old-year budgets to spend. When a recovery takes place, the funding is transferred out of the old-year budget and into the current-year budget, where it can be apportioned and budgeted. If OMB allows the agency to apportion estimated recoveries (line 4B on the SF-133), then the budgeting can take place at the beginning of the year, though spending would have to wait until recoveries actually take place. Splitting up the fund this way prevents the different years from being superimposed over each other, and makes it easy to determine when a recovery occurs—if the budget year is less than the current year and funding is being made available (there is a deobligation or a payment voucher closing an order for less than the obligation amount), then there is a recovery.

### Upward Adjustments

Upward adjustments are a tricky matter in an unexpired fund. Since the available funds are current, what difference is there between writing up a new order and increasing the amount on an old order? Either way, the same authority is reduced. You certainly won't find a distinction on the SF-133 or SBR; the upward adjustment accounts are reported on line 8 along with current-year expenditures and obligations. If an agency uses one budget for a no- or multi-year fund, then the user has to indicate to the system that the new spending is against an old budget, so an upward adjustment is recorded.



If an agency uses a separate budget for each fiscal year, they have to record upward adjustments in an old year's budget. However, the old-year budgets don't have any funding because any funds freed up were either carried over or recovered. Many agencies avoid this problem by adding a new line with the current budget year to record an increase on an obligation. If they really feel this activity should be reported as an upward adjustment, then they have to transfer the funding out of the current-year budget into the old-year budget and then record an upward spending adjustment.

### Conclusion

The OMB requirement that modifications of old-year obligations be reported as spending adjustments effectively forces executive agencies to identify the year an obligation was established in an unexpired fund. By setting up separate budgets for each year of an unexpired fund, an agency makes the obligation year explicit. This also changes a recovery from just an accounting transaction to an actual transfer of funding, and facilitates recording OMB apportionments of actual or estimated recoveries. •

*Comments, suggestions, and critiques are welcome. Send them to [Simcha\\_Kuritzky@ams.com](mailto:Simcha_Kuritzky@ams.com), and not to the AGA.*



## Federal Executive Profile

*continued from page 3*

assume that improved financial management is decades in the future. We are doing that right now, and I see the President's Management Agenda as the catalyst to ensure continued focus and attention by agency officials. Improvements won't come overnight, so our financial managers must learn to effectively use the data that is already at hand.

**TWC:** Is your office effectively using existing data?

**Kull:** We can do a better job. I want to do less process and more analysis, to use the data we have to better understand agency performance. Even simple things, like tracking material weaknesses, might help us resolve some long standing management issues, or identify a cross agency problem that would have to be handled in a different way. This is a challenge for us, as most cultural changes are, but one we willingly agree to take on.

**TWC:** I appreciate taking time from your business day to meet with me.

Before I leave, are there any observations that you'd like to give to our readership?

**Kull:** Look for challenges. Take them on; each one is a learning experience. Oh, sometimes you'll curse yourself for taking them on, 'Why did I do this'? But I have found my greatest personal and professional growth has come from these challenges, to work through them and push beyond what I thought were my 'limits'. There really is no limit to what we can do, to what we can learn. •

### Upcoming Chapter Social Events

In response to our membership survey, Membership and Early Careers are scheduling the following events for the coming 2001-2002 membership year

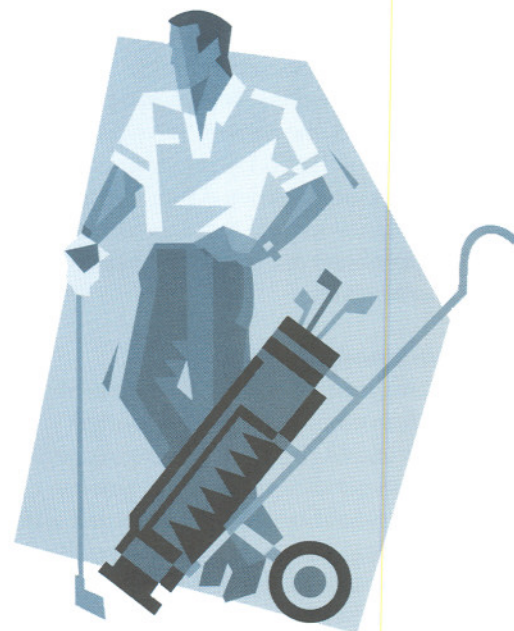
**June 2, 2002**  
**Baltimore Orioles Game**

