

# The Washington Connection

ASSOCIATION OF GOVERNMENT ACCOUNTANTS  
WASHINGTON D.C. CHAPTER



Issue 4 • December 2008

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Cover photos by Christian and Barbara Escobar

## Happy Holidays

### LUNCHEON SERIES



Read Bio

**Stanley Collender,**  
Managing Director, Qorvis Communications  
December 10th, 2008

We're honored to have Stanley Collender, Managing Director, Qorvis Communications as our luncheon speaker on December 10th.

Mr. Collender is one of the leading experts on federal fiscal and monetary policies, Congress, and Wall Street's response to Washington tax and spending policies. Mr. Collender will discuss the Federal Budget and federal fiscal issues at this upcoming meeting.

The luncheon will be held on December 10th, 2008,  
11:30-1:30 at the Army Navy Club.

## Announcements

### Audio Conference - Free for AGA-DC Members!

*"21st Century Financial Managers: A New Mix of Skills and Education Levels"*

Wednesday, December 10 • 2:00 to 3:50 p.m.  
2 hours of CPE issued by the AGA National Office  
See our website for information on how to register.  
HURRY! Space is limited.  
Registration ends on December 5.

## Save The Date: Spring Conference

The Association of Government Accountants Washington, DC Chapter will be hosting its annual spring conference on May 12 and 13, 2009. This 2-day conference will address emerging issues related to federal financial management and systems.

**Dates:** Tuesday, May 12 and Wednesday, May 13, 2009  
**Time:** 8:00 AM – 4:30 PM  
**Location:** Ronald Reagan Building  
**Continuing Education:** 15 CPE

Click here to sign up to get newsletter and meeting notices automatically e-mailed <http://agadc.org/mlistsubscribe.php>

## Note From the Editor

by *Leon Fleischer, Editor*

I hope everyone enjoyed our previous November issue. This December edition is being issued during our joyous holiday season. I wish all our readers a happy holiday season. We enter this special holiday season following our November presidential election and with upcoming preparations for the inauguration ceremony in January.



This is the time of year following the issuance of the agency financial statements and Agency Financial Reports. Many people take time off and things tend to slow down a lot in the nation's capital during this time of year. I hope that during this time our members can enjoy this newsletter and learn about what is going on with AGA in the near future. This newsletter promises to contain much information of events for the year including the monthly luncheons, education events, member services, early careers, etc.

This newsletter is only made possible because of the contribution of articles from the chapter's members. Thank you for all who submitted articles—these articles reflected the depth of knowledge and experience in this group, and the newsletter team is fortunate enough to review and publish these articles. We hope that you enjoy the newsletter and find it helpful for keeping up to date on events in the chapter and in AGA. Our team strives to produce a high quality newsletter notifying AGA D.C. members of Chapter and National events and services. And, if you are not already a member, we encourage you to join the AGA D.C. Chapter and enjoy the many benefits it offer, in particular the high quality luncheon series, learning opportunities, and conferences.

Do you have any comments or suggestions regarding the newsletter? Do you have an article you would like to see printed? Have you developed a time-saving process or procedure on the job? Have you traveled to any interesting locations? The Washington Connection requests that you submit any and all items of interest to our federal, state, and local members including: reviews of recently published books related to financial management; unique travel experiences or assignments; lessons learned on roll-outs of new systems; appointments or promotions; employment opportunities; and noteworthy accomplishments by our members. We also welcome digital photos that accompany your submission. Your articles, comments, and ideas are what make this newsletter go and we welcome all input!

The deadline for submitting articles to appear in the January 2009 issue is December 19, 2008. Please send your comments and contributions to Leon Fleischer, the newsletter editor at [leon.fleischer@sba.gov](mailto:leon.fleischer@sba.gov).

Sincerely,

*Leon Fleischer*

**Leon Fleischer,  
AGA D.C. Chapter Newsletter Editor**



### *Newsletter Team*

Leon Fleischer, Editor

Eric Irizarry, Assistant Editor

Erwin Solbach, Graphics

# President's Message



by **Ann Davis**

Be sure to **SAVE THE DATES** for other soon to come events:

**Let the HOLIDAY CELEBRATION begin!** Join us at the Old Ebbitt Grill for our Holiday Happy Hour on December 15, 2008 at the back bar from 4:30-6:30 PM for free appetizers and a drink. Be sure to R.S.V.P. for what promises to be a great time.

Let's bring in 2009 with a Chinese flair! Join us for our annual Chinese New Year celebration. We'll be sure to send you the exciting details as they are finalized. Be on the lookout for our email notification. You don't want to miss it!

We anticipate an early sell-out for our January 15, 2009 training course "Internal Controls in the Federal Government - Understanding A-123" worth 8 CPEs. So, register early. The cost is \$125 for AGA members, \$150 for non-members, with an additional \$20 handling fee for SF-182s. Registration for this audio conference will be available later this month. Look for our email or check our website.

Still feeling festive? Mix and mingle with our Early Careers group at our Happy Hour event on January 20, 2009 6:30 PM. We'll be looking for you at our Buffalo Billiards located at 1330 19th St NW, Dupont Circle.

Need more CPE? Join us for another FREE Audio Conference: How XBRL Can Enable Improved Financial and Performance Reporting on January 21, 2009 2-4 PM at the Department of Veterans Affairs in Washington, DC. This event yields 2 CPE.

More lunch and education, anyone? Our next luncheon featuring Ken Carfine, Treasury Fiscal Assistant Secretary, will take place on January 22, 2009 at the Army Navy Club. Once again, we are offering a \$10 early registration discount to Federal employees. Remember, the early bird gets the worm. So, be sure to register early and earn 1 CPE.

While at the luncheon, please help us continue our support of the Make-A-Wish Foundation, a non-profit organization that fulfills the wishes of children facing life-threatening medical conditions. Simply, deposit your spare change, dollars or checks in a fishbowl that will be at the community service table. Checks should be made payable to AGA DC Chapter. We will generate a check from the AGA DC Chapter from all the donations received. Many thanks in advance for your generous support.

Please refer to our website at [www.agadc.org](http://www.agadc.org) for more details

## Happy Holidays!

I hope that each of you took some well-deserved time off to spend Thanksgiving Day with family and special friends. Speaking of Thanksgiving, I want to extend a special thanks to all of you who contributed to the Food2Feed Project. Sharing our time and blessings with others is what this season is all about.

Our lunch for December 10th is sold out already, but join us for a FREE audio conference, also on December 10th, "21st Century Financial Managers: New Mix of Skills and Education Levels" and earn 2 CPE. You don't want to miss it.

*Ann Davis*

Ann Davis

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**MANAGEMENT CONCEPTS**  
The mind at work

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## Great Opportunities in Federal Financial Management

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The U.S. General Services Administration is looking for a dynamic project leader for the Financial System Integration Office (FSIO). This position is a systems accountant who will plan, direct and coordinate projects relating to the development of core financial system requirements, the development and monitoring of core financial requirements testing to qualify commercial off-the-shelf software vendors, and work on other priority projects to improve financial systems and operations. You must work extremely well in a team environment, have superior oral and written communication skills, strong problem solving and analytical skills, be self-directed and detail oriented. This position requires strong leadership skills to facilitate discussions as well as teach government, private sector and other stakeholders on the Federal financial requirements and testing process through outreach activities. Other duties are:

- Conduct information gathering interviews, profiling and understanding the needs of software testing and evaluation for core Federal financial management systems
- Test and establish processes and procedures to support effective software testing and evaluation.
- Support of business process reengineering

Candidates should possess a bachelor's degree in accounting, or business management with at least 24 hours of accounting or auditing courses, and have at least six years of experience in federal financial management system testing or implementation, financial system requirements identification, implementation and compliance with federal legislation and regulations, and business process reviews of federal financial management operations and related systems, with an impressive track record of accomplishments.

A certification in financial management, such as Certified Government Financial Manager, Certified Public Accountant or comparable, and an advanced graduate degree are desirable. The individual must maintain current knowledge of state-of-the-art trends in testing and evaluation methods.

