

# The Washington Connection

ASSOCIATION OF GOVERNMENT ACCOUNTANTS  
WASHINGTON D.C. CHAPTER



Issue 3 • November 2010

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## LUNCHEON SERIES

Snapshots



Go to Snapshots

## Save The Date

**Annual Spring Education Conference**  
**Tuesday, May 3, 2011 - Wednesday, May 4, 2011**  
**at the Ronald Reagan Building**

Planning is underway and we look forward to another informative and worthwhile conference. Stay tuned for details as they become available.

## Announcements

### Community Service Event

**Do not miss our community service event on November 16th.**

Meet with us at the Build-a-Bear store in the Montgomery Mall at 9:00 AM to make a bear for your love ones or for donation to children hospitals.

The event costs \$10.

Contact Stu Eisenman at [stue50@aol.com](mailto:stue50@aol.com) for more information.

*"If your actions inspire others to dream more, learn more, do more and become more, you are a leader."*

*- John Quincy Adams*

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

## Note From the Editor



by **Jorge Asef-Sargent,**  
**Editor**

Welcome to the November edition of the Washington Connection! November is a busy time for AGA members. I am sure many of you are involved in one way or another with the

preparations of your agencies performance and accountability reports or agency financial report and consequently with the audit. Thus, in this issue we bring you a technical article on refunding prior-year reimbursable advances in our *Inside the Black Box*, by Simcha Kuritzky and in our AOC committee prepared an article on what we should look for in the fiscal year 2010 government-wide financial statements. Also, do not miss the announcements from our Education, Membership, Mentorship, and Early Career committees.

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!

Sincerely,

*Jorge Asef-Sargent*

Jorge Asef-Sargent, CPA, CGFM  
AGA D.C. Chapter Newsletter Editor

## Newsletter Team

*Jorge Asef-Sargent, Editor*

*Erwin Solbach, Graphics*



# President's Message



by **Doug Glenn**

Fellow Members of AGA's Washington Chapter,

Earlier this week, I sent an email to our auditors addressed as "Dear Audit Friends". One of them replied "That's the nicest thing anybody has said to me all day!" As we roll through our busiest time of the year, reconciling our accounts, adjusting our balances, compiling our financial statements, and answering endless audit questions, it is easy to lose sight of the fact that auditors are indeed our friends for two very good reasons.

First – auditors want the exact same thing that management does: a strong internal control environment; an accurate general ledger from which accurate reports can easily flow; as well as accurate financial statements. I have had the pleasure of working at Agencies with no material weaknesses as well as Agencies with multiple material weaknesses and there are significantly higher reconciliation and adjustment burdens on accountants at the Agencies with multiple material weaknesses. Therefore, a clean general ledger is in everybody's best interest.

My wife (Monica) taught me a critical lesson years ago that has forever since had a profound effect on me. That lesson is; I am not always right. As unbelievable as it was for me, Monica has time and again proven that there are other ways of doing things and sometimes those other ways are better than mine. Auditors give us an independent perspective on what we do well and where we can improve. A wise accountant understands this, appreciates this fact, and more importantly, uses it. If you really want to have a best in class accounting operation, you need to work with the auditors to identify and address any control deficiencies that prevent management from being able to make the five assertions that underlie the financial statements and allow management to sign the Representation Letter without hesitation.

Second – management can use audit findings to drive improved internal control and positive financial change in entity programs. I look at accountants as folks at the end of a stream who have to make sense of all the stuff people throw in the water (i.e., general ledger) up-stream. As many of you know, if folks up-stream do not record transactions properly, it's the poor accountants down-stream that have to sort it all out and make whatever adjustment(s) necessary. A wise accountant works with their auditors to craft audit findings that pin down the exact nature of a control deficiency (i.e., condition) and the associated recommendations to ensure they make sense and have a decent chance of implementation. If implemented, the inappropriate stuff thrown in the general ledger up-stream should be less and the accountant's life much easier.

# President's Message (cont'd)

As I said above, I have enjoyed the pleasure of working at Agencies with no material weaknesses and I firmly believe that achieving that level of financial integrity would have been significantly harder, if not impossible, if management, the Office of Inspector General, and their auditors hadn't partnered up earlier on and worked closely together to promote/pursue/achieve financial integrity throughout their organization.

