

ASSOCIATION of GOVERNMENT ACCOUNTANTS

WASHINGTON CHAPTER NEWSLETTER

April 1991

About Our Speaker This Month



Marvin Phaup is Chief, Budget Process Unit, United States Congressional Budget Office. Mr. Phaup has been with CBO for over 15 years. He is an economist, and works on the general question of: how can the flow of useful information to the Congress, the President, and the American people about the performance and plans of government be improved.

Previously, Mr. Phaup has been extremely critical of the use of audited financial statements by the Federal Government. In general, he has argued that these statements are not useful to decision making and policy forces and may be misleading. He has recommended that some alternatives to proprietary accounting are needed to meet the needs of financial reporting, financial management, and budgeting.

Mr. Phaup is author of the several CBO reports including: *Credit Reform: Comparable Cost for Cash and Credit* (December 1989); and *New Approaches to the Budgetary Treatment of Federal Credit* (March 1984). He is currently working on CBO's study of the appropriate budgetary treatment of deposit insurance. He also provides staff support for the CBO representative to the Federal Accounting Standards Advisory Board.

Prior to working at CBO, Mr. Phaup was with the Federal Reserve for six years. He holds a Ph.D. in economics from the University of Virginia and a B.A. in economics from Roanoke College.



April 4, 1991

WASHINGTON CHAPTER LUNCHEON MEETING TO FEATURE

Marvin Phaup

Congressional Budget Office

*"Increasing the Usefulness of Federal
Accounting From an Economics Perspective"*

TOUCHDOWN CLUB

2000 L Street, N.W.

(Near Farragut West Metro Stop)

Social Period: 11:30 a.m. (Cash Bar)
Luncheon: 12:00 noon
Menu: Broiled Chicken
Cost: \$17.00 (Members)
\$19.00 (Non-members)

Reservations Recommended
Call (703) 758-4080 Thru April 2
NON-MEMBERS WELCOME!
(Uncancelled "No-Shows" will be billed)

Next Meeting: May 2

<i>IN THIS ISSUE</i>	<i>Page</i>
President's Message	2
Remaining Events	3
Committee Reports	3
— Membership, Education, Minutes, Small Business	
Technical Topics	5
— ACTION's FMS	
— DOLARS	
CEC Election	6
This and That	8

PRESIDENT'S MESSAGE



Joyce Shelton

Spring is here or right around the corner and the Chapter's year of activity is almost complete. Our April speaker is Marvin Phaup of the Congressional Budget Office. I had the pleasure of being on a panel with Marvin at the AGA Research Symposium last August. Marvin will be sharing his interesting and thought provoking views on the subject of audited financial statements.

On April 23, we will have our last Chapter educational event of the year at George Washington University. Pete Ben-Ezra and Mary Lee Mason have planned a Financial Systems Update. In addition to the large accounting systems, we will be looking at small systems and subsystems. This is a good opportunity to see and hear about what is available and the latest upgrades. Our co-sponsor will be George Washington University's accounting fraternity, Beta Alpha Psi.

On May 2, we will have our final luncheon of the year and also our awards luncheon. Dick Kusserow, National President of AGA, will be our speaker. And don't forget the AGA National Professional Development Conference on June 24-26 at Kansas City's Crown Center Hotel.

Included in the newsletter is a ballot for next year's Officers and Directors. We are fortunate to have two well qualified candidates for President-Elect. Al Tucker, our Chapter Program Director, and Mark Page have both agreed to be candidates. Please take the time to participate in this election by filling out and returning your ballot right now while it is on your mind.

A number of you took the opportunity to see our new AGA National Office Building at the open house on March 8 and to meet our new Executive Director, Lee Woods. If you were not able to attend the open house, I encourage you to call Lee Woods at the National Office and drop by whenever you have an opportunity to do so.

Several months ago, I challenged members of the Chapter Executive Committee and agency liaisons to recruit one new member a month. I am now extending that challenge to every Washington Chapter member to recruit one new member during the next month. Do you realize that by meeting that challenge, we could double our membership? There are many more non-members than members in financial positions in the Washington area.

Don't forget to renew your membership! Invoices were mailed by AGA National in February.