For more information on FSIO, please visit [www.fsio.gov](http://www.fsio.gov). If you have questions on the project leader position, please email Doris Chew at [doris.chew@gsa.gov](mailto:doris.chew@gsa.gov), or Dianne Copeland at [Dianne.copeland@gsa.gov](mailto:Dianne.copeland@gsa.gov), or phone 202-219-0526.

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## Request for Newsletter Submissions, Comments, or Suggestions

Do you have any comments or suggestions regarding the newsletter? Do you have an article you would like to see in print? Have you developed a time-saving process or procedure on the job? Have you traveled to any interesting locations? The Washington Connection requests that you submit any and all items of interest to our federal, state, and local members including: reviews of recently published books related to financial management; unique travel experiences or assignments; lessons learned on roll-outs of new systems; appointments or promotions; employment opportunities; and noteworthy accomplishments by our members. We also welcome digital photos that accompany your submission.

The Washington Connection will not be issued in July or August. The deadline for submitting articles to appear in the **January 2009** issue is **December 19, 2008**. Please send you comments and contributions to **Leon Fleischer**, the newsletter editor for the 2009-2010 program year, at [leon.fleischer@sba.gov](mailto:leon.fleischer@sba.gov).



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**Grant Thornton**

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## WANT TO HELP?

If you're interested in being a liaison or joining the mentor program, as either a mentor or mentee, please contact Ruthie Apelt: [ruth.apelt@thomson.com](mailto:ruth.apelt@thomson.com)

### *Connect to the World of Government*

#### Join AGA

Connect to  
 the World of  
 Government  
 Accountability

AGA serves government accountability professionals by providing quality education, fostering professional development and certification, and supporting standards and research to advance government accountability.

Click on the link below to view a short AGA video:  
<http://www.agacgfm.org/downloads/agaweb.wmv>

## Stanley Collender



### Experience

Stan Collender's financial and public affairs communications experience is extensive. During his more than two decades in communications, he has designed and implemented award-winning communications efforts for financial companies, associations, federal agencies,

and trade associations. Prior to joining Qorvis, Collender worked as a managing director and general manager of Financial Dynamics Business Communications, where he rapidly built their corporate and public affairs client base in DC, directed FD's efforts to establish a public affairs practice in the United States and significantly enhanced the agency's global public affairs offering.

Before joining Financial Dynamics, Collender was the national director of public affairs for Fleishman Hillard, and a senior vice president at Burson-Marsteller. He has also served as a director of federal budget policy for two major international accounting firms—Price Waterhouse and Touche Ross—and as president of the Budget Research Group, a private Washington-based consulting organization.

### Pertinent Background & Relationships

- One of the leading experts on federal fiscal and monetary policies, Congress, and Wall Street's response to Washington tax and spending policies.
- Writes the very popular column, "Budget Battles," which has been published weekly by nationaljournal.com for more than ten years. He is also the author of *The Guide to the Federal Budget*, one of the most assigned texts on the subject.
- Speaks to more than fifty business and other groups across the United States each year. He also appears frequently on radio and television news programs and is often quoted by the major newspapers and magazines and by all of the primary wire services.
- Appointed by President Clinton to the presidential commission chaired by Jon Corzine that studied whether the U.S. should have a capital budget.
- Received two of the public relations industries highest awards—a Silver Sabre and the PR Week Award. He has also received the Howard Award for lifetime achievement in federal budgeting from the American Society for Public Administration.

### Education

Collender holds a master's degree in Public Policy from the University of California, Berkeley, and a B.A. from New York University.

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## Want to Make a Difference?

### *Consider a Career in Government Financial Management*

Are you, or someone from your chapter planning to attend a career fair, or an event for college students? AGA now has an eye-catching brochure that offers information about government financial management careers and answers questions for aspiring government financial managers regarding the qualifications and skills needed to get started. It also includes a bookmark for students that directs them to the Tomorrow's Professionals website for more information. To order free copies of the brochure, please submit the collateral order form found in the Members Only section or contact Jessica Jones.

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## Who is Rose M. Gaines?



**Name:** Rose M. Gaines

**AGA Position:** Assistant Education Director

**Company:** Department of Veterans Affairs

**Title:** Systems Accountant

**Background:** I am currently a System Accountant in the office of Franchise and Trust Fund Oversight at the Department of Veterans Affairs.

Prior to work for the VA, I was an Accountant in the private sector responsible for many accounting aspect to include accounts payable, grants management, payroll, and preparing financial statements. I served in the United States Army for several years.

**How long have you been a member of AGA?** I joined AGA as an early career member in Feb 2007 and I have been involved in the organization every since.

**How has AGA helped you with your career?** AGA has provided many opportunities to enhance my knowledge on financial management through education, as well as, networking.

**What advice do you have for someone thinking of joining the AGA?** I would advise any person to join because of the education and networking.

**What is the best thing about working in government service?** Working for the VA has provided me the opportunity to be involved in making a difference for the Veterans, as well as learning how the government operates.

**What has been the biggest obstacle in getting where you are today?** I have been my own biggest obstacle; I remind myself that I must never give up. Perseverance and motivation is my key to attaining my goals in life.

**What is your favorite hobby or outside activity?** My favorite hobby is reading and spending time with my daughter.

**What is your favorite flavor of ice cream?** My favorite ice cream is pistachio almond from Baskin and Robbins.

*Rose M. Gaines*  
Rose M. Gaines

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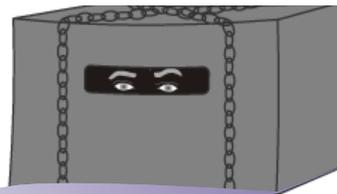
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[AICPA Home Page](#)

# Inside the Black Box

by Simcha Kuritzky, CGFM CPA



## Posting to 4201

### *Background*

I could have written a one-word column concerning posting to Standard General Ledger account 4201 Total Actual Resources -

Collected: DON'T. However, there are reasons an agency may want to post to 4201, and they need to know what they can post safely and what alternatives exist.

### *SBR Impact*

The main reason one should not post to 4201 is that it causes imbalances on the SF-133 Report on Budget Execution and the associated Statement of Budgetary Resources (SBR). These compare beginning balances plus activity in the budgetary resource accounts (section 1, which ends with a total on line 7) to the spending activity plus status of available funding (section 2, which ends with a total on line 11). Since the activity in 4201 does not appear anywhere on these reports and any change in 4201's balance requires an equal and opposite change in another account's balance which is reported on the SBR, any net change to 4201 cause line 7 to not agree with line 11. This is the same as the FACTS II edit 2.

### *When Posting to 4201 is Safe*

Since the SBR and SF-133 are prepared by Treasury Account Symbol (TAS), any postings that net to zero within TAS will have no affect on them. So if an agency wants to record transfers of funding between budget years of a no-year or multi-year fund, or between components of a TAS such as an internal fund that has a self-balancing set of accounts, then posting to 4201 is permitted. Care must be taken that the amount transferred in equals the amount transferred out, but then again, that's always the case with funding transfers. The agency may wish to set up subaccounts for this activity, such as 4201.01 Intrafund Transfers In and 4201.02 Intrafund Transfers Out. Depending on how an agency's system records budgets, it might be desirable to set up such accounts for transfers associated with carryover and recoveries.

One should also post to 4201 when converting prior-year balances into a new system, although care must be taken so that any adjustments made for current-year activity post to the regular pre-close account and not to 4201.

### *When Posting to 4201 is Not Safe*

What does an agency post when they have to record activity that has already been reported to OMB and Treasury, but they've already closed their books? The answer used to be to post to the post-close accounts, so any entry that would have been posted to accounts like 4902 Delivered Orders - Obligations, Paid; 4252 Reimbursements and Other Income Earned - Collected; or 4119 Other Appropriations Realized would be posted to 4201 instead. However, FMS has added a Prior-Year Adjustment field to FACTS to handle these cases. If the activity was reported to FMS in the previous year but not booked then, the agency should post the activity using the original SGL accounts and use a Prior-Year Adjustment of "B". In some accounting systems, this will require the agency to set up a separate subaccount for this purpose. While FACTS will know to exclude the "B" entries from this year's activity, the agency's system must be set up to do this as well when the agency generates their own SBR, SF-133, or SF-224/SF-1219 Statement of Transactions.

