

# The Washington Connection

ASSOCIATION OF GOVERNMENT ACCOUNTANTS  
WASHINGTON D.C. CHAPTER



Issue 1 • Sept 2010

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## LUNCHEON SERIES

*\$10 Early Sign-up Special  
for Federal Employees for  
September Luncheon*



Read Bio

### Danny Werfel

**Controller of the Office  
of Federal Financial Management**  
"A New Path Forward"

**Thursday, September 23, 2010**

At the Clydes of Gallery Place  
11:30 AM to 1:30 PM

## Announcements

**IT'S HERE!**

**Time for the AGA DC Mentor Program Quarterly Happy Hour!**

- **When:** Tuesday, September 14, 2010
- **Where:** District Chophouse  
509 7th Street, NW (Metro Stop: Gallery Place)  
Ask Hostess to direct you to the Vault.
- **Time:** 6pm – 9pm
- **Why:** Come out and take advantage of this great networking opportunity, hear all about the exciting activities we have planned for this fiscal year, eat, drink & be merry with fellow mentors and mentees!

## Save The Date

**One-Day Training for Mentors & Mentees!**

**Friday, October 8, 2010**

You spoke and we listened! This one-day training will be focused on providing both mentors and mentees with tools on how to be effective in their roles; helping to establish mutual expectations; and how to build lasting mentor relationships. Stay tuned for additional details.

We are always in search of great mentors. If you are interested in serving as a mentor or have questions about the AGA DC Mentor Program, please contact **Kesha Pendergrast** at 202-351-8636 or [Pendergrast\\_kesha@pendergrastconsulting.com](mailto:Pendergrast_kesha@pendergrastconsulting.com).

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

*"The best executive is the one who has the sense enough to pick good men to do what wants done, and self-restraint to keep from meddling with them while they do it."*

*-Theodore Roosevelt*

Photography by Christian & Barbara Escobar  
Contact

## Note From the Editor



**by Jorge Asef-Sargent,  
Editor**

I hope everyone had an enjoyable summer and had an opportunity to re-charge and get ready for the year-end activities. Our newsletter team is truly

looking forward to bringing you the Washington Connection for another year. Some of the highlights of this issue are as follows:

First, we would like to welcome Doug Glenn, the new president of the AGA Washington DC Chapter. In the President's Message, Doug outlines Federal industry key achievements in financial reporting and the challenges ahead.

Also, we wanted to extend our thanks to Leon Fleischer for his great contributions to the Washington Connection newsletter for the past three years. Leon has joined the CGFM Committee this year and you can learn about CGFM news and upcoming events in the CGFM Spotlight! Section of this newsletter. Thank you Leon!

We are excited to introduce a new committee this year: The Accountability Outreach Committee (AOC). The AOC's mission is to promote AGA performance and accountability reporting programs to chapter members, public financial practitioners and the local community. So, learn more about the AOC in the Accountability Outreach Committee section of this newsletter.

In this month's edition of Inside the Black Box, Simcha Kuritzky brings us an insightful article on the upcoming changes the new Standard General Ledger format and the AGA / DC Awards Committee needs your help in identifying outstanding individuals in the federal, state, and local government arenas for the National Leadership Awards. Each year, AGA recognizes professionals of Visionary Leadership, Innovative Management, and Educational Commitment to our profession and AGA. For more details refer to the Awards section of this newsletter.

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.