AGA WASHINGTON CHAPTER

Chapter Executive Council for 1990/1991

OFFICERS

President

Joyce Shelton, DOT, (202) 366-1306

President-Elect

Sam Mok, Treasury, (202) 377-9322

Secretary

Steve Swanson, DOT, (202) 366-5643

Treasurer

Joan Bozzonetti, DOC, (202) 377-4593

Assistant Treasurers

Yash Parekh, DOT, (202) 366-5760

Geraldine Beard, JFMIP, (202) 376-5415

Past President

Doris Chew, JFMIP, (202) 376-5415

DIRECTORS

Chapter Awards

Nancy Fleetwood, FMS, (202) 287-0318

Chapter Bylaws & Procedures

Mary Lee Mason, FMS, (202) 208-1393

Student Awards

John Cherbini, C&L, (202) 822-5640

Membership Services

Evelyn Brown, DOC, (202) 377-2679

Programs

Alvin Tucker, DOD, (703) 697-0503

Publicity & Agency Liaison

Joe Willever, OPM, (202) 606-1200

Small Business Education

Lionel Henderson, CSC, (301) 731-5300

VITA

Joyce Charles, Labor, (202) 523-5906

Education

Larry Wilson, USDA, (202) 447-8345

Budget and Finance

Patricia Dews, NARA, (202) 501-6060

CHAIRPERSONS

Chapter Recognition

Jean Bowles, State, (703) 875-6923

Small Business Education

German Guajardo, EPA, (202) 475-9507

Education

Peter Ben-Ezra, USDA, (202) 382-1174

Research

Larry Eisenhart, HHS, (202) 245-6176

Meetings

Warren Cottingham, FMS, (202) 208-2417

History

Judith Boyd, DOD, (703) 697-8281

Budget and Finance

Susan Lee, NARA, (202) 501-6080

Newsletter

Joel Dorfman, DOT, (202) 366-2135

Student Awards

Donald Richardson, PMM, (202) 467-3185

Programs

Diane Bray, DOD, (703) 697-7296

Employment Referral

Bob Loring, OPM, (202) 606-0666

Chapter Procedures

Judi Fuerstenberg, DOE, (202) 586-0140

VITA

Velma Speight, Labor, (202) 501-8825

Geraldine Jasper, Education, (301) 372-5615

Membership Services

Sue Fields, NIH, (301) 496-3417

REMAINING EVENTS

Date	Activity
April 4	Lunch Meeting Marvin Phaup Congressional Budget Office
April 23	Educational Workshop Federal Financial Systems Update
May 2	Lunch Meeting Richard Kusserow , National President of AGA and Inspector General of the Department of Health and Human Services

COMMITTEE REPORTS

Membership

by Evelyn Brown, Director of Membership Services

The membership drive is now well underway. We have and continue to receive requests for membership applications. Please, keep those requests coming and remember the theme for this year is "One on One in Ninety-One".

Due to the growing cost of processing dues refunds, the National Executive Committee (NEC) passed a motion whereby nominal amounts of dues overpayments (defined as \$5.00 or less) will be rounded down in lieu of incurring the cost of processing the refund, and the funds will be accumulated and donated to the Education and Research Foundation at the end of the fiscal year. However, dues overpayments will be refunded in all cases upon request. To avoid this situation, verify the amount of dues to be paid. You can check with your membership representative or call the National Office on (703) 684-6931 for the correct amount to be remitted. This information appeared in the December 1990/January 1991 issue of *Topics* on page 12.

Thank you for your requests for copies of the publication, "A Compact Guide for the New Member" which contains a lot of information about the Association of Government Accountants and the Washington Chapter and its role in the organization.

Your support of the Association has contributed to the continued success of the organization and the increase in membership which we have experienced throughout the year.

If you require additional information, please do not hesitate to call me on (202) 377-2679 or Sue Fields on (301) 496-3417.

Changing Your Address?

The easiest and surest 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
2200 Mt. Vernon Avenue
Alexandria, Virginia 22301

Financial Systems Update Seminar

The final Washington Chapter education event of the year will be held on **April 23** at George Washington University's Marvin Center. This seminar will provide a current perspective on financial systems issues from GAO, OMB, GSA, Treasury and agency viewpoints. Seminar details are as follows:

Financial Management Systems Update - Where Are We?