Posting to the original accounts in the current year to record prior-year activity has the advantage that all the edits between budget and general ledger activity will continue to work. For example, if an agency needs to record prior-year expenditure disbursements and posts to 4201, then they cannot match expenditures to activity in the 4900 series of accounts. The logic is similar for actual reimbursements and 4252, appropriations and 4119, and so on. To reconcile, they would have to include the activity in 4201, which means they would need to know what kind of activity was posted there, a distinction normally made by the choice of SGL account.

## Inside the Black Box (Cont'd.)

### *Conclusion*

One should never post directly to accounts such as 4201 to record prior-year activity; FMS has added a new field in FACTS to handle this distinction using the pre-close accounts. However, FMS has not provided an account to use for internal fund transfers, so it may be best to post to 4201 to record such transfers, as long as the net posting is zero within TAS.

*Simcha Kuritzky*  
*Simcha Kuritzky, CGFM CPA*

Comments and critiques, as well as specific questions or suggestions for future topics, are always welcome. Send them to [Simcha.Kuritzky@CGIFederal.com](mailto:Simcha.Kuritzky@CGIFederal.com), and not to the AGA.

This column is provided as part of a free exchange of ideas in federal accounting, and is not reviewed substantively before publication.

## Federal News Article

### *Budget observers predict crunch on spending*

By Humberto Sanchez CongressDaily October 8, 2008

A growing budget deficit, combined with the financial crisis and its likely responses, will force the next president to rein in spending initiatives, budget observers said Wednesday. "Both candidates are going to have to limit their initiatives dramatically," Leon Panetta, former OMB director under President Bill Clinton, said at a meeting on budget issues convened by the Committee for a Responsible Budget.

Proposals under Democratic presidential nominee Sen. Barack Obama of Illinois or Republican nominee Sen. John McCain of Arizona would add about \$400 billion to the deficit, he added. He recommended the next president lay out a five-year strategy that would deal with the financial crisis in the short-term but lead to deficit restraint over the longer term, such as reform of entitlement programs and enforcement of pay/go. Panetta's comments come after CBO estimated Tuesday that the federal budget deficit was about \$438 billion in fiscal 2008 -- \$276 billion more than the shortfall recorded in 2007. The fiscal year ended Sept. 30.

For the short term, many experts believe that another stimulus package will be needed. "I think we do need a short-run stimulus package," despite the fact that it would require issuing more debt to pay for it with the hope the foreign investors will continue to buy it, said Alice Rivlin, a fellow at the Brookings Institution and former director of the CBO. "We have borrowed a lot. But ... if we let our economy fall into depression we would be in even worse trouble, so we have to take the chance that we can borrow some more and get out of this recession."

After failing to get the second stimulus package, which cost \$61 billion, signed into law before breaking for the

year, House Democratic leaders discussed the possibility of a new stimulus plan during a conference call Tuesday, according to senior aides. Exact details of the new package and when it may be brought to the floor for a vote remain unclear, but sources said an announcement from House Speaker Nancy Pelosi, D-Calif., about the package is possible by early next week. Democratic leaders have discussed returning to session this month to vote on economic legislation before the November election. A Pelosi spokesman said no decision has been made on the matter.

Another Democratic House leadership aide suggested that party leaders do not want to raise the markets' hopes by getting a stimulus package only through the House and not the Senate -- an indication that such legislation might make more sense next year with a new Congress and president.

Rudolph Penner, a fellow at the Urban Institute and a former CBO director, said the growing budget deficit and surging issuance of federal debt should preclude any short-term stimulus. But David Walker, president of the Peterson Institute for International Economics and a former chief of GAO, said that more details of the package need to be known before it can be judged.

"Not all economic stimulus plans are of equal merit and have equal impact," Walker said. It really depends to a great extent on what is the size, what is the nature of it, and what is the likely impact going to be."

Walker also recommended that a bipartisan commission be established to take on the entitlement reform, as well as tax reform, while Rivlin countered that the commission could not come up with a grand solution for all those issues. Instead, she recommended Social Security reform first as a way to build confidence toward overhauling other programs such as Medicare, Medicaid and tax reform.

*Christian Bourge contributed to this story.*

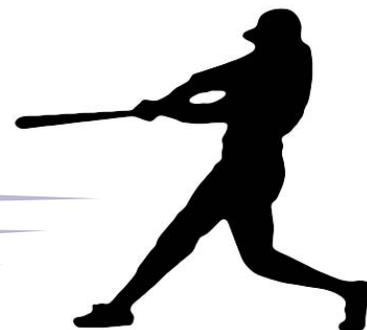
*From The Government Executive.com.*

*(<http://www.governmentexecutive.com/>), October 9,*

*2008. Reprinted with permission.*

## Win Baseball Tickets at next Luncheon!

There will be a drawing at every monthly luncheon for 2 free tickets to a Washington National's game. Another great incentive to attend the monthly meetings!



## Community Service

Thanks again to everyone who supported the Food2Feed fundraising effort. Thanks to your support we were able to contribute food and money to help feed needy families for Thanksgiving.

The Toys for Tots Foundation has been chosen by the Washington DC chapter of the Association of Government Accountants (AGA) as our community service project for the month of December. The primary goal of the Toys for Tots program is to collect new, unwrapped toys during October, November and December each year, and distribute those toys as Christmas gifts to needy children throughout the Washington DC metropolitan area.

To support this worthwhile cause we need our members to bring new unwrapped toys or money to our December luncheon. The luncheon will be held Wednesday, December 10, 2008 at the Army and Navy Club.

We are also encouraging our members if possible to have a toy collection at their individual offices. All you need to get started is large box for toys, a sign for Toys for Tots and a willingness to help needy children throughout the DC area experience the joy of Christmas. Please remember if you cannot have a toy collection at your office you can still bring an unwrapped toy or money to our December luncheon. Last we collected \$470.00 and 109 toys. We are hoping to increase our contribution this year.

In January, The AGA DC Chapter will continue their support of the Make-A-Wish Foundation. The Make-A-Wish Foundation is a non-profit organization that fulfills the wishes of children facing life-threatening medical conditions. We are asking members and non-members to support the Make-A-Wish Foundation by depositing spare change in a fishbowl that will be at the January 22nd luncheon community service table. We will be collecting cash and checks. Please make all checks payable to AGA DC Chapter. We will then deposit the checks and then generate a check from the AGA DC Chapter with all the donations received.

If you are interested in finding out more details about these projects, please contact Lloyd A. Farmer 703-294-4473, Tonya Allen Shaw 202-720-5026 or AnnMarie Walker 202 461-6499.



## Education

### The Washington, DC Chapter of AGA is Sponsoring 2 Hours of Free CPE for its Members!

The Chapter will participate in an audio conference, hosted by AGA National, on Wednesday, December 10 from 2:00 to 3:50 p.m. entitled, "21st Century Financial Managers: A New Mix of Skills and Education Levels."

The audio conference will be held at 810 Vermont Ave., NW, Washington, DC 20420. Space is limited, so please register online at [www.agadc.org](http://www.agadc.org) **BY COB FRIDAY, DECEMBER 5**. A confirmation will be emailed to each registered participant. (Please note: In order to participate, you must attend in person.)

For further questions, please contact Rose Gaines at [RoseM.Gaines@va.gov](mailto:RoseM.Gaines@va.gov) or 202-461-6104.

### 21st Century Financial Managers: A New Mix of Skills and Education Levels

Is there a talent crisis looming in government financial management? Do government agencies now require, or will they require, a financial work force with a new set and mix of competencies to work effectively in the 21st century? Is there increased demand for people with more analytical and decision-support capabilities? Learn about the results of an AGA-sponsored research study and what colleges are doing to prepare students for the work force of the future. Hear about the ongoing challenges of recruitment and retention at all levels of government and how inadequate work force planning can negatively impact an operation. Learn what the drivers are of these work force changes.

To share their practical and educational experiences is **John J. Radford**, CGFM, CIA, CFE, Controller, State of Oregon, Member of the AGA National Executive Committee; **Kenneth Smith**, Ph.D., Professor, Arkinson Graduate of Management, Willamette University; and **John D. Webster**, CGFM, CPA, Former Chief Financial Officer, Library of Congress, Chair of the AGA Audit Committee.

