

WASHINGTON CHAPTER LUNCHEON MEETING

THURSDAY
March 5, 1992

SPEAKER



Helene L. Boatner
Comptroller
Central Intelligence
Agency (CIA)

About the Speaker
Page 3

Budgets and Secrecy

Marriott
1221 22nd St., N.W.
(Near Farragut West Metro Stop)

Luncheon: 12:00 noon
Menu: Chicken Picata
Cost: \$16.00 (Members)
\$18.00 (Non-Members)

Reservations Recommended
Call (703) 758-4080 Voice Mail
Through Tuesday March 3
Non-Members Welcome
No-Shows are Expected to Pay

Walk-in's Welcome on Space
Available Basis

CHIEF FINANCIAL OFFICERS (CFO) COUNCIL REGROUPS

By Dennis S. Mitchell, Editor-in-Chief

The CFO Council is regrouped to achieve the statutory requirements of the CFO Act. The CFO Act mandates the establishment of a Chief Financial Officers Council, comprised of the agencies' principal CFOs. This type of Council can and should be a significant factor in the implementation of the CFOs Act by: (a) providing needed policy input and reaction to the Deputy Director for Management, Controller, and the Office of Federal Financial Management; and (b) being the vehicle for communicating the importance of good financial management to senior officials in the operating agencies. (Extracted from CFO Council publications)

Under the statute, the CFO Council is created to:

"... advise and coordinate the activities of the agencies of its members on such matters as consolidation and modernization of financial systems, improved quality of financial information, financial data, and information standards, internal controls, legislation affecting financial operations and organizations, and any other financial management matter." (S. 302(b))

The statute defines the membership of the Council as:

- The OMB Deputy Director for Management (Chairperson);
- The Controller of OMB's Office of Federal Financial Management;
- The Treasury Fiscal Assistant Secretary; and
- The Chief Financial Officers defined under S. 901 of Title 31, U.S.C..

The statute does not include Deputy CFOs as "members" of the CFO Council. However, Deputy CFOs are taking active roles, along with CFOs, the CFO Council and others to achieve the requirements of the CFO Act.

Other prominent participants include the General Accounting Office (GAO), Joint Financial Management Improvement Program (JFMIP), Small Agency Council (SAC), Private Sector Council (PSC), President's Council on Integrity and Efficiency (PCIE), President's Council on Management Improvement (PCMI), and Office of Management and Budget (OMB) staff.

HIGHLIGHTS

Sam Mok, Chapter President, recommends time-tested approach to CFO Act, page 2.

About the Speaker and Chapter Officials, page 3.

Chapter Calendar and Schedule of Events, page 4.

Chapter Educational Event—Annual Accounting Systems Seminar—April 15 & 16, page 4.

Photo and Bio special appearance, Jeffrey C. Steinhoff, National President-elect, page 5.

Chapter Committee Reports and Activities, page 6.

Tax Tips, page 7.

PRESIDENT'S MESSAGE



Samuel T. Mok

A senior policy official was sailing in a hot air balloon one day when he ran into a storm. When the storm passed, he found that he was blown completely off course and was hopelessly lost. As he drifted along he noticed a man below walking along a country road. He lowered the balloon and yelled out "Ahoy there! I am lost. Can you tell me where I am please?"

The man looked up, thought for a moment and replied, "Sir, you are about 50 feet in the air." The senior policy official couldn't help but exclaim, "You must be in federal financial management." Quite surprised, the man responded, "Why yes! How on earth did you figure it out?" The senior policy official sneered, "As usual, you all continue to give us technically correct but absolutely useless information!"

With numerous data calls emanating from OMB on financial statement preparation and performance indicator requirements, I can't help but wonder if all these requirements are the result of polling the needs of policy officials and constructing management tools to meet those needs or, as usual we are continuing to act like Detroit of bygone days—we know what's best for "them." My anxiety was reduced somewhat recently after listening to speeches on financial statement requirements by Ed Mazur (Controller) and Woody Jackson (Chief, Financial Standards and Reporting Branch), OMB. I am most impressed by their candor, their no nonsense, and yet practical, approach to seemingly complex financial reporting issues.