***Good luck and happy year-end!***

Sincerely,

*Doug Glenn*

Doug Glenn, CPA  
President  
Washington DC Chapter

# Welcome, New Members!

## MEMBERS NEW TO AGA DC

*Mr. Michael L. Dixon*

*Grant Thornton LLP*

*Mr. Brian Donley*

*DP George and Company*

*Ms. Courtney French*

*Grant Thornton LLP*

*Mr. Michael C. Harper*

*Harper Yon & Company*

*Mr. Niklaas D. Hickman*

*Reznick Group PC*

*Mr. Michael Long, CPA*

*Oracle Corporation*

*Mr. Roy Michael*

*PricewaterhouseCoopers LLP*

*Ms. Lori Ann Musson*

*KPMG LLP*

*Ms. Katherine T. Norris*

*DP George and Company*

*Ms. Gina Oliva*

*Grant Thornton LLP*

*Mr. Dustin Schloss*

*DP George and Company*

*Mr. Barry S. Sims*

*Naval Research Laboratory*

*Mr. Sean S. Smith*

*Dept. of Commerce*

## *Request for Newsletter Submissions, Comments, or Suggestions*

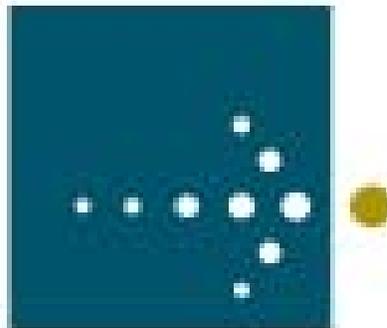
Do you have any comments or suggestions regarding the newsletter? Do you have an article you would like to see in print? Have you traveled to any interesting locations? The Washington Connection requests that you submit any and all items of interest to our federal, state, and local member including: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

The deadline for submitting articles to appear in the **December 2010** issue is **November 19, 2010**. Please send your comments and contributions to **Jorge Asef-Sargent**, the newsletter editor for the 2010-2011 program year, at [jasef-sargent@kpmg.com](mailto:jasef-sargent@kpmg.com).



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## Early Careers Corner

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### Don't miss our next AGA DC Chapter Early Careers event!

**Bowling at Lucky Strike Lane/Lounge on November 18th, 2010**  
**6:30 PM- 8:30 PM**

**Location:** Gallery Place, 701 7 Street, Second floor, Washington DC 20001  
**(Metro:** Gallery Place/Chinatown)

**Cost:** FREE!!

Includes 2 hours of bowling, shoe rental and soft drinks.

**Food and alcoholic beverages are extra.**

**Limit of 24 attendees.**

**RSVP Now before spaces fill up!**

**RSVP:** Pauline Wang ([pauline.d.wang@hud.gov](mailto:pauline.d.wang@hud.gov) or 202-402-3524) **or**  
Mimi Goodwin ([mgoodwi@us.ibm.com](mailto:mgoodwi@us.ibm.com) or 571-214-3023)

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### Upcoming events

**December 8, 2010**

Holiday Party at Clyde's (Gallery Place/Chinatown)

**January 2011**

SKI TRIP

Regards,

*Lena Lewis & Stephen Wills*

DC Early Career Committee Directors

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## WANT TO HELP?

If you're interested in being a liason or joining the mentor program, as either a mentor or mentee, please contact Kesha Pendergrast at 202-351-8636 or:

[Pendergrast\\_kesha@pendergrastconsulting.com](mailto:Pendergrast_kesha@pendergrastconsulting.com).

## 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.agacqfm.org/downloads/agaweb.wmv>

# CGFM News and Upcoming Events

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Karl Payne

by Karl Payne



Leon Fleischer

It is my pleasure to introduce myself and Leon Fleischer as your CGFM Committee Team for this current year. As we all prepare for a new year, Leon and I would like to highlight some of the exciting new opportunities that we have planned for our Chapter members, as well as other items of interest. If you have questions or interest in CGFM please feel free to contact Leon or myself at [kpayne@kpmg.com](mailto:kpayne@kpmg.com) and [leon.fleischer@sba.gov](mailto:leon.fleischer@sba.gov).