Please join us for two hours of lively discussion about this important and timely topic. In addition to the speakers' commentary, there will be approximately 20 minutes for Q & A so that the participants can ask the speakers questions and share their own experiences.

<b>Learning Objectives:</b>	To understand the need for a new mix of skills and competencies in the government financial management work force arena
<b>Prerequisite:</b>	Some familiarity with work force issues
<b>Advance Prep:</b>	None required
<b>CPE:</b>	Two credits
<b>Field of Study:</b>	Human Resource Management



## AGA-Sponsored Training

# Internal Controls in the Federal Government— Understanding A-123 January 15, 2009

### Course Objective

Gain a better understanding of the significance of OMB Circular A-123 and its requirements.

### Course Description

This training is being hosted by the Washington, DC Chapter of the Association of Government Accountants. The course covers the following topics:

- ◆ GAO Standards for internal controls
- ◆ OMB Circular A-123 requirements and reporting
- ◆ Risk management model
- ◆ Assessment document for internal controls
- ◆ Changing cultures to gain compliance and increase organizational effectiveness.

CPE Credits:	8
Field of Study:	Auditing (Governmental)
Format:	Lecture, group discussion, and class examples
Length:	1 day (from 8 a.m. to 4:30 p.m.)

### Instructor

David R. Hancox, Audit Director, Comptroller's Office, State of New York.

### Location

The training will be held at Ernst & Young's office, 1101 New York Avenue, NW, Washington, DC. Metro Center is the closest Metro station.

### Registration

AGA members: \$125

Non-members: \$150

Deadline for registration: January 9, 2009. Space is limited, so register early.

Visit [www.agadc.org](http://www.agadc.org) to register.

### Suggested Attendees

Financial management professionals from the government and private sectors.



## CGFM Exams

Interested in the CGFM certification? Sign up for AGA's special Intensive Review Course and take the CGFM Examinations before the NLC. Don't miss this opportunity to earn your CGFM!



The Intensive Review Course will take place from 8:30 a.m. – 5:30 p.m. on Monday, February 16, and Tuesday, February 17, 2009. The CGFM Examinations will be offered by appointment only on February 18 and 19, 2009.

The cost of the course is only \$249 for qualified participants, and it offers 18 CPE hours. Special Bonus: the CGFM Examinations are offered at no cost to course attendees.

This is a special limited enrollment offer for those individuals who have already been studying for the CGFM Examinations and need extra reinforcement of the material. The Intensive Review Course is not a substitute for the three instructor-led training courses. On the contrary, it is designed as a supplement to previous preparation for the CGFM Examinations. Attending previous courses or studying using CGFM Study Guides before participating in this event is strongly encouraged. The cost of this course is not included in the NLC registration fee.

### Registration

Registration: To participate in this event, individuals must:

1. Apply for the CGFM Program (submitting CGFM application form, fee and college transcript – see Eligibility section below).
2. Pre-register for this event by submitting the Intensive Review Course Registration Form and appropriate fee. Walk-ins will not be accepted.

The complete application for the CGFM Program must be submitted BEFORE or TOGETHER with the [Intensive Review Course Registration Form](#). Registrations for this event will not be confirmed until after the CGFM application is accepted.

Cancellations must be received by January 20, 2009; refunds will not be granted after this date.

Deadline: Registrations will be accepted on a first come, first-served basis. Space is limited, so we encourage you to sign up early. Registrations will not be accepted after February 4, 2009.

### Location

The Intensive Review Course and the CGFM Examinations will be held in Alexandria, VA (near King Street Metro). The exact address will be provided to all registered attendees.

The facilities for this event are provided by Grant Thornton LLP



### Eligibility

To attend the Intensive Review Course and/or take the CGFM Examinations participants must first apply and be accepted into the CGFM Program. Candidates need to submit the CGFM Program application form with \$85 application fee and a copy of a transcript from an accredited college or university. The transcript must show that a degree (bachelor's or higher) was awarded and list at least 24 credit hours of courses in financial management or related topics. Applicant's name and the name of the college or university must appear on all transcripts. Please see [www.agacgfm.org/cgfm/start/](http://www.agacgfm.org/cgfm/start/) for more information.

In addition, those individuals who want to complete their CGFM at this event need to submit a Work Verification Form listing at least two years of professional-level government financial management experience.

Prior attendance of CGFM training course(s) or purchase of the CGFM Study Guides is not required but is strongly encouraged.

If you have already taken a CGFM Examination and did not pass, you must satisfy the waiting period before taking that CGFM Examinations at this event.

### Materials

No materials will be provided at the Intensive Review Course. However, participants are encouraged to order CGFM Study Guides at least eight weeks before the course date. For more information on study guides visit [www.agacgfm.org/cgfm/prepare/studyguide.aspx](http://www.agacgfm.org/cgfm/prepare/studyguide.aspx).

The cost of the study guides is not included in the price of the Intensive Review Course.

### Examination Information

Three time slots are available for CGFM Examinations to be held February 18-19, 2009:

- 8:30 – 11:30 a.m.
- Noon – 3:00 p.m.
- 3:30 – 6:30 p.m.

The actual exam time is limited to 2 hours and 15 minutes.

Space is limited, so participants are encouraged to send in the registration form indicating their preference for an examination date and time as soon as possible ([Intensive Review Course Registration Form](#)). Some of the time slots may fill up and no longer be available. We will confirm your registration and indicate whether we are able to accommodate your request for the particular examination time slot(s).

## CGFM Exams (Cont'd)

Individuals who want to take the CGFM Examinations at this event without attending the review course can do so by following the same registration procedures. The fee for taking the three CGFM Examinations is the same as the Intensive Review Course fee – see [Intensive Review Course Registration Form](#) for more details.

The CGFM Examinations are:

- Examination 1—Governmental Environment
- Examination 2— Governmental Accounting, Financial Reporting and Budgeting
- Examination 3—Governmental Financial Management and Control

More detailed information on CGFM Examinations content can be found on [www.agacgfm.org/cgfm/exams/](http://www.agacgfm.org/cgfm/exams/).

The examination results will be available immediately.

### Testing Procedures

You must be at the CGFM Examination registration desk at least 15 minutes prior to the testing time to check in. If you are not at the registration desk at the start of your examination time slot, we cannot guarantee your requested time slot.

## CEAR Training

### AGA's Certificate of Excellence in Accountability Reporting (CEAR) Program® Presents the Annual Performance and Accountability Report and Pilot Program Reports Reviewer's Workshop

This intermediate-level training provides information and tools to teach you how to prepare the traditional Performance and Accountability Report (PAR) and the Pilot Program reports. Hear from experts as they present the changes to the reviewer guidelines. Don't miss this valuable workshop and be prepared to sign up to be a CEAR reviewer! [Register by December 1, 2008.](#)

**Date:** December 8, 2008

**Time:** 9 a.m. - Noon

**Where:** U.S. Department of Education, 400 Maryland Avenue SW, Washington, D.C.

**Speakers:** Jonathan D. Breul, Partner, IBM Global Business Services; John Hummel, CGFM, CPA, Partner and National Industry Directory, KPMG LLP; Harold I. Steinberg, CGFM, CPA, Technical Consultant to the CEAR Program, AGA

**Learning Objectives:** To become familiar with the revised OMB Circular A-136, the document that provides a central point of reference for all Federal financial reporting.

**Prerequisite:** Familiarity with Federal Performance and Accountability Reports or Pilot Program Reports

**Advance Prep:** None required

**Please bring a valid photo ID to the CGFM Examination registration desk**—your ID must match the name you provide in the Intensive Review Course Registration Form and on the CGFM Program application form and must contain a photograph and a signature.

Personal belongings, including food, drink, papers, books, writing utensils, electronic and other organizers, cameras, cell phones, beepers, briefcases, bags, purses, pocketbooks and hats, may not be brought near the testing computer station and must be left in the designated area within the testing room. Scratch paper, a pen and a calculator will be provided.

For more information, please contact Crystal Vanison, Certification Program Coordinator via e-mail at [cvanison@agacgfm.org](mailto:cvanison@agacgfm.org) or by phone at 800.AGA.7211, ext. 316.

Thank you!