The requirements of the CFO Act are indeed onerous, yet the Act is potentially very beneficial toward better management of the Federal Government, if it survives the political growing pains. I

have personally witnessed and heard many horror stories about massive agency task forces and study teams that spent endless hours in meetings and interviews discussing "requirements," and "formats," etc. Many of the "new and improved" ideas are suspiciously familiar. Recently, I ran into one of my fellow financial management colleagues who told me with pride that he really earned his pay because he went to six meetings that day. I didn't want to ruin his day by asking him if those meetings were really necessary and if anything productive resulted from those meetings. Endless mass meetings are usually a waste of many people's time. Hal Steinberg set a very good example by limiting the recent OMB Asset Management meeting to one hour. In my opinion, that was one of the most productive meetings I have attended on CFO issues.

I am a firm believer of the Texas Ranger approach towards problem solving—one riot, one ranger. I suggest that we take a similar approach toward issues surrounding the requirements of the CFO Act. For example, instead of engaging in massive studies of highfalutin concepts and approaches to subjects such as performance indicators, let us concentrate on time-tested, but simple to produce and easy to use, financial performance indicators; i.e., accounts receivable turnover ratios, current ratio, etc. Once we are *all* tuned to the same wave length, we can then progress to other more program-oriented indicators. With the Presidential election in a few months and the likely turnover of policy officials, let us give "the man in the hot air balloon" information he can relate to and use quickly, instead of reinventing and repackaging items that had proven to be useless in the past.

ABOUT THE SPEAKER

Miss Boatner is the Comptroller of the Central Intelligence Agency—a position she has held since February 1991. She holds a Bachelor's Degree in Mathematics from the University of Texas and a Masters' Degree in Economics from American University. In addition she is a graduate of the National War College.

Miss Boatner worked for the US Military Advisory Group in Greece, for Booz, Allen and Hamilton International, and on Capitol Hill before joining the CIA in 1963 as an economic analyst. She spent over a decade working on the political, economic and military aspects of Near East issues and served an earlier tour in the Office of the Comptroller, where she was responsible for the Agency's budget presentations to Congress.

Since becoming a senior executive at CIA, she has served as Deputy Director of Economic Research, Director of Political Analysis, Director of Near East/South Asia Analysis, Chief of the Intelligence Directorate's Product Evaluation Staff, Director of Leadership Analysis, and Director of the Office of Current Production and Analytic Support. She is also Chairman of the Editorial Board of "Studies in Intelligence"—a professional journal for intelligence officers.

EVENING SOCIAL MARCH 18

Washington Chapter Wednesday Evening St. Patrick Social/Meeting at the Touchdown Club, 2000 L St., N.W. All Chapter members Old, New and Potential are invited, 5:30-8:00 p.m. No admission charge; Complimentary hors d'oeuvres/refreshments and cash bar. Reservations not required. Parking in Building, L St., \$1.25.

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MARCH 1992						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3	4 JFMIP Conference	5 Washington Chapter Luncheon	6 Newsletter Article Cutoff	7
8	9	10	11 Mont/PG Dinner Meeting	12	13	14
15	16	17 NOVAGA Mini Max & Dinner Meeting	18 FASAB Meeting	19 FASAB Meeting	20	21
22	23	24	25	26	27	28
29	30	31				

Schedule of Events

3 - Deadline for Reservations for Washington Chapter Luncheon on the 5th. Call the Chapter Voice Mail (703) 758-4080 to Make Reservations. Non-Members are Welcome.

5 - Washington Chapter Luncheon Features Ms. Helene L. Boatner, Comptroller, Central Intelligence Agency on Budgets and Secrecy. Marriott, 1221 22nd St., N.W. (Near Farragut West Metro Stop). Make reservations by calling the Washington Chapter Voice Mail (703) 758-4080.

6 - Deadline for submitting articles for *The Washington Connection* April issue.

11 - Montgomery/Prince Georges Chapter. College Park Holiday Inn; 5:30 Social, 6:45 Dinner; Speaker: Parris Glendenning, County Government Financial Management. Cost \$18, Students \$5. Call Sylvia Jiles (202) 732-5646.

17 - Northern Virginia Chapter. Sheraton National Hotel, Free Mini-Max Education Event, Secrets of Questionnaire Design, 3:15 - 5:00 p.m. Various Speakers, 5:30 Social, 6:15 Dinner; Speaker: Clyde Jeffcoat. Call Andrea Walker (202) 619-3066. Members with Reservations \$17. All others \$20.