## Note From The Editor (cont'd)

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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,

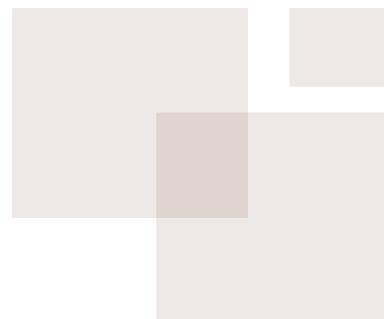
*Jorge Asef-Sargent*

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

### *Newsletter Team*

*Jorge Asef-Sargent, Editor*

*Erwin Solbach, Graphics*



# President's Message



by Doug Glenn

Fellow Members of AGA's Washington Chapter,

As I write this letter to you, I find myself humbled when I think about those who have held this position before me such as dedicated professionals like Kim Farington, Ann Davis, Scott Bell, and our current AGA National President, Lisa Casias. All have held the position of AGA DC Chapter President and volunteered their time to serve OUR industry. To follow in their footsteps is a privilege that I will not waste. I welcome the opportunity to contribute to the betterment of our industry, as they have, and look forward to the challenge.

As I look back on my 18 years as a civil servant and Federal contractor, I can't help but marvel at the progress we've made. I honestly remember (a long time ago) seeing a trial balance of a Federal entity out of balance. And I was their auditor! If you look at the trend of clean opinions and material weaknesses over time, there is no denying we have made great progress pursuing Federal financial integrity. For example, in FY 1996, it took six months to compile financial statements and only nine agencies received clean opinions. Today, it takes 45 days and 20 (out of 24) CFO Act agencies receive clean opinions. I call that tangible achievement that YOUR industry made happen.

However, our industry is now confronting two critical challenges that are described below. As a result, we are now having to answer questions like "Why do we cost so much?", "Does anyone read your agency's PAR?" and "Isn't there a better way to do your job?" Obviously, this is not a good position for us to be in.

First, we have failed to adequately promote the value we provide. Admittedly, it is hard to establish a value for the fraud, waste, and abuse prevented because of the internal controls we support. However, if it weren't for the internal controls you support every day, I believe the amount of fraud, waste, and abuse in Federal programs would be significantly higher. Estimates of what it takes the government to produce audited financial statements are just under \$10 billion. I am HIGHLY confident that we have prevented more fraud, waste, and abuse than that. In fact, if the internal controls we support everyday prevented fraud, waste, and abuse by 1/3 of 1% of the annual budget; we are more than paid for. Just imagine the fraud, waste, and abuse if we weren't reconciling, reviewing, comparing, approving, and reporting Federal financial activity. In my opinion, the fraud, waste, and abuse would EASILY exceed 1/3 of 1% in such a situation. Therefore, we are a powerful and successful investment to American taxpayers. The problem however, is that nobody knows this but us. Nobody is standing up and getting the word beyond the beltway and across America enough for the average citizen to appreciate what we do. Therefore, please consider mentioning this fact the next time somebody asks you what you do for a living or when you find yourself talking about your profession or the next time you hear that Federal financials statements are a waste.

# President's Message (cont'd)

Second, we have failed to provide useful information. In the early stages of my career, I “grew up” believing that an accountant’s job was to provide timely, useful information. OK, we have achieved the timely part. Who can argue that producing audited financial statements in 45 days for multi-billion dollar organizations isn’t an accomplishment to be proud of? That is just as good as the private sector and everyone seems to think the private sector is a model for efficiency. The question remains however, are our financial statements useful? Who’s reading them? I must confess, I don’t remember any of my friends asking me; “Hey Doug, where can I get a copy of your agency’s financial statements?” Agency program people (our primary customers by the way) don’t even read our statements. I understand the value of financial statements are the internal controls necessary to produce financial statements but isn’t there a way to produce useful reports for our program people and the public? The folks at my previous agency, GSA, were working with a new financial statement that I thought was interesting. They called it the Cost-Benefit Statement. It showed GSA expenses by program like the Statement of Net Costs (SNC) does and it also included the benefits that GSA programs provided. That way, the reader could see what taxpayers were spending on a program and what they were getting for it. In other words, it reported the cost and value of a program and allowed readers to make a preliminary cost/benefit analyses. Hmmmmm, reporting the value of a program; what a wonderful idea!