**CPE:** Three credits

Field of Study: Management Advisory Services

**Cost:** Free for those agencies submitting their report to the CEAR Program.

Each year, training is scheduled in August for preparers of Performance and Accountability Reports and in late November for reviewers of Performance and Accountability Reports.

If you are interested in becoming a CEAR reviewer, contact Lynn Hoffman at [lhoffman@agacgfm.org](mailto:lhoffman@agacgfm.org).



CPE hours earned through any of AGA's national educational activities can be used to fulfill CGFM CPE requirements.



AGA is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors, 150 Fourth Avenue North, Suite 700, Nashville, TN, 37219-2417. Web site: [www.nasba.org](http://www.nasba.org).

## National Leadership Conference

### Welcome!

Government financial managers are deeply committed to producing timely, reliable and useful financial information, with the goal of running government programs more efficiently. At AGA's Seventh Annual National Leadership Conference (NLC), those sentiments are more than just words.

The conference brings together the top minds in the industry to provide "how-to" lessons, the newest management techniques, and the most recent information on

always-changing standards and regulations. The conference, set for February 19-20, 2009, at the Ronald Reagan Building and International Trade Center in Washington, D.C., also features the newest tools to help agencies do their jobs more easily and more effectively.

The Exhibit Hall is also a gathering spot to meet with colleagues from around the country. The NLC offers outstanding training, dynamic speakers and multiple networking events.

**Show your commitment to excellence—register today!**

### Membership

#### "WHAT VALUE ARE CERTIFICATIONS?—TWO LUNCHEON PANELISTS DISCUSS"

*By: Carolyn Hicks and the Membership/Liaison Committee*

On October 22, 2008 AGA D.C.'s Membership/Liaison Committee held its fall luncheon for agency and private sector liaisons and other interested members and non-members. Attendees not only enjoyed a free catered lunch, but also had an opportunity to hear two AGA D.C. leaders address a topic of great interest, "The Value of Certifications." Thirty-five people interested in pursuing the Certificate in Government Financial Management (CGFM) and other professional certifications and credentials attended this event.

Providing the springboard for discussion was a Wall Street Journal article exploring the benefits of replacing the bachelor's degree with one or more certifications, arguably presenting a prospective employer with evidence of learning in a specialized field. Addressing this position and providing their own perspectives were Kim Farington, AGA D.C.'s incoming President of AGA D.C. and a Certified Public Accountant (CPA), as well as a Policy Analyst with the Office of Management and Budget's Office of Federal Financial Management, and Stephen Wills, an AGA D.C. mentor, and a Lead Accountant with the Department of Transportation, Federal Highway Administration, who holds the following credentials: a CPA, CGFM, Certificate in Internal Auditing (CIA), Certificate in Fraud Examination (CFE), Certificate in Management Accounting (CMA), Certificate in Financial Management (CFM) and a Master's in Public Administration (MPA).

Both speakers agreed that holding one or more certifications can help one get his or her foot in the door for a job, and promote career advancement. Certifications show potential employers that the applicant has devoted time and effort to gain specialized knowledge in a field. According to one participant, in the private sector the CPA has changed from a certification that few hold to a baseline for accountants, whereby many hold the certification. The private sector is also encouraging accountants,

particularly those implementing accounting systems, to obtain the Project Management Professional certification.

Gaining new attention in the private sector and the Federal Government is a new CPA specialty credential, "Certified in Financial Forensics (CFF)." The CFF provides skillsets needed for addressing Statement of Auditing Standards 99, "Consideration of Fraud in a Financial Statement Audit."

Some may argue that in the Federal Government the preferred credential for accountants and other professionals in the financial and budget arenas is the CGFM. Unlike the CPA and the CIA, the CGFM has a unique focus, one aimed at three areas:

1. **The Government Environment**
2. **Governmental Accounting, Financial Reporting and Budgeting, and**
3. **Government Financial Management and Control.**

An audience participant remarked that one Federal agency asks interns whether they hold CGFMs. The audience learned that AGA offers free CGFM training to members, and offers a test preparatory class prior to certain AGA conferences.

When asked which certification(s) hold the greatest value, Kim Farington replied that the answer depends on one's own pursuits and career aspirations. For Kim, the CPA opened doors in accounting operations and then accounting policy. Stephen Wills noted that his certifications and degrees helped him secure jobs in different arenas—as a Controller in manufacturing, as a Federal employee, and as an Adjunct Professor of Accounting.

After listening to Kim and Stephen, the audience agreed that while the Wall Street Journal article on certifications went a bit far, suggesting that college be bypassed, the article correctly noted that certifications are a good way to gain knowledge in a specific field of employment.

AGA D.C. would like to thank Kim Farington and Stephen Wills for speaking at the AGA D.C. Membership/Liaison Committee luncheon.

## Member Services

### Happy Holidays from Member Services!!

To celebrate the holiday season, there will be an AGA Happy Hour on December 15th, 4:30-6:00, at Old Ebbitt Grill (15th and G NW). We will be gathering at the far end of the back bar and will have appetizers plus a drink ticket for all of those who join us. Please RSVP to Crystal Heitman at [crystal.l.heitman@us.pwc.com](mailto:crystal.l.heitman@us.pwc.com) if you plan on attending.

Unfortunately, our scheduled November event of Opera Night at Cafe Mozart was cancelled due to the event being held the evening before Thanksgiving. In the hopes of having a large crowd in attendance we have decided to move the event to January or February. Keep your eyes open for details in the coming months.

Looking into the New Year, we have several exciting events planned. In January we will host the always popular Chinese New Year dinner at China Garden (date TBD) and in February we will be hosting a joint event with the Northern Virginia AGA chapter cheering on the Washington Wizards as they play the Philadelphia 76'ers on February 25th. Tickets will be \$15 for members and \$35 for non-members. More information will be sent out soon. Tickets will be limited so sign up early!

Attendance at Member Services events has been great so far this year and we hope to see even more faces at future events!

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MONTGOMERY/PRINCE GEORGES COUNTY CHAPTER

***“A Guide for Government Executives” and “The Operator's  
Manual for the Next Administration”  
&  
“Leadership is NOT a Gene”***

**Come Join Us for Training Worth 4 CPE Credits!**

**Wednesday, December 17, 2008  
1:00 p.m. to 5:00 p.m.**

IBM Institute for Electronic Government  
1301 K. Street, NW, 4th floor/West Tower  
Washington DC 20005

**Discussion Topics are as follows:**

***“A Guide for Government Executives” and “The Operator's  
Manual for the Next Administration”***

**Speaker:** Jonathan D. Breul, Executive Director, IBM Center for The Business of Government, and Partner, IBM Global Business Services

**&**

***“Leadership is NOT a Gene”***

**Speaker:** Robert Black, Dean, Government Audit Training Institute, and the Financial Management, Management Sciences, and IT Curriculums Graduate School, USDA



**Members \$ 65 - Non-members \$ 85  
4 CPEs**



MONTGOMERY/PRINCE GEORGE'S COUNTY CHAPTER

***“A Guide for Government Executives” and “The Operator's Manual for the Next Administration”***  
**&**  
***“Leadership is NOT a Gene”***

**Program**

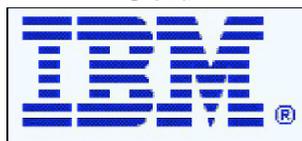
1:00 – 1:30pm	<b>Registration</b>
1:30 – 3:10pm	<b>Getting It Done: “A Guide for Government Executives” and “The Operator's Manual for the Next Administration” Speaker: Jonathan D. Breul Executive Director, IBM Center for The Business of Government, and Partner, IBM Global Business Services (2 CPE)</b>
3:10 – 3:20pm	<b>Break</b>
3:20 – 4:55pm	<b>“Leadership is NOT a Gene” by Robert Black, Dean, Government Audit Training Institute, and the Financial Management, Management Sciences, and IT Curriculums - Graduate School, USDA</b>
4:55 – 5:00pm	<b>Closing Remarks - Jack Heyman, CPA, CISA, CGFM, CIPP and Mark Schwartz, CPA, Education Directors, AGA – Montgomery / Prince George’s County Chapter</b>

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MONTGOMERY/PRINCE GEORGE'S COUNTY CHAPTER

*“A Guide for Government Executives” and “The Operator's Manual for the Next Administration”*