18-19- Federal Accounting Standards Advisory Board (FASAB) Monthly Meeting (9:00 a.m. - 5:00 p.m.), Natl. Bldg. Museum, Auditorium, Across from GAO Bldg. Call Alice Keels (202) 504-3344.

Washington Chapter Future Luncheon Meetings

April	2
May	7

APRIL 15 & 16

Washington Chapter Educational Event Annual Accounting Systems Seminar—Two day annual seminar, various speakers, Ramada Renaissance Hotel, Tech World. Members \$240, Non-Members \$280. Call Chapter Voice Mail (703) 758-4080.

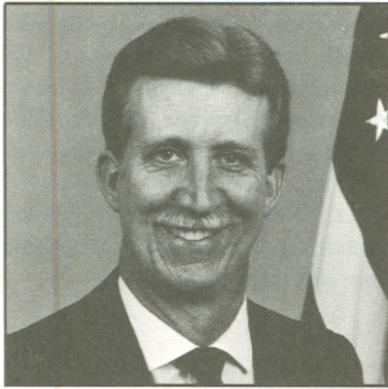
March 4, 1992, JFMIP 21st Annual Conference, "Facing the Facts of the CFO Act," J.W. Marriott Hotel, Washington, D.C. Keynote Speakers: Charles A. Bowsher (GAO), and Frank Hodsoll (OMB). Luncheon Speaker, Edward Mazur (OMB). Concurrent Workshop Speakers: Harold Steinberg (OMB), Donald Chapin (GAO), Alvin Tucker (DOD), and Russell Morris (Treasury). (\$100) For information contact Isabelle Howes, (202) 382-8502 or Julie Margulies (202) 382-8564.

May 31-June 5 & August 9-14, Private Sector Council and University of Maryland School of Public Affairs and College of Business Management conduct the Third Annual "Financial Officer as a Financial Leader," at the Maritime Institute near Baltimore. Cost of the two-week program is \$3,000 including room, board, and materials. For more information call program Director Steve Block at (301) 405-6354.

Spring 1992 Activities of the Brookings Institution Accountants Roundtable, Co-sponsored by The American University, The Kogod College of Business Administration, Accounting Department—Roundtable discussions will be convened on March 19, April 23, and May 21, and will feature Ron Young and Elmer Staats, Federal Accounting Standards Advisory Board; and don Chapin, GAO, among others. Contact Jim L. Nelson (202) 885-1930 or Raymond einhorn (202) 885-1930 or (202) 362-1884 for further information.



AGA NATIONAL PRESIDENT-ELECT



Jeffrey C. Steinhoff

Jeff Steinhoff is the Director, Civil Audits in the General Accounting Office. He is responsible for GAO's financial audits and accounting systems reviews and for reviews of financial management issues at all civilian departments and agencies. He is GAO's focal point for government-wide implementation of the Chief Financial Officers Act of 1990. He chairs GAO's Financial Integrity Act Steering Committee, and serves on the federal Management Control Council. He has held a wide range of positions in GAO and has served on the staff of the Senate Governmental Affairs Committee.

Mr. Steinhoff graduated from the College of William & Mary. He has completed the Information Systems Program at the Wharton School of the University of Pennsylvania, and the Senior Executive Program at Harvard University and is a graduate of the Federal Executive Institute. He is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants and has served on its Subcommittee on Management Advisory Services. He serves on the Association of Government Accountants' national Executive Committee.

He has received numerous professional awards, including the Comptroller General's Distinguished Service Award, the Association of Government Accountants' National Distinguished Leadership Award and its National Special Achievement Award, and the JFMIP's Distinguished Leadership Award.

WASHINGTON CHAPTER OF AGA Minutes for January 29, 1992 Meeting of CEC.

By Pat Wensel, Chapter Secretary

Call to Order: President-Elect Marc Page called the meeting to order at 11:40 a.m.

Treasurer's Report: The Treasurer's report as of January 16, 1992 was mailed to all board members. To date, the Chapter has a budget deficit of \$5,930 on a cash basis. Education events through January were budgeted for \$21,780 in revenue; actual revenue is \$3,891, due to lower than expected attendance for these events. The American Society of Military Comptrollers (ASMC) owes the Chapter \$3,394.64 from the joint educational event held in January. The Treasurer and Chapter President are both working with ASMC to collect the amount. The Treasurer's report was accepted as presented.