Program:

Registration and Continental Breakfast 7:45 a.m. 8:30 a.m.

Morning Sessions: 8:30 a.m. 11:45 a.m.

Welcome and Introduction

Keynote Speaker

Panel: The Impacts of the New Legislation on Financial Systems Requirements - JFMIP, GAO, OMB, Treasury and CBO Perspectives

Panel: The GSA Financial Management Systems Schedule - GSA, FMS, Vendors Perspectives

Luncheon Program: 11:45 a.m. 1:00 p.m.

Buffet Luncheon
Luncheon Speaker

Afternoon Sessions: 1:15 p.m. 4:30 p.m.

Panel: Credit Reform Act Systems Impacts - FMS, OMB, Agency Perspectives

Panel: Agency Implementation of New Legislation - Agency Perspectives

Roundtable Discussion: Where are we going and how do we get there from here? Senior Financial Managers Perspectives

Cost: \$120 for members; \$130 for non-members (includes lunch). \$5 discount is offered for payment in advance or at registration. We accept Visa or MasterCard.

CPE

Credit: Will be available.

Reservations may be made by calling the Washington Chapter reservation number at (703) 758-4080 or FAX # (202) 366-7174. Training authorizations should be mailed to:

Association of Government Accountants
Financial Systems Seminar
P.O. Box 423
Washington, D.C. 20044-0423

For prepayment by credit card, call Steve Swanson at (202) 366-5643.

Welcome New Members!

The Washington Chapter is pleased to have the following new members join our organization:

Member	Employer	Sponsor
Jules M. Ackerman	DCAA	Joyce Shelton
Thomas E. Anfinson	Education	Michael Zysman
Mark Bleiweis	Rubino & McGeehin	
Paul Brachfeld	Federal Election Commission	
Diane E. Dogan	Treasury	Dan McGrath
Matthew K. Fleming	Military Sealift Command	
Nancy M. Gates	HHS, NIH	Beverly Kasmarzyk
Karen A. Hershner	Price Waterhouse	Karl Boettcher
Larry Jones	Treasury OIG	Janice White
John M. Kamyra	Gardiner, Kamyra & Co.	John Hummel
Ardianne L. Milkes	Coopers & Lybrand	
Rosemary E. Oniu	Treasury, FMS	Dan McGrath
Allen Pope, Jr.	Interior, BLM	
Brian M. Savitt	SEC	
Thurman D. Solomon	Treasury, FMS	Dan McGrath
Isaac V. Tatapu	Auditor General of Solomon Islands	J.C. Narang
David L. Wilkinson	Legal Services Corp.	
John J. Wilson	Smithsonian	Warren Cottingham

We look forward to meeting each new member at our luncheon meetings.

New National Office Building



The AGA now owns its own building! Standing above in front of the building are: Neil Tierney, Building Trustee and Washington Chapter member, National President Dick Kusserow, and Acting Executive Director Steve Forman.

Minutes of Chapter Executive Committee Monthly Meeting

Minutes for February 20, 1991

by Steve Swanson, Chapter Secretary

Call to Order: President Joyce Shelton called the meeting to order at 12:40 p.m. The meeting was held in the conference room at AGA National.

Secretary's Report

Doris Chew made a motion to approve the minutes from the January CEC meeting. The motion was seconded by Yash Parekh and the motion was passed by the CEC.

Treasurer's Report

Joan Bozzonetti presented the Revenue and Expense Statement and the Financial Activity Statement for the period of July 1, 1990 through January 31, 1991. Joyce Charles made a motion to accept the Treasurer's Report. The motion was seconded by Judith Boyd and the motion was passed by the CEC.

President's Report: Joyce Shelton solicited comments on holding board meetings at AGA National. It was decided that the board will meet at AGA National in March. During the March meeting, the board will decide whether to continue to meet at AGA National. Joyce announced that the 1991 PDC site in Kansas City had been selected.

Committee Reports on Activities

Nomination Committee Report: Doris Chew announced that all chapter elected offices had candidates. The office of President-elect has two candidates, Al Tucker and Mark Page. Ballots will be sent to the membership during March as part of the April newsletter.

Chapter Recognition: As of the end of January, the Chapter has earned 8644 points in the Chapter Recognition Program.