**June 17, 2002**  
**Golf Tournament**

Please check your newsletter, website or agency liaison for the latest event update. If you are interested in an activity please let us know as soon as possible. Send your electronic responses or direct any questions to [phunter@gt.com](mailto:phunter@gt.com), 703.847.7651 or [karl.boettcher@fms.treas.gov](mailto:karl.boettcher@fms.treas.gov), 202.874.3611. •

### Golf Tournament

Membership Services and Early Careers in partnership with the Association of Military Comptrollers (ASMC) are sponsoring a golf tournament at Fort Belvoir, Virginia. The tournament will be at the Gunston Course on Monday, June 17. Format for the 18 holes will be Captain's Choice with a shotgun tee time start at 8:00 am. Entry fee is \$65.00 per person including picnic style lunch, golf cart, green fee & prizes. Foursomes are created as needed. If you have a group of 2, 3 or 4, please ensure that they all pay with the same registration. To register, please contact (KPMG/ASMC) Gail Powell at 202.533.3860, [gbpowell@kpmg.com](mailto:gbpowell@kpmg.com) or Craig Silcox at 202.533.4296, [csilcox@kpmg.com](mailto:csilcox@kpmg.com). Make checks payable to ASMC and send to KPMG, LLP attn: Gail Powell 9th Floor, 2001 M St., NW, Washington D.C. 20036. If you would like more information on this activity, you can also contact



AGA/DC chapter representatives—Ronald Longo at 202.533.4014, [rlongo@kpmg.com](mailto:rlongo@kpmg.com) or Karl Boettcher at 202.874.3611, [karl.boettcher@fms.treas.gov](mailto:karl.boettcher@fms.treas.gov). •



## AGA Announces New Leadership Conference

As cooperation between federal, state, and local governments becomes more and more essential, intergovernmental collaboration will continue to evolve. With that in mind, AGA's National Executive Committee has decided to consolidate the State and Local Government Leadership Conference and the Federal Leadership Conference into one National Leadership Conference, to be held in February of each year in Washington, D.C. Beginning in 2003, this conference will bring together the top leaders from all levels of government to discuss the issues most pressing to government accountability professionals in a new and challenging environment. As with all AGA conferences, our goal with this conference is to offer

the best possible continuing professional education to all our members. The NEC believes that this National Leadership Conference will provide an excellent complement to the Annual Professional Development Conference, as it offers an opportunity to bring together a variety of members and speakers to hear discussions that will equally benefit federal, state, and local government professionals. We hope you will agree that as our country moves through the uncharted waters ahead, intergovernmental cooperation and information sharing will become more critical than ever before. AGA is pleased to present the first National Leadership Conference, set for Feb. 20-21, 2003 as part of its ongoing effort to advance government accountability. •

## Chapter Meetings

The schedule for the rest of this year's meetings is:

**April 23, 2002**  
**(Awards Dinner)**

**May 2, 2002**

Speakers for the remainder of the program year include:

**Natwar Gandhi**  
DC government

**Samual Mok**  
DOL

## Job Announcements

Job type	Series	Agency	Announcement No.	Close Date	Contact
Auditor	GS-0511-05/07	Dept. of Ed.	WA122684CG	6/21/02	478.757.3000
Staff Accountant	GS-0510-07/	Commerce	ITA-02-041A-KH	4/29/02	202.482.3060
Auditor	GS-0511-07/12	AID	01-37	6/30/02	202.712.4189
Staff Accountant	GS-0510-09/	Commerce	ITA-02-041B-KH	4/29/02	202.482.3060
Staff Accountant	GS-0510-11/	Commerce	ITA-02-041C-KH	4/29/02	202.482.3060
Supv. Fin. Analyst	GS-0501-13/14	HHS	NIAID-02-050	5/31/02	301.496.4634

*If your organization would like to list job announcements in the newsletter, please send announcement information to [diane\\_wright@ams.com](mailto:diane_wright@ams.com).*

## Annual Chapter Awards Presentation and Member Recognition Dinner

On Tuesday April 23rd at the Grand Hyatt Hotel, we will hold a very special evening event that you will not want to miss—the Chapter's 43rd Annual Awards Presentation and Seventh Annual Member Recognition Dinner. A social hour will begin at 5:00pm, dinner at 6:00pm, and presentations will begin at 7:00pm. At that time, we will recognize three distinguished groups: (1) our chapter award recipients which consist of the Einhorn/Gary Award, the