President Mok nominated Karl Boettcher to fill the vacant director position for Publicity/Agency Liaison. Mr. Boettcher was unanimously approved by the Board. Judy Parsons and Sheila Zukor were appointed as co-chairs of the Meeting Committee. Mr. Joseph Cammarata of Zapruder and Odell was introduced as the recently appointed General Counsel for the duration of President Mok's term.

Committee Reports:

Program—President Mok reported that a speaker is needed for April. President Mok has invited Mayor Sharon Pratt Kelly to speak.

Education—President Mok reported that the Education Committee recommends that the two-day seminar scheduled for April be held separately from the regular monthly meeting on April 2. The proposed dates are April 8 and 9 and the topic is Accounting Systems. President Mok distributed a flyer for the upcoming event on February 6 and encouraged everyone to get attendees for our seminars.

Publicity/Agency Liaison—Karl Boettcher reported that, because the current list of agency contacts was so outdated, he is developing a new list to include a key agency contact and a working contact. The committee is working with National to try to determine membership by agency. This is proving to be a difficult task. Announcements of meetings will be faxed to agency contacts for further distribution within the agencies.

Budget and Finance—Pat Dews distributed the approved budget.

Employment Referral—Judi Fuerstenberg reported that letters were sent to CFOs and IGs that offered to list financial management job announcements in our newsletter. The AGA Employment Flash from AGA National has been discontinued as it did not break even and there were some violations of copyright laws. Instead, AGA National will include an article in the March TOPICS covering the issue and offer classified advertising in TOPICS with specified rates. Employment announcement articles have been prepared for our Chapter newsletter. Concern was expressed for the lack of support by AGA National.

Chapter Awards—Nancy Fleetwood sent a letter to all CFOs and Deputy CFOs requesting nominations. Nominations are needed by February 28. Two nominees have been proposed for the King Award—Bill Kendig and Virginia Robinson. Marc Page expressed concern with the lack of interest in our awards. He said we need to rebuild interest in our awards by ensuring that they have value to the recipients.

VITA—There are 21 volunteers to date. IRS limited the number of people they would train so some volunteers were given self-study materials.

Meetings—Our Friday social events have not been well attended. Friday may be a bad day for the meetings. The committee is exploring new ideas and is working with national to get a list of new members.

Membership—Evelyn Brown reported that our membership has been increasing. We have 1,049 members to date.

Research—Marc Page has mailed an information package to the 12 members of the team and their first meeting has been scheduled. The project will run through June 1993.

Procedures and Bylaws—Mary Lee Mason has received no comments on the proposed changes to the bylaws. She will form a committee of board members to review and comment on the bylaws.

President-Elect Marc Page adjourned the meeting at 1:00 p.m. The next CEC meeting will be held on February 26.

CHAPTER COMMITTEE CHAIR REPORTS AND CHAPTER ACTIVITIES

MEMBERSHIP

*By Evelyn A. Brown, Director,
Membership Services*

The reports received by the National Office collectively on membership growth for the AGA chapters during the month of December are positive. Reinstatements continue to increase. Multiple mailings by the National Office going unnoticed, payments being "lost" somewhere in the process as well as instances of people thinking they had paid their dues are just a few of the reasons why members were suspended.

Renewal notices are being mailed. All members are encouraged to renew as soon as possible. We will follow through and contact those members who the National Office shows have not renewed.

"AGA" in '92—Try for Two," is still the slogan for our winter recruitment campaign—the last one of the membership year. Working together, we can reach for that 10% growth total.

To our new members, welcome aboard. We hope to see you at our upcoming luncheon meetings and events.

<i>New Member—Agency</i>	<i>Sponsor</i>
Kunsook L. Ahn—Interior	Michael Horst
Thomas B. Anklewich—AID	
Kietra M. Chase-Butler—Treasury	Sylvia Thomas
Katherine A. Gers—NSF	Leo Bowman
Lee H. Gross—IRS	Michael Noble
Scott M. Helmus—Anderson Cons.	Rob Jones
Elena P. James—Elena, Papas, James	Ronald Points
Phillip A. Maestri—Dept. of Ed.	Stuart Graff
Richard C. Mayo—FASAB	
Edward J. Mazur—OMB	
Esther C. Metrisko—Interior	
Janet A. McBride—DOC-Patent & Trademark	Clarissa Kuennen
Earl E. Moore—NLRB	
Edward M. Morahan—EPA	
Albert A. Muhlbauer—NSF	Leo Bowman
S. Lansing Williams—USDA	Michael Noble

To our transfers in, Marcia Caplan and Susan Nielsen, a double welcome. I sat with Marcia Caplan at our luncheon meeting. We welcome your attendance and others at our events.