&

*“Leadership is NOT a Gene”*

**Register Early! Space is limited!**  
**Registration Form**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Daytime Phone: \_\_\_\_\_

Employer: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Billing Address (if different): \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Are you an AGA member?:  Yes  No AGA Membership Number: \_\_\_\_\_

**4 CPE**  
**Members \$65, Non-members \$85**

Amount: \$ \_\_\_\_\_ Method of Payment:  
 Check Enclosed  
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Name as it appears on the card: \_\_\_\_\_

Credit Card Number: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

Signature: \_\_\_\_\_

<b>REGISTER BY MAIL:</b> Jack Heyman 14227 Woodcrest Drive Rockville, MD 20853	<b>OR</b>	<b>REGISTER BY PHONE, E-MAIL, OR FAX:</b> Jack Heyman, (301) 943-3371 <a href="mailto:jackheyman@yourinternalcontrols.com">jackheyman@yourinternalcontrols.com</a> Fax: (866) 800-1272
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MONTGOMERY/PRINCE GEORGE'S COUNTY CHAPTER

**Jonathan D. Breul**  
**Executive Director – IBM Center for The Business of Government**  
**And**  
**Partner – IBM Global Business Services**

Jonathan D. Breul is Executive Director of the IBM Center for The Business of Government and a Partner in IBM Global Business Services. The IBM Center for The Business of Government helps public sector executives improve the effectiveness of government with practical ideas and original thinking. The Center sponsors independent research by top minds in academe and the non-profit sector, and creates opportunities for dialogue on a broad range of public management topics.

Formerly Senior Advisor to the Deputy Director for Management in the Office of Management and Budget in the Executive Office of the President, Mr. Breul served as OMB's senior career executive with primary responsibility for government-wide general management policies. He helped develop the President's Management Agenda, was instrumental in establishing the President's Management Council, and championed efforts to integrate performance information with the budget process. He led the development and government-wide implementation of the Government Performance and Results Act. In addition to his OMB activities, he helped Senator John Glenn (D-Ohio) launch the Chief Financial Officers (CFO) Act.

He also served for eight years as the U.S. delegate and elected vice chair of the Paris-based Organization for Economic Cooperation and Development's (OECD) Public Management Committee.

Mr. Breul is an elected Fellow and Member of the Board of Trustees of the National Academy Public Administration (NAPA), a Principal of the Council for Excellence in Government, and an adjunct Professor at Georgetown University's Graduate Public Policy Institute. He holds a Masters of Public Administration from Northeastern University, and a Bachelor of Arts from Colby College.

**Robert Black**  
**Dean, Government Audit Training Institute, and the**  
**Financial Management, Management Sciences, and IT Curriculums**  
**Graduate School, USDA**

Robert Black spent a whole career working as a performance auditor for the Federal Government. In that line of work, he analyzed major programs and systems in practically every major Federal agency. At GAO, the Government Accountability Office, he designed and carried out analyses on everything from agriculture programs, to housing programs, to defense information system projects. At NASA he was responsible for monitoring and assessing multi-billion dollar contracts for the International Space Station.

In his current position, Mr. Black helps address the need for improved accountability in the government by providing training to government employees. As Dean of the Government Audit Training Institute and the Financial Management Curriculum at the Graduate School, USDA, he develops and delivers training courses that teach topics that include: improved financial management, all aspects of performance auditing, transparency and good governance. He is a Certified Government Financial Manager (CGFM).

He also serves on the Board of Directors of the ICGFM, the International Consortium of Government Financial Management, an organization that promotes improved financial management for developing nations.

## Montgomery County AGA Events

2/15/08 - 12/15/08

### Community Service - Christmas Party for Kids

#### Event Description:

**Description:** Our chapter, in conjunction with the National Center for Children and Families (NCCF), is pleased to announce a community service event to sponsor a holiday party for families and children currently residing in homeless shelters in the area.

**Volunteers Needed:** We are seeking volunteers to help donate items and food, and to participate on the day of the event. If you are interested in volunteering, please contact Mike Kess or Leila Beigzadeh using the below contact information.

**Location:** Georgia Ave Baptist Church 12525 Georgia Ave, Glenmont Md.

**Event Time:** 6:30 - approximately 8:30 p.m. on 12/15/08

**Contact:** [Mike Kess or Leila Beigzadeh](#)

**Phone:** 301-443-0620

12/17/08 - 12/17/08

### Winter Workshop

#### Event Description:

**Description:** Come join us on December 17, 2008 at the IBM Institute for Electronic Government for training worth 4 CPE Credits!

The workshop training will feature two speakers. Jonathan D. Breul, Executive Director, IBM Center for The Business of Government, and Partner, IBM Global Business Services will discuss "A Guide for Government Executives" and "The Operator's Manual for the Next Administration." Robert Black, Dean, Government Audit Training Institute, and the Financial Management, Management Sciences, and IT Curriculum's Graduate School, USDA will discuss "Leadership is NOT a Gene."

**Location:** IBM Institute for Electronic Government, 1301 K. Street, NW, 4th floor/West Tower, Washington DC 20005

**Date and Time:** December 17, 2008 from 1:00 - 5:00 p.m.

**Cost:** \$65 for members; \$85 for non-members

**Registration:** To register for this event, please complete the registration form, which can be found by clicking on the link below.

**Contact:** [Jack Heyman or Mark Schwartz](#)

**Phone:** 301-943-3371 or 301-280-3678

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# Reporting on the Fiscal Sustainability of the U.S Government: FASAB Ventures Outside the Box

by Eileen W. Parlow



Photo (c) Stephen J Carl 2008  
Worksbystevecarl.com

Questions to ponder:

1. If a tree falls in the forest and nobody is around to hear it, does it make a noise?
2. If a government publishes vital information that is not understandable or accessible, has the public been informed?

The Federal Accounting Standards Advisory Board (FASAB) has not addressed question 1, but is exploring whether the answer to question 2 might be “No.”<sup>1</sup> The vital information that the FASAB has been considering would inform citizens and citizen intermediaries (such as the media) whether future budgetary resources are likely to be sufficient to sustain public services and meet obligations as they come due. The FASAB exposure draft (ED), *Reporting Comprehensive Long-Term Fiscal Projections for the U.S. Government*, was issued September 2, 2008.

To ensure that the required information proposed in the ED is relevant and understandable, the FASAB broke new ground by consulting with communication experts as well as other experts as it developed the ED. The FASAB’s “Fiscal Sustainability Task Force” consisted of academics in the areas of communication and public policy, as well as representatives from “think tanks” and public advocacy organizations, members of Congress, the Chief Actuaries for Social Security and Medicare; and technical experts from the Treasury Department, the Office of Management and Budget, the Government Accountability Office, and the Congressional Budget Office.

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<sup>1</sup> In 1999 the AICPA recognized FASAB as the body that promulgates generally accepted accounting principles for federal reporting entities.

## **Fiscal Sustainability**

The terms “fiscal sustainability” and “inter-period equity” are commonly used in discussions of long-term fiscal issues and raise expectations for the reader regarding the subject of reports. However, in the U.S. there is no technically rigorous definition that would allow a reader to immediately conclude that a given path is equitable or sustainable.

The Board’s working definition of “fiscal sustainability” is the federal government’s ability to continue, both now and in the future, current policy without change regarding public services and taxation without causing debt to rise continuously as a share of gross domestic produce (GDP).<sup>2</sup>

The ED demonstrates that this notion of fiscal sustainability aligns well with one of its objectives for federal financial reporting—the stewardship objective:

Federal financial reporting should assist report users in assessing the impact on the country of the government’s operations and investments for the period and how, as a result, the government’s and the nation’s financial condition has changed and may change in the future. Federal financial reporting should provide information that helps the reader to determine whether

- a) the government’s financial position improved or deteriorated over the period,
- b) future budgetary resources will likely be sufficient to sustain public services and to meet obligations as they come due, and
- c) government operations have contributed to the nation’s current and future well-being.<sup>3</sup>

The Board believes that fully meeting the stewardship objective requires non-traditional approaches to complement and enrich the information from the federal government’s balance sheet and operating statement.