If we want to avoid questions like “Why do we cost so much?”, “Does anyone read your PAR?” and “Isn’t there a better way to do your job?”, then we need to find something(s) to report that our agency program folks and our fellow citizens will find useful. I don’t have all of the answers but with over 1,700 people in the AGA DC Chapter, all with a vested interest in the answers, I don’t have to since we are facing these challenges together.

Therefore, I am challenging YOU, fellow AGA DC Chapter members, to do two things:

1. Tell anyone who will listen, especially people outside the beltway that if we prevent fraud, waste, and abuse by more than 1/3 of 1% of the annual budget, then we have SAVED the American taxpayers money; and
2. Think about what information folks would find useful. Think about contacting your agency’s program people and ask them; “What do you think we could produce that you’d like to see?” or “Can we improve on any of the reports you’re getting from us now?” Pose the same questions to your friends and relatives. Admittedly, most non-financial citizens don’t know what they’d like, so I highly encourage you to see what you can come up with on your own. If you can’t come up with something, try compiling a Cost-Benefit statement for your agency and highlighting the value of your agency’s programs. You shouldn’t have too much trouble with program people when you ask them “What great things are you accomplishing?”

# President's Message (cont'd)

I fear we run the risk of becoming irrelevant if we don't rise to these challenges and it will take ALL of us if we're going to change how we are perceived. If you think your career will remain in the Federal Financial Industry, I highly encourage you to get involved with AGA, spread the word outside of the beltway about ALL of the GREAT things our industry is doing, and think up even better ways to report useful information. I look forward to the year ahead and working with you to meet these and other challenges confronting us.

Sincerely,

*Doug Glenn*

Doug Glenn, CPA  
President  
Washington DC Chapter

## Request for Newsletter Submissions, Comments, or Suggestions

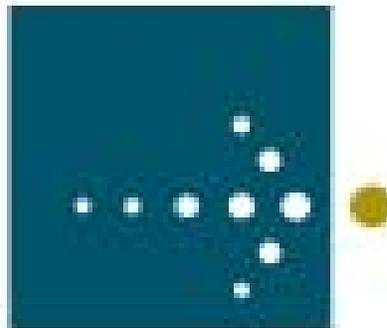
Do you have any comments or suggestions regarding the newsletter? Do you have an article you would like to see in print? Have you traveled to any interesting locations? The Washington Connection requests that you submit any and all items of interest to our federal, state, and local member including: 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 **October 2010** issue is **September 19, 2010**. Please send your comments and contributions to **Jorge Asef-Sargent**, the newsletter editor for the 2009-2010 program year, at [jasef-sargent@kpmg.com](mailto:jasef-sargent@kpmg.com).



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## Early Careers Corner

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Welcome to the first edition of the Early Careers Corner! Are you an Early Career Professional (ECP)? ECP is an AGA member (or non-member) with less than 5 years of experience in Government Financial Management. ECP members work in Federal, State, or Local Governments, in private industry, or educational institutes. With the support of AGA DC, it is our goal that ECP members acquire the necessary tools to promote long-term career growth in Government Financial Management.

With that said bring your fellow ECP co-workers and join us for an end of summer BBQ at **Haines Point** on **September 18** from **12:00-3:00 pm**. Food and drinks will be provided! This will be a Tri-Early Careers event with DC, NOVA, and Montgomery/PG chapters. There will be signs stating 'Early Careers' for the BBQ to designate where the group will be.

### Directions to Haines Point:

- Take I-395 South
- Take Exit 2 towards Potomac Park
- Turn Right onto Ohio Drive, SW
- Turn Right on Buckeye Drive, SW

**Destination: 1090 Ohio Drive, SW (parking lot with picnic tables/grills)**

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Not able to attend the BBQ? No worries, we have many more fun events planned to kick-off the 2010-2011 programming year.

