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Meeting Notice

Tuesday, January 11th, 2005
12:00 PM

Elaine McDonald
Chief Financial Officer
City Utilities of Springfield

“Communication with the Public”

Location: The Tower Club

Cost of Luncheon - \$18.00

For Your Reservation, PLEASE CALL:
Cindy Stein's Office
829-6201 or
e-mail Cindy at cstein@greencountymo.org

(Please call no later than 3:30 p.m. on Monday, January 10th)

Lunch will be served at Noon, the speaker will start at 12:20 and the meeting will be over no later than 1:30.

PRESIDENT'S MESSAGE

AGA Members,

Wow!! It's hard to believe that the holidays have come and gone; I hope everyone had a great holiday. Last month we were fortunate enough to hear from Darelyn Cooper, a former member of AGA, on Streamlined Sales Tax Project. I was glad to see she has been doing well.

We will be gearing up for our next community service project for the elderly. Kathryn Burnett has done some research for ideas that we will be discussing at our meeting. We will also be hearing from the Scholarship Committee.

This month we will hear from Elaine McDonald, CFO of City Utilities, on "Communication with the Public".

Hope to see everyone there.

Vicki

CGFM Article 1

CGFM Program Celebrates 10 Years of Success

When Jeffrey C. Steinhoff began planning for his 1993-1994 term as AGA National President, a new certification program was not on his priority list. Steinhoff, who is managing director of the Financial Management and Assurance Team at the Government Accountability Office, testified quite often before congressional committees at that time. One particular hearing stands out. "During the hearing, Senator James Sasser, the chairman, really asked a lot about my professional credentials and made a pretty big deal about me being a CPA, and that added a sense of greater reliability, and greater reliance on whatever I was saying," Steinhoff recalled. "I really didn't think those skills and that exam I passed quite some time before that was all that applicable to the issues I was discussing at the hearing."

Chairman Sasser had unknowingly planted a seed that would bloom into AGA's CGFM Program, which is celebrating its 10th anniversary this year. Steinhoff saw a strong need to recognize the "very rich portfolio of knowledge and skills" that are unique to government financial managers, who are dealing with complex issues that are quite different than those of the private sector.

Steinhoff looked at the many previous discussions and studies AGA had spearheaded on the subject. In 1992, a task force recommended dropping the idea, but he found the sentiment to be split nearly 50-50, so he began planning to introduce the concept to the National Executive Committee and AGA's chapters. Before he even started, though, he was warned by his colleagues at GAO that he already had a strong

plan in place for his presidential term. They said he didn't need to take the risk of launching an initiative that was destined to be rejected by the membership. "I felt strongly that we were viewed as second-class citizens by some in the profession. We have special and unique skills and we shouldn't be second to anyone," Steinhoff said. "There was really nothing that recognized government financial managers out there at all."

Steinhoff generated interest in the concept and received a broad mandate from the membership to pursue it. He introduced the program at the 1994 Professional Development Conference. He hoped 4,000 would apply for CGFM status during the initial certification period, when the CGFM was granted based on education and experience. "There were those who said I'd have trouble getting 500," he said. Then began the deluge of mailbags to the AGA National Office. More than 13,000 became certified. Also, AGA's membership shot up by 7,000 over a few short years, and attendance at the annual PDC skyrocketed. The CGFM is considered AGA's most successful undertaking.

AGA's Professional Certification Board, which oversees the CGFM Program, developed a training program of three courses that help prepare CGFM candidates for the three examinations. The exams were computerized from the start, and the board has gone through the rigorous process of updating them to keep the material fresh and relevant to the issues financial managers face every day. Board members, who are experts in state and local government, federal accounting standards, the Yellow Book and more, have dedicated hundreds of hours of volunteer time to the CGFM Program. Many board members who serve today, including Steinhoff, helped develop the program 10 years ago.

Steinhoff is heartened by the growing list of governments that recognize the CGFM, but he also recognizes that establishing a new credential takes many years of effort at the grassroots level. The CGFM will become a more sought-after credential over time, as Steinhoff sees a future of continuing growth. "The CGFM is a mark of achievement, an indicator of excellence in our chosen field and it will only grow in value," Steinhoff said.

by Christina Camara

CGFM Article 2

CGFM DESIGNATION - IT'S NOT JUST FOR ACCOUNTANTS

Government financial management is broad in scope. Consider the diversity of AGA's membership: while many are accountants and auditors, AGA members are also budget analysts, program analysts, internal auditors and other financial management professionals. The common goal of our membership is interest in government financial management and advancing government accountability.

The Certified Government Financial Manager (CGFM) Program reflects the diverse range of knowledge required of government financial managers. Look at the content specifications of CGFM Examinations [<http://www.agacgfm.org/cgfm/exams/>]. A CGFM needs to have knowledge about how the government works, how governments are financed, ethical considerations, management techniques, financial analysis, internal controls, budgeting, cost accounting, cash management, investment management, procurement, inventory systems, credit management and financial management systems.

One of the strengths of the CGFM certification is the combination of the detailed knowledge of governmental accounting coupled with a general understanding of other government financial management practices, such as budgetary accounting and cost accounting. A CGFM has to know about the requirements at all levels - federal, state and local. Much of the knowledge required by a CGFM involves theory - why things are done the way they are done. Only a small portion is devoted to practice - the actual entries that are needed for specific transactions.

The CGFM designation demonstrates a person's knowledge, skills and abilities about government in general. If you are in any type of position in government financial management, the CGFM should be at the top of your list as a preferred certification.

On occasion, we are asked how the CGFM compares to the CPA. In a sense, there is no comparison. The CPA is more than a certification - it can also lead to obtaining a license. If your goal is to practice public accounting - the review and audit of financial statements in order to render an opinion - then you must have a license from a state board of accountancy. To get a license, you have to pass the CPA examinations. That is why the CPA is unique among certification programs.

The CGFM designation, coupled with a CPA, can be a powerful tool in your arsenal. Not only do you possess the knowledge, skills and abilities to practice public accounting, you also have knowledge, skills and abilities about the unique aspects of government.

If you are in a profession that does not require a CPA, then you need to consider obtaining a certification that sets you apart from your peers. If you are in government, as a budget analyst, program analyst, grant manager, or in any other financial management position, then the CGFM should be your first choice for a certification program.

- written by Pete Rose

AGA CASH REPORT
WILL BE AVAILABLE AT THE JANUARY MEETING