## December CGFM Training

We continue to finalize the dates (in early December) and exact location for the CGFM Trainings that will be offered in December. These will be free training sessions for all three modules of the CGFM Exam. There is a second session that is planned for March, 2011. In the past, these have proven to be very popular classes. Last year both sessions were filled to capacity with a total 70 students completing the training.

## Interested in CGFM Study Groups? Let us here from you.

The CGFM committee is also considering plans to run a CGFM Study Group to prepare members for taking all three modules of the CGFM exam. The Study Group will be facilitated by volunteer CGFM instructors from the DC Chapter. The Study Group will take place in the Spring and will be completed in time for members interested in taking the exam at the PDC in the Summer. The costs, including books, for all three parts would be partially subsidized by the AGA DC Chapter. Therefore, we are interested in determining whether there is enough interest in these Study Groups, either because members prefer the format of a Study Group or as a backup if space is not available in either the December or March CGFM training classes.

Additionally, Study Groups will be led by volunteers in the AGA DC Chapter who have passed the CGFM exam. Each instructor will be assigned to one of the three parts of the exam. Therefore, the CGFM committee is also looking for members who are interested in being a CGFM Study Group instructor.

Please respond to [kpayne@kpmg.com](mailto:kpayne@kpmg.com) or [leon.fleischer@sba.gov](mailto:leon.fleischer@sba.gov) to let us know your level of interest in either attending or volunteering to instruct a Study Group.

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**Grant Thornton**

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# Accountability Outreach Committee Corner

## The Fiscal Year 2010 is Over. What Should We Look for in the FY2010 Government Wide Financial Statements?

By Armando Mieles CPA, CGFM

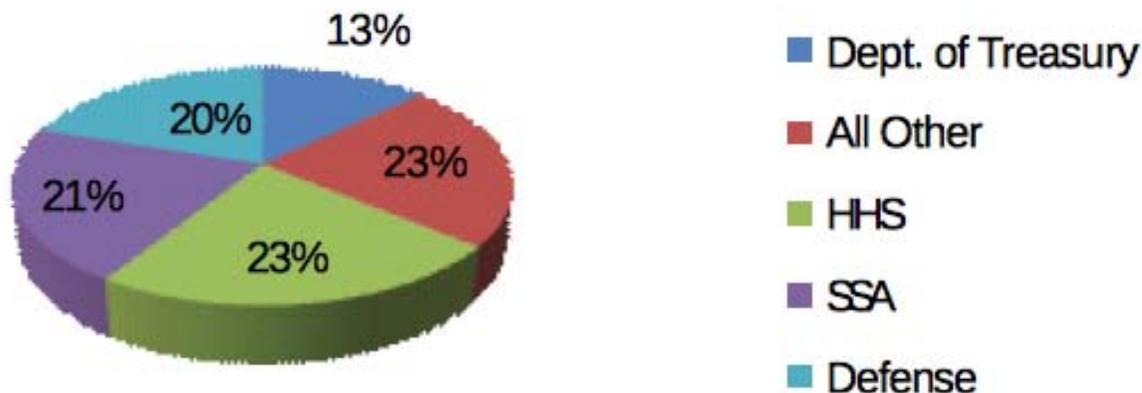
AGA Assistant Director Accountability and Outreach Committee

For individuals working in the Office of the Chief Financial Officer and Budget Divisions of Federal agencies, the month of October is one of the busiest due to the important task of preparing the agency financial statements, due on November 15th. This also extends to the auditors and consultants that work hand-in-hand with the agencies to produce the agency financial statements, audit opinions in addition to the preparation of supplemental material to support the government-wide financial statements due on December 15th. The eyes of those working in this process are focused on the final products - Performance Accountability Report, Agency Financial Report, and the Government Wide Financial Statements.

One must wonder what these reports and esoteric concepts mean to the average person. Should these reports matter to individuals outside the accounting and auditing world in which we live? The short answer is yes – they should. If we take into consideration the government deficit in FY 2009 of \$1.4 trillion, an increase of \$945 billion from the \$455 billion deficit in FY2008, and the expectation to see a similar trend in FY2010 it is easy to understand why this is important.

Therefore, in the following paragraphs this article intends to point out some important aspects of the Government Wide Financial Statements that should matter to the citizenry in general with the hope that preparers of these reports take these aspects into consideration and prospective readers become interested in reading this information and further their understanding our economy and financial health of our nation.