### Here is a preview of DC Early Careers' upcoming events:

- October 7 – Oktoberfest at Café Mozart
- November 18 – Bowling at Lucky Strike
- December 8 – Holiday Party (Location TBD)

We hope to see you at an event soon! Questions or comments can be directed to co-director **Stephen Wills** at [sgwillsusa@yahoo.com](mailto:sgwillsusa@yahoo.com) or **Lena Lewis** at [Lena.Lewis@dhs.gov](mailto:Lena.Lewis@dhs.gov)



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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>

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# CGFM News and Upcoming Events

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Karl Payne

by Karl Payne

## Welcome to a New Year of CGFM Opportunities and News



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).

### Planned Highlights:

- **CGFM Training:** The DC Chapter will again be hosting free training for all three modules of the CGFM Exam. There will be two separate sessions, one in December and one in March. These have proven to be very popular classes. Last year both sessions were filled to capacity with a total 70 students completing the training.
- **Study Groups:** We have plans for a study group to be held in the Spring. This will be the first year that we offer this, and we will be soliciting comments from the Chapter membership to ensure this group best meets your need.
- And, as always, we will continue to highlight the achievements of our CGFM members at Chapter events and trainings. Please look for further information during the year on these exciting opportunities.

## CGFM Study Groups at NOVAGA

The NOVAGA Chapter plans to run CGFM Study Guide classes on the dates listed below to take place in Crystal City, VA on the evenings listed from 6:00 pm to 9:00 pm. These classes are also open to members from other Chapters. Each class will be sponsored by a CGFM instructor from the NOVAGA Chapter. The cost, including books, for all 3 parts is \$150 for members and \$255 for non-members of AGA (go to [www.agacgfm.org](http://www.agacgfm.org) to become a member). If you already have books you will need the 2008 Study Guide New Version, but there is still a charge for the program. To register please contact Mie Miller at [miller.mie@gmail.com](mailto:miller.mie@gmail.com). Please provide me with your contact information. Once register please send a check made out to NOVAGA and send to me at 13929 Marblestone Drive, Clifton, VA 20124.

- **Part I:** Tuesday September 14th and 28th, (possibly October 5th if needed).
- **Part II:** Wednesdays October 6, 13, 20, 27, November 3, 10, 17
- **Part III:** Wednesday, January 12, 19, 26 and (possibly February 2nd if needed).

## CGFM News and Upcoming Events (cont'd)

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### DC Chapter Awarded the 2010 Chapter CGFM Award

Each year, AGA presents crystal awards to recognize AGA chapters that have done an outstanding job in promoting the CGFM program to its members, other accountability professionals and their community.

Receipt of the award reflects that a chapter is willing to and had dedicated significant time and resources to further the recognition and integrity of the CGFM Program. AGA presents one award per chapter membership group. The DC Chapter was awarded for Group A (large Chapters). Boris Lyubovitsky, Last Year's Committee Chair received the Chapter Award from (then) AGA National President Billy Morehead, at a special awards ceremony during the 2010 Professional Development Conference and Exposition (See picture below).



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## Accountability Outreach Committee

Easily communicating how taxpayer dollars are spent to produce results is a difficult task for the government. Public financial reports are packed with numerical notations that only a tenured accountant could understand. Coupled with uneasy economic times, where citizens are losing confidence that their tax dollars are being spent wisely is fostering a perception that the government is not complying with its accountability functions. In an effort to effectively facilitate and promote the communication of financial and performance results, the Association of Government Accountants (AGA) Washington, DC (DC) Chapter is proud to introduce the Accountability Outreach Committee (AOC). AOC's mission is to promote AGA performance and accountability reporting programs to chapter members, public financial practitioners and the local community. The AOC promotes three financial reporting programs: **Certificate of Excellence in Accountability Reporting (CEAR), Certificate of Achievement in Service Efforts and Accomplishments (SEA) and Citizen Centric Reporting Initiative**. These programs help preparers of performance and accountability reports communicate accomplishments in a manner that the average person can understand and as a result advocates the advancement of government accountability.