Distinguished Leadership Award, the Distinguished Service to the Financial Management Community Award, the Achievement of the Year Award, the Education and Training Award, the James W. Saylor Award, the President's Awards and Community Service Awards, (2) Chapter members who have been AGA members for 25 years or longer, and (3) the Chapter's past presidents. This extraordinary occasion will be made even more so by our speaker, The Honorable Dr. Natwar

M. Gandhi, Chief Financial Officer, District of Columbia.

Through hard work and outstanding dedication, this year's chapter award recipients have made significant contributions toward advancing government accountability. Their vision, leadership, and service have contributed greatly to the government financial community. We look forward to seeing you there and sharing the experience of this special occasion. •



## Mark Your Calendar

### AGA's 51st Annual Professional Development Conference & Exposition July 7-10, 2002 in Atlanta, Georgia

**F**or 50 years, the AGA's Annual Professional Development Conference & Exposition has been the premier education and training conference for government financial managers and accountability professionals. The 2002 PDC covers the perspectives of all governments: federal, state and local.

The conference theme for 2002 is Transforming the Government Enterprise, and the program is filled with dynamic sessions to help all financial

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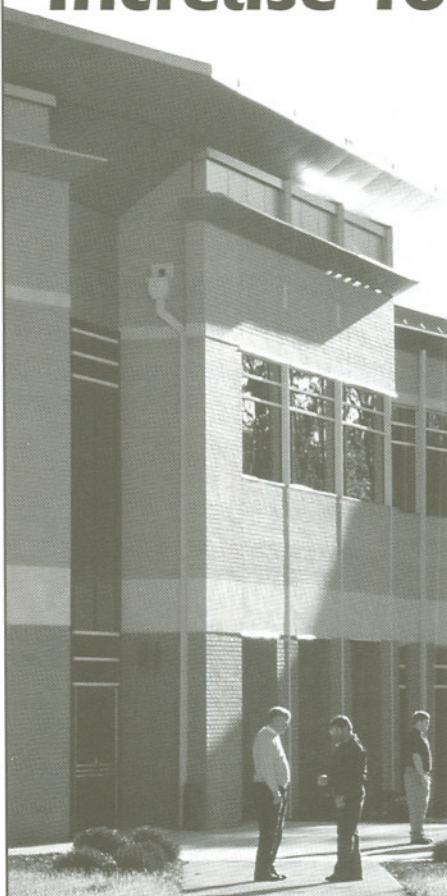
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# PDC 2002—TRANSFORMING THE GOVERNMENT ENTERPRISE

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\*Denotes information to be included in the Directory of Participants unless otherwise noted by registrant.

AGA Member? ☐ Yes ☐ No Member # \_\_\_\_\_ AGA Chapter \_\_\_\_\_ ☐ No ☐ Please send me membership information \_\_\_\_\_

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### Registration Fees

	Mail/Fax Member	Mail/Fax Nonmember
Early Registration (by June 7, 2002)	<input type="radio"/> \$800	<input type="radio"/> \$1,000
Regular Registration (after June 7, 2002)	<input type="radio"/> \$900	<input type="radio"/> \$1,100

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### Method of Payment

Registration forms must be accompanied by a check, credit card number or validated government purchase order. If paying for more than one attendee using the same check or purchase order number, make a photocopy of this form, completed for each attendee and enclose with accompanying payment.

☐ Check payable to AGA enclosed \_\_\_\_\_ Check # \_\_\_\_\_

☐ Validated Government Purchase Order \_\_\_\_\_ PO # \_\_\_\_\_

(If paying with a purchase order, we must receive the hard copy with your registration form. We cannot process your registration without both of these forms. Purchase orders must be paid within 30 days of the conference.)

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### Cancellations/Refunds/Substitutions

AGA will assess a \$50 processing fee on all refunds. If a registrant is unable to attend the conference, AGA must receive a written request by June 7, 2002 to receive a refund, less processing fee. Confirmed registrants who fail to attend and do not cancel two weeks prior to the conference will be charged the entire registration fee. To receive a refund, you must have written verification from the Conference Registrar that your cancellation was received. Telephone cancellations will not be accepted. Substitutions will be accepted if authorized in writing by the registrant.