### Net Cost of Operations FY 2009 (Source - FY 2009 Government Wide Financial Statements)



## Accountability Outreach Committee Corner (cont'd)

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### **Government Outlays in Defense, Healthcare and Social Security Programs**

Many of the discussions surrounding budget deficits have their roots in the historical and projected long term pattern of government spending in defense, healthcare and social security. As the chart below depicts, the combined Government Wide net cost of operations for these sectors as of Fiscal Year 2009 represented 64% of total net costs.

Newly enacted health care legislation is on its way and some aspects of the reform will take several years to be implemented. The issues surrounding this legislation were contentious on both sides of the spectrum. One of the main aspects was addressing the long term costs of the government on health care. As you look at the Government Wide Financial Statements, read about the sections on health care spending and related initiatives. Inform yourself so that you can make informed decisions and voice your opinions regarding this topic.

Regarding defense spending, the current administration appears to be making some spending cuts. It is impossible to determine if the plan to reduce defense spending will materialize. However in some regards budget cuts in this area are necessary. A final thought on the defense numbers and the prospect of reducing spending in this area is that these actions are sensitive to global pressures and situations occurring inside and out of the national economy. Global conflict directly or indirectly affecting our country, not to mention war on terrorism or other threats, will always drive defense spending. This is where the informed reader of the Government Wide Financial Statements will make the connections between our country's foreign diplomacy efforts and our financial well being.

In the case of social security programs, attention should be directed to increased costs of the programs and the government's commitment to start paying on these entitlement programs by the end of this decade. It is expected that if no action is taken by our Federal government and congress, the payout of these programs could bring substantial distress to our economy. The sections in the Government Wide Financial Statements should shed some light regarding where we are and where we are heading on these programs.

### **Government Debt - Others Are Watching. You Should Be Watching Too!**

The involvement of the Federal government in our economy has required an unprecedented level of government resources in our economy. This involvement has been financed by government debt. Remember the Housing Economic Recovery Act of 2008 (HERA), Trouble Asset Relief Program (TARP) and American Recovery and Reinvestment Act (ARRA) of 2009? These resulting acronyms from these laws and programs should be part of our daily lives by now. As we recall, HERA put Freddie Mac and Fannie Mae (commonly referred as Government Sponsored Enterprises or GSEs) into conservatorship in 2008 and from that point on it is unclear about the future of these two housing giants. TARP was the most notorious section of the Emergency Economic Stabilization Act (ESSA) of 2008, and in essence, the program resources were used to bail out American International Group (AIG) and to support many other industries including the auto industry, represented by two of the big giants – General Motors and Chrysler. Finally, ARRA was designed to give a jolt to the economy by investing billions in small business, manufacturing, energy, infrastructure among others. All of these initiatives were launched through the use of government borrowings. According to the Government Wide Financial Statements for Fiscal Year 2009, Congress raised the debt limit twice in Fiscal Year 2009 – from \$10.6 trillion to \$11.3 trillion – in October 2008 with the passage of the EESA, and then again to \$12.1 trillion in February 2009 with the passage of ARRA. In December 2009 and February 2010, the debt limit was raised again to \$12.4 trillion and \$14.3 trillion, respectively, in part to provide sufficient funding for credit program activities.

## Accountability Outreach Committee Corner (cont'd)

In the case of HERA, it will be interesting to see the levels of involvement of the Federal government in the GSEs. For the TARP, an update of the cost, or profit, on the different programs under TARP during this past fiscal year is certainly worth reading. For ARRA, certainly anything related to total outlays and the output and outcomes created as a result of this legislation. This last one is particularly interesting as one of the premises of ARRA was to save and create jobs. With unemployment virtually unchanged at levels well above 9%, it is difficult for the citizenry to determine if ARRA has been able to live to the expectations for which it was created. Some may argue the positives effects are yet to come. Therefore careful reading of these topics in the Government Wide financial statements is necessary so that the readers can discern for themselves.