CEAR reports focus on Federal agencies and components of agencies, while SEA reports are geared toward State and local government performance. Finally, the Citizen Centric Reporting Initiative is for any level of government and non-governmental organization that wishes to clearly communicate financial and performance information to their stakeholders.

### Benefits of these programs include:

- An increase in government accountability and transparency
- Easy to read and understand performance assessments
- A means of improving operations
- An increase of public financial and performance awareness

### The AGA National Executive Committee and AOC established the following goals to promote these programs:

- 1) Raise awareness and benefits of these programs within the DC chapter membership
- 2) Encourage chapter members to implement the relevant program within their organization and actively seek the certification
- 3) Encourage chapter members to participate in the programs as reviewers; and
- 4) Promote public awareness and confidence in the integrity, competency and professionalism of government accountability professionals.

## Accountability Outreach Committee (cont'd)



### Kiki Damjanoska

Kiki is currently a senior consultant at Grant Thornton's Global Public Sector with three years of consulting and public affairs experience. Kiki's background includes experience in risk management, process improvement, activity based costing, cost modeling, budget formulation, and strategic planning. In 2009, Kiki received her Lean Six Sigma Greenbelt certification. She is the AGA DC Chapter Director for AOC and a member of the American Society for Quality. Kiki's contact information is [kiki.damjanoska@gt.com](mailto:kiki.damjanoska@gt.com) and she may be reached at 703-637-2928.

### Eric Ernest

Eric is a Director of Assurance Services at McConnell & Jones LLP. He has more than 19 years of experience in accounting and financial audits for a variety of industries in the private sector as well as state and local governments and not-for-profit organizations. For the past 10 years his area of focus has been financial and compliance audits for employee benefit pension and welfare plans of private and publicly traded companies, federal, state and local government agencies and not-for-profit organizations. He has also performed financial and compliance audits for state and local agencies with an emphasis on institutes of higher education.

Eric is a member of the American Institute of Certified Public Accountants, Association of Government Accountants (AGA), and a Fellow of the Association of Chartered Certified Accountants, UK. He has a Bachelor's Degree in Accounting & Finance from Middlesex University, London and has previously worked in the Assurance divisions of PricewaterhouseCoopers and Deloitte & Touche in the UK. He has also served as a member of the Committee for Double Taxation Treaties for the Cyprus Offshore Enterprises Association. Eric can be reached at [er Ernest@mjlm.com](mailto:er Ernest@mjlm.com) or at 301-452-7177.



## Accountability Outreach Committee (cont'd)

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### Armando Mieles

Armando is an audit senior manager in KPMG's Federal Audit Practice in the Washington, DC office. His 14 years of experience includes 12 years focused on performing Chief Financial Officers (CFO) Act financial statements audits and advisory services to Federal agencies. Armando has provided professional audit services to several Federal agencies in accordance with FASAB, OMB and GAO promulgated standards and regulations. His main area of expertise is Federal Credit Reform Act (FCRA) accounting and auditing. Armando is also a KPMG local office training developer and instructor in the areas of Federal accounting and auditing to include: Accounting and Auditing Credit Reform Programs; Budgetary and Proprietary Accounting; and Financial Reporting. He is also a KPMG National Instructor and has participated in many national trainings teaching audit methodology and Federal industry related topics. Armando is a Certified Public Accountant (CPA)

and a Certified Government Financial Manager (CGFM). He is also an Executive Fellow with the KPMG Government Institute. Armando can be reached at [amieles@kpmg.com](mailto:amieles@kpmg.com) or at 202-533-8004.