The status of our membership growth, acquisition, and retention is provided for the reporting period ending December 31, 1991.

Balance @ 5/31/91	1,074
New Members	98
Sub Total	1,172
Suspensions	(137)
Reinstatements	15
Transfer In	2
Transfer Out	(3)
Balance @ 12/31/91	1,049

If you require information or assistance, please contact me on (202) 366-0269 or Sue Fields on (301) 496-3417,

EMPLOYMENT ANNOUNCEMENTS

To provide more service to our membership, our chapter lists government financial management and audit vacancy announcements. The listing will be brief: agency, professional series, grades, closing date, and a phone number with area code. Due to a 4-week leadtime for such publication, submit details by the 25th of each month to Judi Fuerstenberg, 7333 Eldorado Street, McLean, VA 22102-2933.

Recent announcements with no closing dates include:

- AID, Foreign Service 511-7/11, 703-875-4073;
- Energy, GS-511-13/14, 202-586-2486;
- Farm Credit, GS-560/13, 703-883-4139;
- HHS, GS-560/5-12, 202-619-0216;
- Justice, GS-510-9/13, 202-307-4091;
- NSF, GS-511/5-13, 202-357-7735;
- PBGC, GS-511-5-13, 202-778-8808;
- DOD-OIG, GS-511/5-13, 703-693-0255;
- OPM-CFO, ES-505, 202-606-1623.

For releases after this newsletter went to press, it's best to call the personnel office in the agency in which you seek employment.

Judi Fuerstenberg
202-586-0140
Employment Referral Chair

By Special Request

Library of Congress, GS-505-14 (7429R) Financial Manager, FED-LINK Business Manager, Vacancy Announcement Number 20952, Closing Date March 12, 1992, Likely to be Extended, Telephone Human Resources 202-707-5601 for Extension Information, KSAs, and other application information.

Treasurer's Report Warren Cottingham

Financially, our Chapter is in good shape. We have adequate cash reserves to cover anticipated expenses. One major concern is the low attendance at our seminars. Since seminars are our main source of revenue, the poor attendance means that our chapter will have less revenue this year than originally budgeted. Currently, the Chapter has a loss of \$5,930 for the year measured on the cash basis of accounting and a loss of \$3,066 if all accounts receivable are paid for the seminars held so far this year. As you can see, it is vital that attendance at our seminars increase. I urge you to attend the seminars and to encourage others to attend also.

Chapter Recognition

Jean Bowles, Committee Chair

As of January 31, 1992, the Chapter has accumulated 8,350 points. Keep up the good work.

Tax Planning Tips

by Albert Darago, CPA

Contribute to an IRA. If you and your spouse do not participate in an employer retirement program, you can deduct contributions up to \$2,000 if single, and up to \$4,000 if married made to an IRA. If only one spouse is employed, the most you can contribute is \$2,250.

If you or your spouse are covered by an employer retirement plan the IRA deduction drops by \$200 for every \$1,000 of adjusted gross income over \$25,000 if single and \$40,000 if married. Contributing pre-tax earnings to an IRA can make a big difference at retirement time. If, for example, you're in the 28% bracket and earning 10% interest on your savings, you can earn 1.6 times more money after taxes (payable at withdrawal) on a \$2,000 IRA contribution held for 20 years, than if you did not make that pre-tax contribution.

Contribute to a 401(k) Plan or U.S. Government Thrift Savings Plan. One of the most effective methods of deferring income is to take out a 401(k) plan or the U.S. Government Thrift Savings Plan. Whatever qualifying amount you contribute reduces your gross income and defers your tax liability.

Earn Tax Free Interest For You or Your Child's Education. Individuals over age 24 who purchase series II bonds may be able to exclude some or all of the series EE interest from their income. The bond owner must use the money redeemed to pay tuition and other fees so that the bond owner, his spouse, or dependent is able to attend college. The exclusion begins phasing out for married taxpayers with incomes beginning at \$60,000 and single taxpayers with incomes beginning at \$40,000.