Next CEC Meeting: The next meeting for the CEC is scheduled for March 21, 1991 and it will be held at AGA National.

Adjournment: Joyce Shelton adjourned the meeting at 1:20 p.m.

Small Business Report

by Lionel Henderson, Small Business Education Director

Thanks to the following AGA members who assisted in the September 1990 Basic Training in Accounting and Small Business Management class.

Joyce Charles
Deborah Chevalier
German Guajardo
Lionel Henderson

TECHNICAL TOPICS

ACTION's Financial Management System

by Cynthia Wooten, Deputy Chief, Accounting Operations Branch, ACTION

In October of 1988 ACTION, The Nation Volunteer Agency, implemented an off the shelf financial management package rather than develop an expensive and time consuming customized system. The software package was modified to accommodate ACTION's version of the U.S. Government Standard General Ledger, accounting classifications, appropriation and fund symbols. The most difficult challenge was modifying canned reports to meet the Agency's internal reporting requirements. These modifications were accomplished, in addition to developing the external reports (SF 133, Report on Budget Execution, SF 2108, Year-end Closing Statement, SF 220, Report on Financial Position, and the SF-224, Statement of Transactions, etc.). Adoption of the software package required a complete revision of the Agency's documented accounting procedures. The Contractor provided a technical documentation of the system. In order to facilitate the transition for staff members, ACTION produced a less technical accounting procedures manual which was designed to be amended as new phases to the system were added. This eliminated complete re-writes as changes occurred.

The Financial Management System (FMS) meets the accounting standards of GAO's Title 2, financial management systems requirements of OMB Circular A-127, and financial reporting standards of Treasury's TFM 2-4100. The Prompt Payment Act, OMB Circular A-125 is an integral element of the FMS accounts payable function. Included in FMS is support for fund control; fund accounting to include commitments, obligations and accruals; travel accountability; receivables and collections; and multiple period processing.

ACTION's FMS consists of a core accounting data base system which interfaces, through batch processing with the Agency operated Vista Volunteer Payroll System and the Staff Payroll System, which is operated by The Department of Agriculture, National Finance Center. Month end payroll accruals are automatically generated through the interface. FMS also consists of a Budget Module, which is utilized in formulation and evaluation of operating budgets for various cost centers. The Accounts Payable Module registers invoices, computes due dates and interest penalties, and assigns a status code to each registered invoice. This status code tells the user where each invoice is in the payment process, from registration to updating the financial management data base. The grants module, in addition to generating grant awards and providing a data base for grants information, automatically schedules grant advances and reimbursements for quarterly payment and posts to the core accounting system.

Detailed document control and audit ability, general ledger posting, balancing and automatic archiving of completed or inactive transactions are internal elements of the FMS. Document control is accomplished through on-line updating of document

control data bases. A document record may contain multiple events, i.e., appropriations, cost centers, object classifications. Accounting transactions are entered on-line through an entry screen unique to the transaction.

For more indepth information in regards to ACTION'S Financial Management System contact Cynthia Wooten, Deputy Chief of the Accounting Operations Branch, on FTS 634-9176.

Development of the Department of Labor Accounting and Related Systems (DOLAR\$)

by Michael Griffin, Director of Financial Policy and Systems, Department of Labor

In July 1988 the Department of Labor contracted with Ernst & Young for its core commercial financial management system, "Federal Success", and for a number of ancillary subsystems.

The system provides the central accounting software for the Department's financial management program. The core elements of the new system became operational on October 1, 1989, with the subsystems scheduled for implementation in FY 1991. The new system has been named the "Department of Labor Accounting and Related System" (DOLAR\$) and will provide DOL with enhanced accounting functionality in such areas as fund control, debt management, cash management, payables and receivables, travel and procurement processing, timely and accurate data entry, and financial management reporting. The system also provides an on-line interactive query and report generating capability, enabling quick response to financial data needs of agencies and regions.

DOL spent two years evaluating options for improving its financial management systems and determined that the most cost effective approach was the competitive procurement of a commercial accounting system which could be modified and expanded to meet the financial systems needs of a cabinet level agency.