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### Wendy Morton-Huddleston

Wendy is currently a Principal at Grant Thornton. She has over fourteen years of professional experience in project management, Federal financial management, business process reengineering, performance management, and strategic planning. She is a Certified Government Financial Manager (CGFM) and Project Management Professional (PMP). Her outstanding leadership and technical abilities have been recognized by receiving numerous recognitions in the Federal and private sectors. Ms. Morton-Huddleston holds a B.S. in Finance, MBA in Management, M.S in Finance, and an Executive Leadership Certificate from Cornell University. Ms. Morton-Huddleston is an active member of the Association of Government Accountants, Project Management Institute, American Institute of Certified Public Accountants, American Society for Quality, and Toastmasters International. Wendy can be contacted by sending an email to [Wendy.Morton-Huddleston@gt.com](mailto:Wendy.Morton-Huddleston@gt.com) or at 703-637-2853.



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# Awards Committee Update

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## THE AGA/DC AWARDS COMMITTEE NEEDS YOUR HELP!

The National Leadership Awards are just around the corner. Each year, AGA recognizes professionals of Visionary Leadership, Innovative Management, and Educational Commitment to our profession and AGA! We need your assistance in identifying outstanding individuals who exemplify the characteristics described below:

### Federal

- **Distinguished Federal Leadership Award** - An elected or presidential-appointed federal official in either the legislative or executive branch who has made outstanding contributions to enhancing government financial management.
- **Elmer Staats Award** - A federal professional who throughout their career served as a role model for others and consistently exhibited the highest personal and professional standards.
- **Andy Barr Award** - A private sector individual who throughout their career served as role model for others and consistently exhibited the highest personal and professional standards.

### State and Local

- **Excellence in Government Leadership Award** - Professionals who exemplifies and promotes excellence in government, outstanding leadership, high ethical standards and innovative management procedures.
- **William R. Snodgrass Distinguished Leadership Award** - Professionals who exemplify and promote excellence in government financial management and who have demonstrated outstanding leadership in enhancing sound financial management legislation, regulations, practices, policies and systems.
- **Distinguished Local Government Leadership Award** - Professionals who exemplify and promote excellence in government financial management and who have demonstrated outstanding leadership in enhancing sound financial management legislation, regulations, practices, policies and systems.
- **Private Sector Financial Excellence Award** - Executives in the private sector who exemplify and promote excellence in state or local government financial management, outstanding leadership, high ethical standards and innovative management techniques.

Please send the names and nomination information of outstanding professionals to **Eleanor Crawford** at [Eleanor.long@EY.com](mailto:Eleanor.long@EY.com) **no later than October 1, 2010**. If you need assistance or have questions, feel free to contact Eleanor at 202-327-5903. For more information on each of these awards and their nomination forms, visit **AGA's National website**: [www.agacgfm.org/membership/awards](http://www.agacgfm.org/membership/awards).

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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).

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## Luncheon Speaker: Danny Werfel



On October 13, 2009, the United States Senate confirmed Danny Werfel as the Controller of the Office of Federal Financial Management (OFFM) within the Office of Management and Budget (OMB). As Controller, he is responsible for coordinating OMB's

efforts to initiate government-wide improvements in all areas of financial management, including financial reporting, improper payments, and real property management. Mr. Werfel is also responsible for coordinating the development of government-wide policy on financial accounting standards, grants management, and financial systems.

Prior to his current position, Mr. Werfel served in multiple capacities within OMB, included Deputy Controller, Chief of the Financial Integrity and Analysis Branch, Budget Examiner in the Education Branch, and Policy Analyst in the Office of Information and Regulatory Affairs. Mr. Werfel also served as a Trial Attorney in the Department of Justice's Civil Rights Division.

Mr. Werfel is a recipient of both national and local awards from the Association of Government Accountants for his contributions to Federal financial management. He was the recipient of the Presidential Rank Award for Meritorious Service in 2008. Mr. Werfel also served as a member of the Federal Accounting Standards Advisory Board from 2006 to 2009.

Mr. Werfel holds a Masters Degree in Public Policy from Duke University, a Juris Doctor from the University of North Carolina at Chapel Hill, and a Bachelors Degree in Industrial and Labor Relations from Cornell University.