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## CPE Opportunities

### Performance Based Management Issues

**T**he Montgomery/Prince George's Counties chapter will be holding a symposium on Wednesday, April 17th from 3:30 p.m. to 5:30 p.m., with dinner following the symposium from 6:00 p.m. to 8:30 p.m., at the Double Tree Inn, Rockville, MD. The symposium will cover Performance Based Management Issues Facing State, Local, and Federal Financial Managers (the emphasis will be on budget goals and measurement outcomes).

There are two Attendance Packages available:

#### Option 1

Stay for the entire event  
Cost \$60 (\$55 for AGA members)  
Earn 3 CPE Credits

#### Option 2

Stay until 6:00 PM  
Cost \$40 (\$35 for AGA members)  
Earn 2 CPE Credits

Please check out our invitation and flyer at <http://www.marylandaga.com/news/downloads/4-17workshop.pdf>.

SmartPros provides specialized online courses, approved for CGFM CPE hours, through their subscription programs FMN Online, CPA Report/Government and SmartPros Advantage, which can be found in the AGA Academy online at [www.agacgfm.org/academy/home.cfm](http://www.agacgfm.org/academy/home.cfm).

#### Free Online Programs Available on Sept. 11 Issues

AGA, along with e-learning strategic partner SmartPros, has made arrangements for all AGA members to have access to two FMN Programs related to the Sept. 11 tragedy. FMN is the continuing professional education series available on video and online. Speakers explain a variety of issues related to the attacks. Normally available only by subscription, these programs can be seen in their entirety at [www.fmnonline.com/aga/demo\\_index.cfm](http://www.fmnonline.com/aga/demo_index.cfm).

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# Six Commonly Held Beliefs about the Benefits of Commercial-off-the-Shelf Software

By Bob Freeman

This is the fourth in a series of articles in which the author examines six commonly held beliefs about the benefits of Commercial-off-the-Shelf-Software. In the first article, published in the January issue of Washington Connection, the author identified the six beliefs. In subsequent issues, the author examines each belief with the objective of removing the myths surrounding modern, web-based COTS systems, and providing financial managers with a more

informed understanding of the value of these systems.

In this article, the author examines commonly held belief number 3:

**Agencies identify the business processes they want the COTS system to support and then configure it to support those requirements.**

This belief is based on a number of assumptions. In the following paragraphs, the writer examines those assumptions.

First, an agency must assume that in acquiring a COTS system, its personnel developed an extensive knowledge of both the technical and functional architecture of the product. This level of understanding is critically important. It allows agency personnel to identify quickly the business processes that they want supported, and to configure the package to support those processes.

**Assumption No. 1: Agency personnel fully understand the selected COTS package.**

Modern COTS packages contain hundreds of tables, perhaps thousands of individual settings, and over a dozen modules. The business logic of each module, table, and setting must be thoroughly understood. No matter how extensive the acquisition process, it is unrealistic to assume that an agency's personnel will have any more than a cursory understanding of the package, which may be colored by the vendor's sales process.

Now let's move on to Assumption No. 2. Agencies generally understand that it is futile to try to develop an extensive understanding of a COTS product and therefore turn to the private sector

in order to help select a system and to implement it after acquisition.

**Assumption No. 2: Integrators have an extensive understanding of COTS packages, and they understand your business.**

From a corporate perspective it is true that integrators can demonstrate extensive experience in COTS packages. Often they have an in-depth understanding of an agency's business, as well. However, these two facts do not necessarily translate into a level of knowledge needed to support the selection and implementation of a specific COTS solution.

Individuals assigned by an integrator to assist in the acquisition selection process may have a limited understanding of the package or the business functions that the package is intended to support. For example, an integrator may assign staff to an agency project who have experience with one module or they have never implemented the package in a federal agency. An integrator's experience in an agency rarely includes activities that encompass all the procedures, practices, current systems that support an agency's current financial management processes. In cases where an integrator has this level of experience, the individuals assigned by the integrator to the COTS project who have this knowledge generally have no experience in selecting or implementing COTS packages.

**Assumption No. 3: Agency personnel fully understand their current business practices.**

This level of knowledge is necessary in order to know how to most effectively implement a COTS package. If this level of understanding existed in an agency, configuration and business process redesign decisions would

*continued on page 14*

## Blood Drive to Support National Community Service Week

The AGA Capital Region along with the DC, Montgomery/Prince George's, and Northern Virginia AGA Chapters are sponsoring a blood drive.