Under the new system the Department now has complete and accurate data input structured in accordance with Federal requirements for all S&E and grant components of DOL. Data are input, edited rigorously and corrected promptly. Internal financial reports, as well as SF 133's, 224's and the 220 series of external reports, can be produced on a more timely basis. Further, the standard on-line query capability allows users to query on-line by document, transaction, fund or project.

External reports for Treasury and OMB under the old system were based extensively on manually adjusted data. Under DOLAR\$, these reports are generated by the system providing current, accurate information, properly categorized on a more timely basis than previously possible. At the present time, only data from three agency program accounting systems (for benefit programs) remain to be linked in an automated way to the new system.

(Continued on page 6)

(Development of DOLAR\$ continued from page 5)

The key elements of the new accounting and financial management system include modules for budget formulation and execution, incorporation of the standard general ledger, recordation of accounts receivable, revenues, and collections, recordation of accounts payable and payments, and working capital fund operations.

DOLAR\$ already provides the Department with the following benefits:

- A truly centralized financial management system for the Department, Agencies, and Regions.
- A standardized financial management system with which all other DOL financial and administrative systems must be compatible and fully integrated.
- A financial system which will meet the legal and regulatory requirements established by GAO, Treasury, OMB and Congress.
- A system based upon accepted accounting practices and the Government's Standard General Ledger (SGL).
- A system in which the subsystems are directly linked to the core accounting system.

In support of the core elements and functionality are the various system interfaces, security, system administration, training, maintenance, and documentation necessary to operate a fully integrated accounting and financial system.

During FY 1991 the Department will install and operate the major subsystems associated with the DOLAR\$ core accounting system. The following modules and subsystems are to become operational during FY 1991:

- Procurement
 - Small purchases
 - Contracts and grants
- Travel Management
- Accounts Payable
- Accounts Receivable
- Agency Program Accounting System Interfaces for benefit programs
- Improved Payroll Interfaces
- Improved Working Capital Fund
- Imprest Fund
- Time Distribution and Financial Management Information

While much remains to be done to refine the production environment and install subsystems, the core system is performing in a highly effective manner and has corrected basic accounting deficiencies inherent in the old system.

Other financial management improvement efforts being coordinated with the DOLAR\$ project include the development

of a department-wide Grants Management System in the Employment and Training Administration, and a replacement of the Departmental Property Management System.

If you have any questions concerning the Department's core accounting system or development efforts underway on any of the

ELECTION

Notice of Election of Officers and Directors for the Year Beginning July 1, 1991

The Washington Chapter of AGA would like you to take time to vote on the new officers and directors for the next fiscal year. If you are a member in good standing, you may vote with the ballot on page seven. Please use the original copy of the ballot. The postage meter stamp behind the ballot on page eight is our validation that you are eligible to vote. All ballots must be received by **April 19, 1991**. The results of the election will be announced at the Chapter luncheon meeting in May. *Please take time to vote!*

For President-Elect

MARCUS PAGE - Member since 1964. Mark has been the Director of Membership, 1984-86; and a member of the Research and Legislative Review Committees. At the National AGA level, he has served on many AGA committees, including five Professional Development Conference planning committees. He is the Deputy Fiscal Assistant Secretary at the Department of the Treasury.

He would like to continue the Chapter's good results over the last few years, but provide more emphasis in the following two areas:

- Assure that each member has the opportunity to get more than the value of their dues from AGA services and opportunities for career enhancement.
- Have AGA better influence Federal decisions on accounting and auditing issues that have more recently drifted to decision by generalists.

ALVIN TUCKER - Member since 1986. Al is the Programs Director, 1990-91. He has spoken at various chapter workshops and symposia during the past several years. He is the Deputy Comptroller (Management Systems) at the Department of Defense. He is a Certified Public Accountant.

As Chapter President, his goals and objectives are:

- Keep the membership abreast of significant advances in financial management that will be occurring in the 1990's.
- Increase attendance at our monthly meetings.

(Continued on page 7)

THIS AND THAT

About Chapter Members

We wish to welcome back **John Cooley** to Washington, D.C., where he has assumed the position of Director, Accounting and Reporting Directorate, Operations, in the Defense Finance and Accounting Service Headquarters. John had previously been Director, Army Finance and Accounting Policy and Systems at the U.S. Army Finance and Accounting Center in Indianapolis. John is both a former Washington Chapter and AGA National President.