The passage of the above legislation and resulting programs were controversial due to increased levels of debt and the financial well being of our nation. As the government increases its stake in many sectors of our economy for the reasons already mentioned, there has been a general concern about our financial strength and our global position. For instance, many countries, most notably China, parked a substantial portion of its excess cash from its economies in US Treasuries as investments. The reason for this has been, to this point, the strength of the US Dollar. Foreign invest in US Treasuries has significantly impacted the fiscal economy of the United States, from the amount of cash circulating in our economy to the interest rates set by the Federal Reserve. Therefore, any perceived negative consequences due to excessive debt levels, or any others factors could determine the way other countries invest in our economy. For example, we can look at the recent economic crisis in Greece – although we are a long way from this situation – and in our own back yard the current economic crises currently being experienced by some of our state and local governments. As the title to this section suggests; others are watching. You should be watching too!

### **Some Final Thoughts**

The challenges presented to the government accountants are to provide relevant, informative, and educational information in the financial statements. One of the principal initiatives of the government financial statements should be to get more people interested in reading these reports. The ability to read and understand financial statements should not reside on a few groups with the technical skills. These documents should be in plain English and for the people to read. The challenges for auditors are to perform high quality audits by asking the right questions and ensuring the audit process is performed so that it enhances the financial audit and reporting process. The challenges for the readers and other interested parties are to realize the importance of these numbers and to seek understanding, and with a questioning mind, make informed assessments concerning our nation's finances and the long lasting implications of the decisions we make. The readers should have the last word and if they read and seek understanding, they could effect change down the road. This should be a common interest for all parties. As with many other things in life, we need to work together to get this important task done.

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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 on the AGA national website [www.agacgfm.org](http://www.agacgfm.org) or contact **Jessica Jones** at [JJones@agacgfm.org](mailto:JJones@agacgfm.org).

## Mentorship

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**Thank you to everyone who participated  
in our first mentoring training workshop on October 8th!!**

The interactive mentoring training was very successful and our participants received hands-on techniques and tips for developing better mentoring relationships.

### Change is Coming...

Based on lessons learned from our October 8, 2010 mentoring training, the AGA DC Mentorship Program will begin implementing several new processes to help improve Mentor/Mentee relationships. Keep an eye out as we continue to transform the Mentorship Program.



### Attention All Mentors!! We need to hear from you.....

The AGA DC Mentorship Program is currently working to develop a mentorship database to include all mentor pairings. The Mentorship Database will serve as a key reference tool for all mentees in their quest to be paired with one or more of our great mentors. The database will allow mentees to option view the resumes of all mentors, and then request a mentor pairing. The overall goal of developing the mentorship database is to aid in improved mentorship pairings.



If you are a Mentor within the AGA DC Mentorship Program and have not submitted your resume or bio, the Resume/Bio Police will be contacting you! To avoid this from happening, please send your current resume or bio to [pendergrast\\_kesha@pendergrastconsulting.com](mailto:pendergrast_kesha@pendergrastconsulting.com) as soon as possible. If you prefer to submit general background information for more privacy, please let us know and we will provide you with a short evaluation to complete and send back.

***Thanks to all the mentors who have submitted your resume or bio!***

## Mentorship (cont'd)

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### Save The Date...

**STAY TUNED** for more details about our next mentoring event...**SPEED MENTORING**, slated for January 2011. If you have any questions or suggestions, please reach out to Sharnell Montgomery at [Sharnell.Montgomery@qt.com](mailto:Sharnell.Montgomery@qt.com)

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### AGA Tri-Chapter Early Careers Mentoring Happy Hour

**Date:** November 4, 2010

**Location:** Elephant and Castle, 1201 Penn Ave NW, near Metro Center station

**Time:** 6PM to 8PM

*Please come out and support this event!!*

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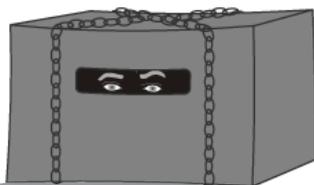
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# Oversight<sup>TM</sup> Systems

# Inside the Black Box

by Simcha Kuritzky, CGFM CPA



## Refunding Prior-Year Reimbursable Advances

### Background

The Standard General Ledger (SGL) has implemented new guidance for the recording of refunds of 4222 Unfilled Customer Orders with Advance based on an August, 2009 update to OMB Circular A-11 Section 130 which requires the return of a cash advance that had been collected in a prior year to be recorded as an outlay (i.e., expenditure). However, the new guidance Treasury has issued needs clarification.