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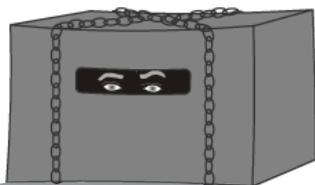


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[AICPA Home Page](#)

# Inside the Black Box

by Simcha Kuritzky, CGFM CPA



## The New SGL Account Format

### Introduction

The Financial Management Service (FMS) of Treasury has announced that their Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) will go live in FY13. This will be the first implementation of the new Common Governmentwide Accounting Classification (CGAC) structure for U.S. Standard General Ledger (USSGL) accounts.

### Current Definition

When the USSGL was first introduced in 1986, it consisted of 4 digits. That format has been retained over the decades, though there was talk of integrating a vendor type or transaction partner code into the USSGL Account code. The first digit indicates the type of account: 1 is for assets, 2 liabilities, 3 net position (sometimes called equity), 4 budgetary, 5 financing sources (revenue), 6 expenses, 7 gains and losses (and extraordinary items), and 8 memorandum. Accounts beginning with 9 (and between 4520 and 4580) are reserved for agency use, and are not reported to Treasury. No accounts use alphabetic characters or begin with zero.

Over the last quarter century, the number of posting accounts has expanded from fewer than 150 to almost 450. This has made many sections of the SGL chart of accounts crowded. In order to allow for continued expansion of the USSGL without a massive renumbering, CGAC called for a six-digit SGL Account Code which will be included in GTAS in 2013. Treasury has not yet defined any six-digit SGL accounts.

### New Definition

The new definition actually uses an eight-character USSGL account: Treasury defines the six-digit Account and the agency can define a two-character Account Extension. Although the account is defined as alphanumeric, Treasury only plans on using numerals for its section. Agencies that want to comply with the new format will need to adjust their account nomenclature as follows:

Old	New	Comments
6100	610000 or 61000000	Even though Treasury has not defined any six-digits codes and an agency may not need to use their two digits, they must zero-fill six digits and should probably zero-fill the full eight digits. The new zeros go at the end because no account may begin with zero.
1021	10100021	Agencies may no longer use their own four-digit code. The first four digits must be the current USSGL Account number, the next two must be zeros until Treasury defines them, and only the last two digits are available for agency use.
1310.12	13100012	No decimal points are allowed in the new structure. The agency may choose to print the account on reports as 131000.12 or 1310-0012 for ease of reading, but they should be stored as eight digits with no punctuation to facilitate interfaces.

## Inside the Black Box (Cont'd)

425A	42510001	Alphabetic characters are prohibited for the first 6 characters. The last two characters can be defined by the agency as alphabetic or numeric.
2120E	2120000E	
acct 4610 sub 33	acct 461000 extension 33 or 46100033	Subaccounts can go into an extension field or be included with the new general ledger account field. As long as the agency can report the six-digit account code to Treasury, it doesn't matter if they use an eight-character code internally or use two codes, one six-digit and one two-character.

### Conclusion

Agencies should plan now for converting their general ledger account structure to the new format, even if the actual conversion is two years away. Agencies looking to upgrade or purchase a new financial system should include the new general ledger account format in their plans. Agencies that have already defined their own general ledger accounts or subaccounts are encouraged to look through the CGAC structure and determine if there is already a field that captures the information currently in their general ledger account. Agencies are free to reformat their reports to combine data from multiple fields.

*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.

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# Oversight<sup>TM</sup> Systems

## Community Service

The Community Services is having it's first activity on September 25th , 12:00- 3:00pm at the Montgomery Mall in Bethesda, Maryland. It is a "Lap-a-Thon." People sign in at the table with the Brain Tumor Foundation signs located in the eatery. You can pay \$1.00 per lap/walk

around the mall. Then return to the table to sign out and receive a certificate for a food discount at a local restaurant. Please contact Stu Eisenman, M.Ed @ [stue50@aol.com](mailto:stue50@aol.com) for more information.