When feasible Plan Your Marriage or Divorce For Maximum Tax Benefits. Generally two working people with

significant income will pay more when they marry. In some cases marrying in January instead of December could pay for a honeymoon. If, however, one of the partners has little or no income you should consider marrying in December instead of January.

When divorce is imminent just the opposite is usually true. Two individuals with significant incomes will usually pay less combined taxes if they are divorced in December rather than January. If, however, one spouse has little or no income they will usually pay less total taxes by waiting until January to obtain a divorce.

Before signing a separation agreement with your spouse, you should consider the tax ramifications. The agreement should usually be structured so as to give tax deductions to the individual with the greater income level. Some of the things the individuals can do are: (1) the individual with higher income should include in alimony as many payments as possible, such as payments of rent, medical bills, etc., (2) the individual with the higher income should maximize deductible temporary alimony payments while minimizing child support payments, (3) have the individual in the higher tax bracket take the exemption for the child, and (4) the individual in the lower tax bracket should accept more in alimony payments and less in non-taxable income. If a home is involved the special rules apply. You should take steps to avoid paying the gain on appreciated property. Before acting on this or any other information you should discuss these situations with your attorney and accountant.

Take All the Tax Breaks Your Residence Allows. A personal residence provides the largest tax deduction for most taxpayers. Some of the items the IRS lets you deduct from your home are (1) mortgage interest on first and

second homes, (2) points paid to secure a mortgage, (3) interest on home equity loans up to \$100,000, and (4) real estate taxes. You may also defer taxes on appreciation provided you timely buy a new home whose price exceeds or equals that of your previous home.

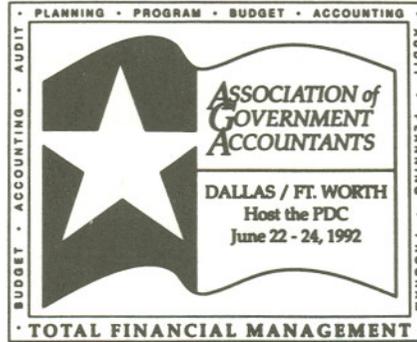
Furthermore, if you are 55 or older and meet certain ownership rules and use requirements you can exclude up to \$125,000 of the profit from selling your principal home. You must consider carefully the tax impact before electing the \$125,000 exclusion. The election can only be used once by you or your spouse, not both.

Therefore, if another purchase is contemplated, you should not waste the once-in-a-lifetime exclusion on a relatively small gain. If you plan to wed in the future, remember that your taking the exclusion on a small gain will prohibit you and your spouse from using the exclusion on the sale of their home after you are married. To save money you could both sell your homes as singles, each take the \$125,000 exclusion and move to a new house when married. This could save you over \$30,000 in taxes.

Checking Your Withholding. If you fail to withhold enough money from your paycheck you may be hit with a substantial penalty. You must withhold at least as much tax as you owned in 1990, or at least 90% of your 1991 tax liability.

This tax information is published for our professional associations. It is distributed with the intent of giving you ideas. Due to the complexity and volatility of tax regulation, consult your tax advisor before acting on any information provided in this newsletter. (Reprinted from the AGA Baltimore Chapter Newsletter, January 1992.)

PROFESSIONAL DEVELOPMENT
CONFERENCE (PDC)



WASHINGTON CHAPTER
EDUCATIONAL EVENT

ANNUAL ACCOUNTING
SYSTEMS SEMINAR

APRIL 15 & 16, 1992

RAMADA RENAISSANCE
HOTEL
TECH WORLD

CHAPTER VOICE MAIL
(703) 758-4080

1-800-433-1790
Special Star File Number
S-01624S
MUST BE USED FOR
SPECIAL RATE

THE WASHINGTON
CONNECTION

APRIL LUNCHEON
APRIL 2, 1992
EARLY IN THE MONTH

ABSOLUTE ARTICLE
SUBMISSION
CUT-OFF IS MARCH 6, 1992
PLANNED MAILING
MARCH 24, 1992

YOUR COOPERATION
WOULD BE
APPRECIATED



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

Note: Luncheon Location
Marriott
1221 22nd St., N.W.

FIRST CLASS MAIL—
PLEASE EXPEDITE