### Current-Year Posting

The postings in the current year are identical in the old and new models. Assuming the agreement and budget were set up previously (i.e., there is a debit balance in 4221 Unfilled Customer Orders without Advance and a credit balance in 4610 Allotments - Realized Resources), the collection of the advance is recorded as follows:

#### **C184 Record in the performing agency an advance received**

Debit	1010	Fund Balance with Treasury
	4222	Unfilled Customer Orders with Advance
Credit	2310	Liability for Advances and Prepayments
	4221	Unfilled Customer Orders without Advance

When the Fund Symbol expires (at the end of the current year for a single-year TAFS), the agency holding the advance is supposed to return any amount not supported by obligations (i.e., any amount still in 4610 and not in 4801 Undelivered Orders - Obligations, Unpaid). These are returned with the following pre-closing entry:

#### **F110 Record in the performing agency an advance returned**

Debit	2310	Liability for Advances and Prepayments
	4610	Allotments - Realized Resources
Credit	1010	Fund Balance with Treasury
	4222	Unfilled Customer Orders with Advance

This could also be done in two steps: first reduce the advance by posting the opposite of C184 above, then drop the funding authority by reducing the agreement (debit 4610 credit 4221, which is entry F109). After these entries are recorded, any balance in 4222 must be offset by a balance in 4801 (or possibly 4802).

### Old Model

The collection and refund of advances were recorded symmetrically in FY10 and prior. After the fund expired, if the supporting obligation was reduced or canceled, the advance had to be returned and the agreement reduced using essentially the same posting as F110:

#### **A712 Record in the performing agency an advance returned**

Debit	2310	Liability for Advances and Prepayments
	4210	Anticipated Reimbursements and Other Income
Credit	1010	Fund Balance with Treasury
	4222	Unfilled Customer Orders with Advance

## Inside the Black Box (Cont'd)

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The posting to 4210 is transferred to reduce available authority either by reversing entry A702 (which established the estimated authority in the first place) or posting F112 (which closes out estimated authority at the end of the year), possibly in conjunction with A122. The main point here is that all these entries use account 4222 to represent the advance, whether it is being collected, returned in the same year as it was collected, or returned in a future year.

Entry A712 also listed 4871 Downward Adjustments of Prior-Year Unpaid Undelivered Orders - Obligations, Recoveries as a potential debit account instead of 4210. This is unlikely, as the obligation would undoubtedly have a different vendor/trading partner than the advance, and the deobligation would naturally use entry D120 instead. Showing 4871 as a valid option as a debit account in A712 implies that the available authority accounts credited in D120 (4450, 4620, and 4650) are valid debit accounts in A712, which would make this entry almost identical to F110.

### New Model

The SGL Board changed entry A712 above for returns of prior-year collections to show an expenditure as follows:

#### **A712 Record in the performing agency an advance returned**

Debit	2310	Liability for Advances and Prepayments
	4610	Allotments - Realized Resources
Credit	1010	Fund Balance with Treasury
	4902	Delivered Orders - Obligations, Paid

However, this causes an imbalance because the agency is returning an advance which sits in account 4222 (and hence is not earned) by recording an expenditure against earned authority. To solve this problem, the SGL Board created this new entry and SGL account:

#### **B610 Record in the performing agency an advance returned**

Debit	4253	Prior-Year Unfilled Customer Orders with Advance - Refunds Paid
Credit	4222	Unfilled Customer Orders with Advance

The new account 4253 is reported on the SF133 and Statement of Budgetary Resources wherever 4222 is, so entry B610 has no direct impact on the financial statements. It does allow the agency to reduce 4222 by posting to 4902, since both 4902 and 4253 close to 4201 Total Actual Resources – Collected at the end of the year (using entries F302 and F314). It may be easier to think of the new model as the same as the F110 entry above plus an extra debit 4253 credit 4902 which offset each other. The 4253 account serves to “earn” the advance, but only to support the 4902 expenditure. Agencies will have to determine whether it is better to update their budgets’ earned and expenditure amounts in their financial system for these journal entries, or interpret 4253 as an expenditure offset account and only record the accompanying reduction in the agreement.