## **Proposed Reporting Requirements**

The ED proposes a new basic financial statement that would report the present value amounts derived from comprehensive long-term fiscal projections for the U.S. Government. In addition, the ED proposes extensive “reader-friendly” disclosures in the form of narrative and graphics that are designed to make the information understandable and meaningful to readers.

Disclosures serve a critical role in making economic concepts and projections understandable to a variety of audience segments, and in helping readers to understand long-term projections by explaining the significant factors that are driving projected trends, by illustrating trends graphically, and by providing context for the information provided.

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<sup>2</sup> Determining precisely how much a government can depart—in magnitude and/or duration—from this general notion of fiscal sustainability is beyond the scope of the Board’s efforts.

<sup>3</sup> Statement of Federal Financial Accounting Concepts 1, *Objectives of Federal Financial Reporting*, Objective 3.

The proposed reporting would include information about the major cost drivers for the federal government, projected trends in the federal budget deficit or surplus and the federal debt and how these amounts relate to the national economy. If a fiscal gap is indicated by the projections, disclosures would explain and illustrate the likely impact of delaying action.

### **Time Horizon for Projections**

During the development of the ED, the Board addressed the issue of the optimal time horizon for projections. The Board's conclusion—to require that projections over each type of time horizon be provided—mirrors a trend in reporting by economists and particularly, the Social Security Trustees. Each horizon offers particular benefits as follows:

Benefits of a finite horizon:

- (a) A finite period can be selected that is sufficient to cover essentially all of the working and retirement years for current participants.
- (b) A finite period is subject to less uncertainty regarding assumptions than an infinite horizon.
- (c) A finite period is meaningful to readers. For example, readers can relate to a time period that will include the retirement of the youngest members of the current workforce. An infinite horizon is less meaningful to readers. Readers are less likely to relate to or be concerned about the U.S. Government's fiscal condition in 200, 500 or 1,000 years in the future.

Benefits of an infinite horizon:

- (a) Unless trends are level towards the end of the period, projections may be subject to the "moving window" effect, where shortfalls (or surpluses) increase significantly from one reporting year to the next due to the change in the projection period. For example, if a projection period is 75 years, the activity in "year 76" is outside the projection period for that year, but will be included in the projection period for the following year. An infinite horizon would avoid the "moving window" effect that occurs when there are significant changes to an estimate from one year to the next that are caused by the passage of time.
- (b) Some have argued that a finite projection period essentially assumes zero for years beyond the projection period. Infinite-horizon projections would not assume zero for years beyond the cutoff point for projections.

The Board concluded that the advantages of both finite and infinite horizons are sufficiently compelling that both finite and infinite-horizon information should be provided, although only one projection period should be used for the basic financial statement. Whichever type of projection period is selected for the primary display, the other type of projection period should be presented with the disclosures.

### **Public Comments Requested by January 5, 2009**

One of the challenges of reporting on fiscal sustainability is the tension between the complexity of the information- involving concepts such as present value, gross domestic product, the nature of assumptions and the role of uncertainty in any projection- and the

goal of using effective communication methods to make the information understandable and meaningful, such as simplicity of presentation and putting the information into context.

Since the goal of the FASAB's proposed reporting requirements is not only to provide information that is useful and necessary in assessing fiscal sustainability but also to effectively communicate the information in a way that is meaningful and understandable to readers, FASAB is particularly interested in receiving comments from the general public including knowledgeable professionals.

An electronic copy of the exposure draft is posted on the FASAB website at: <http://www.fasab.gov/exposure.html>. A hard copy may be obtained by calling the FASAB office at 202-512-7350. Comments on the ED are requested by January 5, 2009 and a public hearing will be held on February 25, 2009.

Eileen W. Parlow, CPA, CGFM, is an Assistant Director with the Federal Accounting Standards Advisory Board (FASAB) and project manager of the fiscal sustainability reporting project. Her e-mail address is [parlowe@fasab.gov](mailto:parlowe@fasab.gov). The views expressed in this article are the views of the author.

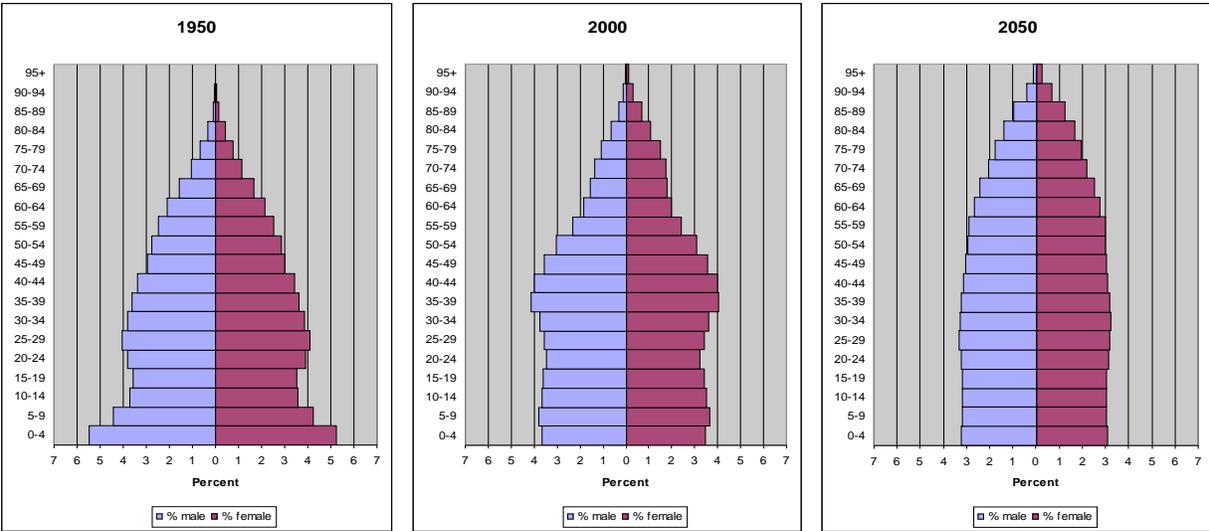
## -----**Sidebar 1- Sample graphics**-----

The Fiscal Sustainability Task Force communication experts noted that effective communication should convey information in a simple and straightforward manner.

Sometimes quantitative data can be communicated more effectively by a graphic presentation rather than a table of quantitative data- in particular, when trend information is being conveyed.

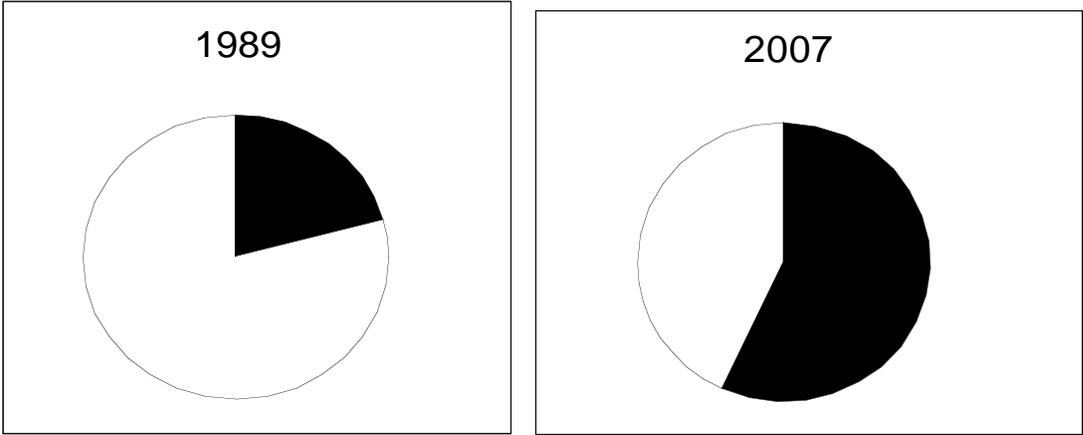
The illustrative graphs below were designed to communicate (a) trends in population demographics and (b) trends in foreign holdings of U.S. Treasury debt more effectively than tables of raw numerical data.

### (a) The Changing Shape of the United States' Population



Source: Social Security Administration, Area Population Statistics.