**DATE:** April 23, 2002

**LOCATION:** KPMG, 2001 M Street, NW (corner of 20th and M Streets) in the 6th floor conference room. Metro: Dupont Circle on the Red Line. Farragut West on the Blue/Orange Line

**TO SCHEDULE AN APPOINTMENT:** Call Gerri Williams at 202.533.5262 or email gwilliam@kpmg.com. Appointments can be made starting at 10:00am (and every 15 minutes after that) with the last appointment at 2:00pm.

**REGISTRATION VOLUNTEERS NEEDED:** Call Gerri Williams 202.533.5262.



## Six Commonly Held Beliefs

*continued from page 13*

occur quickly and effectively. Unfortunately, this knowledge does not exist.

Each organization in an agency understands its policies, business processes, and supporting systems. It may not, however, understand how other organizations use its products, or it may not understand the history of its own business processes. Let's first examine how organizations work together. The budget organization understands the details behind the distribution and control of funds; however, it has little to no understanding of the bill-paying process. Thus, an agency, in implementing a COTS package, must rely on the cooperative collaboration among affected organizations to quickly and effectively implement a COTS solution.

Now let's examine how well an individual organization understands its own policies, business processes, and supporting systems. An effective and complete understanding by an organization allows its managers to make cost effective decisions quickly when implementing a COTS package. On the other hand, if the understanding is incomplete or inaccurate, that understanding can lead to poor decisions.

An organization's policies, procedures, and systems generally have developed over time in response to changing demands. These demands include policies shift, organizational realignments, and technological limitations. If an organization has been in existence for many years, it is unlikely that anyone in the organization has a full and com-

plete understanding of the legal and policy reasons for its existence.

These are three examples of the underlying assumptions that support this belief; however, there are many others. Agencies should examine carefully any integrator or COTS vendor who uses this belief or a variant on this belief as a selling point. For example, an integrator might assert that their extensive experience with COTS solutions and their experience with your agency are sound reasons to hire them. Alternately, an agency official may assert that the agency will simply change its business model when configuring the COTS package. Both of these assertions are variants on the belief that it is a simple matter of configuring the COTS package. •

### Exclusive Government Financial Management Career Fair

The Second Annual AGA Career Fair will be held in conjunction with the Professional Development Conference & Exposition from 9am to 4pm on Monday, July 8, 2002 at the Hyatt Regency Atlanta, Georgia. Various government financial managers, including those in senior and management positions, are expected to attend. Last year's successful career fair included such companies/agencies as Deloitte & Touche LLP, KPMG, United States Mint, and representatives from several Offices of the Inspector General. If your company or agency is interested in attending or participating virtually in the AGA Career Fair, call Angela Perrie at 800.299.7494, ext.359, or see partner. [rassring.com/cf2002/aga.htm](http://rassring.com/cf2002/aga.htm) •

### CGFM Courses Offered at AGA's PDC 2002

**T**ake advantage of the opportunity to attend CGFM Courses 2 and 3 in conjunction with AGA's 2002 Professional Development Conference & Exposition (PDC) in Atlanta.

Course 2, Governmental Accounting, Financial Reporting and Budgeting, is a three-day course worth 24 CPE hours set for July 8-10 and July 11-13. Tuition is \$570. Course 3, Governmental Financial Management and Control, is a two-day course worth 16 CPE hours set for July 6-7. Tuition is \$420. Don't let this special opportunity pass you by. Register today by calling 703.790.9595 or by visiting the Management Concepts website at [www.managementconcepts.com/financial/cgfm\\_atlanta](http://www.managementconcepts.com/financial/cgfm_atlanta). We look forward to seeing you in Atlanta! Please note the tuition costs are not included in the price of the PDC registration.

#### Test Your Knowledge and Help the CGFM Program

Attend the PDC and earn your CGFM at the same time! Beta testing of the updated CGFM Examination questions is planned during AGA's PDC in July. Beta testing provides valuable feedback on whether the new questions are reliable and valid. It also offers the opportunity to earn the CGFM credential at no cost to you. Anyone interested in participating can send their name and telephone number to [ksilver@agacgfm.org](mailto:ksilver@agacgfm.org). •





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