The new entry A712 also lists 4450 and 4620 as valid available funding accounts to be debited instead of 4610. This entry should also include 4650 Allotments - Expired Authority since an expired fund could hold an advance if it was supported by obligations.

## Inside the Black Box (Cont'd)

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Entry A712 still shows 4871 as a valid debit account. In addition to the multiple trading partners issue this causes that were discussed under the old model, there is the problem that, since the same entry posts a credit to 4902, there isn't a downward adjustment at all—the obligation is simply being expended. Either A712 should show 4801 as a debit account instead of 4871 (allowing a payment to one agency or client to offset a deobligation to another agency or vendor) or show 4982 Upward Adjustments of Prior-Year Delivered Orders - Obligations, Paid as the credit account instead of 4902 to reflect both the downward adjustment to the original order and the upward adjustment caused by the unobligated expenditure to the agency's client.

### Conclusion

While entry A712 tells the user to also post B610, entry B610 does not mention A712. Since B610 is always posted when A712 is (they are both only for refunds of prior-year collections), it probably would have made more sense to add the B610 postings to A712. If someone searches the Transaction Listing for account 4253, they will only find B610 and have no clue how this is supposed to be reported as an expenditure.

Entry B610 also has the comment "USSGL account 4222 must be zero on the pre-closing trial balance when the TAFS is expiring." This comment directly contradicts the statement in entry F110 that an agency only has to "return [the] advance in excess of obligations." Furthermore, the example Treasury has given in their brand-new Refunds of Prior-Year Spending Authority From Offsetting Collections Refunded in the Current Year From Expired TAFS As Obligations and Outlays clearly shows account 4222 having a balance in the second year of a one-year appropriated fund. Another issue is that the OMB requirement concerns returns of a prior-year collection regardless of whether or not the fund expires. In fact, to find the proper use of account 4253, one has to look at Treasury's document Refunds of Prior-Year Advances Refunded in the Current Year From Unexpired TAFS As Obligations and Outlays (both documents can be found at [http://fms.treas.gov/ussgl/approved\\_scenarios/index.html](http://fms.treas.gov/ussgl/approved_scenarios/index.html)), which states "the assumption can be made that USSGL account 4253 is most commonly recorded in an 'unexpired' and/or 'unexpiring' year."

### Conclusion

Agencies that have reimbursable funding need to ensure their posting model supports the new expenditure posting for returns of prior-year advances. This support can involve several steps, and each agency should ensure that their procedures include all necessary steps to update both their journals and their agreements and budgets appropriately. They must also decide how these postings will affect budgetary resources, spending, and funds available in their financial system. Agencies should also realize that Transaction entry B610 can be posted against expired or unexpired funds; hopefully Treasury will update their comment in the near future.

*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.

# Snapshots

MENTORSHIP HAPPY HOUR



## Membership Committee Contest

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The DC Chapter is offering a \$50 Visa Gift Card to the first 10 members who recruit a new member and come with the new member to a chapter luncheon during the first year of membership. The new member will also receive the \$50 gift card plus will get the first luncheon free.

You are to be commended for your sponsorship of new members and we have made tremendous progress this year in welcoming new members to the DC AGA chapter. In order to keep the momentum going with attracting new members, your local AGA membership committee is launching this new

member incentive program as part of the "What Drives You" Member-Get-A-Member Campaign.

***Please take advantage of this opportunity. We look forward to seeing you at a luncheon soon!***

Please direct your questions regarding this special program to Eileen Parlow at [ParlowE@fasab.gov](mailto:ParlowE@fasab.gov).

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# NOVEMBER 2010

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18 Build-A-Bear (Community Service) Bowling Party (Early Careers)	19	20
21	22	23	24	25	26	27
28	29	30				

NOTES:

# DECEMBER 2010

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			1	2	3	4
5	6 Toys-for-Tots (Community Service) Washington DC	7	8 Holiday Party (Early Careers)  December Luncheon Clyde's of Gallery Place 11:30am - 1:30pm 1.0 CPE	9	10	11
12	13	14 AGA CEC Conference Call: 12-1pm	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