**(b) Foreign Ownership of U.S. Treasury Debt Has Increased**



- Foreign and International Investors
- Federal Reserve, domestic investors, state and local governments

Adapted from: GAO-08-217CG, October 30, 2007, chart 18.  
 Data source: Report on Foreign Portfolio Holdings of U.S. Securities as of June 30, 2007 and 2006, issued April 2008 and May 2007 by the Department of the Treasury, Federal Reserve Bank of New York, Board of Governors of the Federal Reserve System, Table 1. Available at: <http://www.treas.gov/tic/fpis.html>.

The FASAB exposure draft includes FAQs to explain concepts that may not be familiar to some readers.

### What is GDP?

A nation's **gross domestic product**, or **GDP**, is one of the ways for measuring the size of its economy. The GDP of a nation is defined as the market value of all final goods and services produced within a country in a given period of time. The most common approach to measuring and understanding GDP is the expenditure method:  $GDP = \text{consumption} + \text{investment} + \text{government spending} + (\text{exports} - \text{imports})$

### What is the debt-to-GDP ratio?

The **debt-to-GDP ratio**, for the purposes of federal financial reporting, is the amount of federal (U.S. Treasury) debt held by the public divided by GDP. [An alternative ratio would be the amount of total public debt (federal, state, and local) divided by GDP.]

### Why does the debt-to-GDP ratio matter?

The debt-to-GDP ratio provides an indication of a nation's ability to repay its public debt by comparing the size of its debt to the size of its economy. For example, during the formation of the European Union (EU), one of the conditions for initial membership in the EU, which included eligibility to convert its currency to the Euro, was that each nation had to meet certain conditions, including debt-to-GDP ratio. Generally, higher debt-to-GDP ratios are believed to result in lower economic growth and private investment as well as higher interest costs. Many economists believe that persistent debt-to-GDP levels over 100% are unhealthy. In addition, debt-to-GDP ratios cannot continue to rise indefinitely, because at some point (although the precise point at which this would occur is unknown) the world's financial markets would likely cease lending to the United States.

## Calendar of Events — 2008/2009 Program Year

Month	Luncheons	Community Service	Member Service	Education	Early Careers	Membership	Awards	CEC Meetings
August			17-Aug-2008	20-Aug-2008				6-Aug-2008
			Washington Nationals Game: Pre-game Tailgate: 11:30 AM at RFK Stadium 1st Pitch: 1:35 PM	Audio Conference: Everything You Wanted to Know About Performance Management and Reporting But Were Afraid to Ask Time: 2-4 PM CPEs: 2				Veterans Administration Teleconference #: 1-800-767-1750 Access code: 71805 12:00 - 1:00 PM
September	17-Sept-2008	17-Sept-2008		3-5 Sept-2008 10-12 Sept 2008	19-Sept-2008			3 Sep 2008
	Luncheon Time: 11:45 - 1:45 Speaker: Danny Werfel, OMB Location: D'Acqua Restaurant CPE: 1	American Cancer Society (Raffle) during the Luncheon		Training: CGFM CPEs: 48	"Explore DC Series" Jazz Location: Sculpture Garden Time: 5:30pm			Veterans Administration Teleconference #: 1-800-767-1750 Access code: 71805 12:00 - 1:00 PM
				10-Sept-2008				
October				Audio Conference: Fraud Prevention and Detection Time: 2-4 PM CPEs: 2				
	14-Oct-2008	12-Oct-2008	4-Oct-2008	15-Oct-2008	Date: TBD	22-Oct-2008		8-Oct-2008
	Luncheon Time: 11:45am - 1:45pm Speaker and Location: Army Navy Club CPE: 1	Walk to D'Feet ALS® Constitution Gardens, Washington, DC	C&O Canal Tour and Lunch	Audio Conference: Results of AGA's Research on Performance Based Management Reporting Time: 2-4 PM CPEs: 2	Luncheon Speaker Series Location: GAO Building	Fall Membership Liaison Luncheon: The Value of Certifications Location: Veterans Administration		Veterans Administration Teleconference #: 1-800-767-1750 Access code: 71805 12:00 - 1:00 PM
		23-Oct-2008		23-Oct-2008				
November								
		14-Nov-2008	Date: TBD		18-Nov-2008			5-Nov-2008
		DC Chapter AGA's Food2Feed Thanksgiving Donation Old Post Office Pavilion, Washington, DC <b>**Collection of donations are accepted until Nov. 14th**</b>			Happy Hour Kickoff Location: ESPN Zone Time: 6:30pm			Veterans Administration Teleconference #: 1-800-767-1750 Access code: 71805 12:00 - 1:00 PM
December	10-Dec-2008	10-Dec-2008	15-Dec-2008	10-Dec-2008				
	Luncheon Time: 11:45 - 1:45 Speaker and Location: Mr. Stan Collender, Managing Director, Qorvis Communications @ Army Navy Club CPE: 1	Toys for Tots during the Luncheon	AGA DC Holiday Happy Hour Location: Old Ebbitt Grill, Back Bar Time: 4:30 - 6:00pm	Audio Conference: 21st Century Managers: New Mix of Skills and Education Levels Time: 2-4 PM CPEs: 2				

## Calendar of Events — 2008/2009 Program Year

January	22-Jan-2008	22-Jan-2009	Date: TBD	15-Jan-2009	20-Jan-2009			
	Luncheon Time: 11:45 - 1:45 <b>Speaker and Location:</b> Ken Carline, Treasury Fiscal Assistant Secretary, Army Navy Club CPE: 1	Make-a-Wish Foundation during the Luncheon	Chinese New Year	Training: Internal Controls in the Federal Government-- Understanding A-123 Location: Ernst & Young, Washington DC Time: 8AM - 4:30PM CPEs: 8	Happy Hour Location: Buffalo Billiards Dupont Time: 6:30 PM			
				21-Jan-2009				
				Audio Conference: How XBRL Can Enable Improved Financial and Performance Reporting Location: Department of Veterans Affairs, Washington, DC Time: 2-4 PM CPEs: 2				
February	18-Feb-2009	Date: TBD	25-Feb-2009		Date: TBD			
	Luncheon Time: 11:45 - 1:45 <b>Speaker and Location:</b> Army Navy Club CPE: 1	Volunteer Tax Assistance Program - (Throughout the Month of February)	Wizards Game - Wizards vs. Philadelphia 76ers Location: Verizon Center, Washington, DC Time: 7pm		Lucky Strikes Event ***** Explore DC Series			
March	19-Mar-2009	19-March-2009	Dates: TBD		10-Mar-2009			
	Luncheon Time: 11:45 - 1:45 <b>Speaker and Location:</b> Army Navy Club CPE: 1	Dress for Success Suit Drive during the Luncheon	Post Financial Management Conference Happy Hour ***** Smithsonian Jazz Cafe		Luncheon Speaker Series Location: GAO Building			
					18-Mar-2009			
					Happy Hour Location: Chef Geoff's, Metro Center			
April	21-Apr-2009	Date: TBD	Date: TBD	8-Apr-2009	10-April-2008 17-April-2008			
	Luncheon Time: 11:45 - 1:45 <b>Speaker and Location:</b> Clydes CPE: 1	DC Habitat for Humanity	Virginia Vineyards Tour (new vineyards)	Audio Conference: Auditing Time: 2-4 PM CPEs: 2	White House Tour			
May	20-May-2009	20-May-2009	Date: TBD	12 thru 13-May-2009	10-May-2009			
	Luncheon Time: 11:45 - 1:45 <b>Speaker and Location:</b> Army Navy Club CPE: 1	Cell Phones/Eyeglass Donation during the Luncheon	Botanical Gardens	Training: Annual Spring Conference Time: 8-4:30 PM CPEs: 15	US Capital Tour			
					19-May-2009			
					Happy Hour Location: Bar Louie, Chinatown			
June	16-Jun-2009	16-Jun-2009	Date: TBD		4-Jun-2009		6-Jun-2009	
	Luncheon Time: 11:45 - 1:45 <b>Speaker and Location:</b> TBD CPE: 1	So Others Might Eat (SOME) during the Luncheon	Nationals Game and Tailgate		Explore DC Location: Kennedy Center Millenium Stage		Awards Dinner Location: Hyatt Hotel, WDC Time: TBD	

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