Best wishes to **Rolf Wold**, who has left the Department of Transportation's Office of Financial Management to take a new position in the Federal Aviation Administration's Office of Accounting. Rolf has been an active member of the Chapter for many years, most recently serving as Treasurer in 1987-1988.

Congratulations to **Pat Dews** on her election as Chair of the Comptrollers Roundtable. Pat is the Director of Budget and Finance at the National Archives and Records Administration.

Congratulations to **David Surti** on passing the CPA examination. Dave is an operating accountant in DOT's Office of Financial Management.

Other Chapter Meetings

Montgomery/Prince Georges Chapter

Date and Time: April 17, 1991
5:30 p.m. (social), 6:45 p.m. (dinner)
Location: Holiday Inn, College Park
10000 Baltimore Blvd.,
College Park, Maryland
Speaker: Neil Tierney
Partner, Ernst & Young
Cost: \$16
Reservations: Gary Fishbein (202) 366-6074

Note: This meeting follows a half day workshop: "Educational Symposium on Audited Federal Financial Statements and Their Impact on Management Decision Making." The workshop cost of \$65 includes dinner. Call Paul Bognaski at (202) 663-2308 for information on this program.

Northern Virginia Chapter

Date and Time: April 16, 1991
5:30 p.m. (social), 6:30 p.m. (dinner)
Location: Sheraton National Hotel
Columbia Pike & Washington Blvd.
Arlington, Virginia
Speaker: Ron Young, Staff Director of the Federal Accounting Standards Advisory Board
Cost: \$18
Reservations: Andrea Walker (202) 619-3066

Note: This meeting will follow a free two hour program on "Auditing Program Efficiency" presented by John Leitch of the GAO.

(*Election* continued from page 6)

For Secretary

PATRICIA WENSEL - Member since 1984. Pat was a member of the planning committee for the joint AGA/American Society of Military Comptrollers educational event (1990-91) and co-chairperson of the AGA/ASMC/DCICPA joint symposium (1989-90). She is a staff accountant with the Office of the Comptroller at the Department of the Treasury. She is a CPA in Maryland.

For Treasurer

WARREN J. COTTINGHAM - Member since 1977. Warren is Chairperson of the Meetings Committee, 1989-91; and served as a member of the Meetings Committee and as an assistant chairperson for the Membership Committee (1988-89). In May 1990, he received the Washington Chapter President's Award for outstanding service. Warren is Fiscal Systems Coordinator, Financial Management Service, Department of the Treasury. Warren is a CPA in Virginia, a Certified Information Systems Auditor and has an MBA from East Carolina University.

For Directors

JOYCE CHARLES - Member since 1974. AGA service: Director, VITA, 1989-91; Assistant Chair, VITA, 1988-89; member of Small Business Education, 1988-91; member of Research Committee, 1977-78, 1987-89. She is an Assistant Director, Office of Financial Management Audits within the Office of Inspector General, Department of Labor.

LARRY EISENHART - Member since 1985. Larry is the Chairperson of the Research Committee for 1990-91, a member of the Research Committee in 1989-90, and the author of a chapter on Federal Government Accounting Principles and Practices published in 1988. He has spoken at several AGA PDC's, workshops and seminars. He is the Director, Office of Financial Policy, Department of Health and Human Services.

CAROL LYNCH - Member since 1975. Carol has been a Director for Student Awards, 1988-90; Chapter Treasurer, 1985-86; a member of the Chapter Meetings Committee, 1981-83; and a member of the National Committee on Relations with the AICPA, 1981-82. Carol is the Director, Inspection Teams in the Office of Inspector General, Department of Education.

VELMA SPEIGHT - Member since 1976. Velma is Chairperson, VITA for 1990-91 and was a member of the VITA Committee in 1989-90. She is a staff assistant with the Office of the Inspector General, Department of Labor.

RICHARD WILLETT - Member since 1970. Dick has been very active in National AGA activities, including: Vice Chair, National Budget and Finance Committee; PDC Technical Program Planning Committees; and a member of the Executive Director Search Committee. He has spoken at many AGA PDC's, symposiums, seminars and workshops. He is the Government Services partner with Grant Thornton. Dick is a CPA, CMA and a certified management consultant.