**NOTES:**

# JANUARY 2011

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	
						1	
2	3	4	5	6	7	8	
9	10 Event Title: Make-a-Wish Foundation (Community Service) Location: Washington DC	11	12	13	14	15	
16	17	18	19 Event Title: January Luncheon Location & Time: Clyde's of Gallery Place; 11:30am -1:30pm Speaker: TBD CPE: 1.0	20 Event Title: Speed Mentoring HH (Mentorship Program) Location & Time: Washington, DC (Metro accessible); 6-9pm Note: Exact location TBD	21	22 Event Title: Ski Trip Tri-Chapter (Early Careers) Location & Time: Ski Liberty; TBD	
23	24	25	26	27	28	29	
30	31	<b>NOTES:</b>					

# Calendar of Events - 2010/2011 Program Year

Month	Luncheons	Community Service	Education	Mentorship	Early Careers	Membership/ Liason Committee	Awards	CEC Meetings
November		18	17		18			
		<b>Build-a-Bear</b> Location: Washington DC	<b>Audio Conference</b> Topic: Achieving Transparency - The Next Step to Integrating Your Data		<b>Bowling Party</b> Location & Time: Lucky Strike, Washington DC; TBD			
December	8	6	8		8			14
	<b>December Luncheon</b> Location & Time: Clyde's of Gallery Place; 11:30am -1:30pm Speaker: TBD CPE: 1.0	<b>Toys-for-Tots</b> Location: Washington DC	<b>Audio Conference</b> Topic: Risk Assessments and SAS Updates		<b>Holiday Party</b> Location & Time: TBD			Teleconference #: 888-283-7402 Access code: 2809637 12:00 - 1:00 PM
January	19	10	19		22			14
	<b>January Luncheon</b> Location & Time: Clyde's of Gallery Place; 11:30am -1:30pm Speaker: TBD CPE: 1.0	<b>Make-a-Wish Foundation</b> Location: Washington DC	<b>Audio Conference</b> Topic: Are We Winning the Improper Payments Battle?	<b>Speed Mentoring Happy Hour</b> Location & Time: Washington, DC (Metro Accessible); 6pm - 9pm Note: Exact Location TBD	<b>Ski Trip Tri-Chapter</b> Location & Time: Ski Liberty; TBD			Teleconference #: 1-800-767-1750 Access code: 2809637 12:00 - 1:00 PM
February	23	21			23			14
	<b>February Luncheon</b> Location & Time: Clyde's of Gallery Place; 11:30am -1:30pm Speaker: TBD CPE: 1.0	<b>Tax Assistance</b> Location: TBD			<b>Fondue Party</b> Location & Time: Melting Pot; TBD <b>ALTERNATE DATE: February 24</b>			Teleconference #: 888-283-7402 Access code: 2809637 12:00 - 1:00 PM
March	16	17	2 / 23		8			14
	<b>March Luncheon</b> Location & Time: Clyde's of Gallery Place; 11:30am -1:30pm Speaker: TBD CPE: 1.0	<b>Job Fair</b> Location: UMBC	<b>Audio Conference</b> Topic: Auditing Tools ***** Improving Performance Reporting		<b>St Patty's Day Happy Hour</b> Location: TBD			Teleconference #: 888-283-7402 Access code: 2809637 12:00 - 1:00 PM
April	20	16	20		21			14
	<b>April Luncheon</b> Location & Time: Clyde's of Gallery Place; 11:30am -1:30pm Speaker: TBD CPE: 1.0	<b>Habitat for Humanity</b> Location: TBD	<b>Audio Conference</b> Topic: Fraud		<b>Beer Lab</b> Location & Time: Gordon Biersch; TBD			Teleconference #: 888-283-7402 Access code: 2809637 12:00 - 1:00 PM
May	18	19			5			14
	<b>May Luncheon</b> Location & Time: Clyde's of Gallery Place; 11:30am -1:30pm Speaker: TBD CPE: 1.0	<b>Cell Phone Collection</b> Location: TBD <b>**Collection during Happy Hour**</b>			<b>Cinco de Mayo Fiesta</b> Location & Time: Austin Grill; TBD			Teleconference #: 888-283-7402 Access code: 2809637 12:00 - 1:00 PM
June		9	8					14
		<b>Lyons Club Eye Glass Collection</b> Location: TBD	<b>Audio Conference</b> Topic: Internal Controls					Teleconference #: 888-283-7402 Access code: 2809637 12:00 - 1:00 PM

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