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AGADC

## AGADC Mentor Program



### IT'S HERE!

Time for the AGA DC Mentor Program Quarterly Happy Hour!

When: Tuesday, September 14, 2010

Where: District Chophouse

509 7<sup>th</sup> Street, NW (Metro Stop: Gallery Place) Ask Hostess to direct you to the Vault.

Time: 6pm – 9pm

Why: Come out and take advantage of this great networking opportunity, hear all about the exciting activities we have planned for this fiscal year, eat, drink & be merry with fellow mentors and mentees!



SAVE THE DATE.... (Friday, October 8, 2010)

One-Day Training for Mentors & Mentees!

You spoke and we listened! This one-day training will be focused on providing both mentors and mentees with tools on how to be effective in their roles; helping to establish mutual expectations; and how to build lasting mentor relationships. Stay tuned for additional details.

We are always in search of great mentors. If you are interested in serving as a mentor or have questions about the AGA DC Mentor Program, please contact Kesha Pendergrast at 202-351-8636 or

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

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Financial Management and IT Advisors 

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# SEPTEMBER 2010

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			1	2	3	4
5	6 <b>Labor Day</b>	7	8	9	10	11
12	13	14 <b>Happy Hour</b> <small>(Mentorship Program)</small> <b>AGA CEC</b>	15	16	17	18 <b>Kickoff</b> <b>Tri-Chapter</b> <b>BBQ</b> <small>(Early Careers)</small>
19	20	21	22	23 <b>September Luncheon</b>	24	25 <b>Lap-A-Thon</b> <small>(Community Service)</small>
26	27	28	29	30		

**NOTES:**

# OCTOBER 2010

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					1	2
3	4	5	6	7 Oktoberfest (Early Careers)	8 Effective Mentor/Mentee Training (Mentorship Program)	9
10	11	12	13	14 AGA CEC	15	16
17	18	19	20	21	22	23
24	25	26	27 Oktober Luncheon	28 Lecture (Community Service)	29	30
31		<b>NOTES:</b>				

# 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:**

# Calendar of Events - 2010/2011 Program Year

Month	Luncheons	Community Service	Education	Mentorship	Early Careers	Membership/ Liason Committee	Awards	CEC Meetings
September	23	25		14	18			14
	<b>September Luncheon</b> <i>Location &amp; Time:</i> Clyde's of Gallery Place; 11:30am -1:30pm <i>Speaker:</i> Danny Werfil, OMB CPE: 1.0	<b>Lap-a-thon</b> <i>Location &amp; Time:</i> Montgomery Mall (Meet in the Eatery) from 1pm - 3pm		<b>Happy Hour</b> <i>Location &amp; Time:</i> District Chophouse - 509 7th Street, NW WDC; 6pm - 9pm	<b>Kickoff Tri-Chapter BBQ</b> <i>Location &amp; Time:</i> Haines Point, Washington DC from 12pm-3pm			Teleconference #: 888-283-7402 Access code: 2809637 12:00 - 1:00 PM
October	27	28		8	7			14
	<b>October Luncheon</b> <i>Location &amp; Time:</i> Clyde's of Gallery Place; 11:30am -1:30pm <i>Speaker:</i> TBD CPE: 1.0	<b>Lecture</b> <i>Location:</i> UMBC		<b>Effective Mentor/ Mentee Training</b> <i>Location &amp; Time:</i> Veterans Affairs 811 Vermont Avenue, NW WDC Rm. C7; 8:30am - 4pm <i>Speaker:</i> CI International	<b>Oktoberfest</b> <i>Location &amp; Time:</i> Café Mozart; TBD			Teleconference #: 888-283-7402 Access code: 2809637 12:00 - 1:00 PM
November		18			18			
		<b>Build-a-Bear</b> <i>Location:</i> Washington DC			<b>Bowling Party</b> <i>Location &amp; Time:</i> Lucky Strike, Washington DC; TBD			
December	8	6			8			14
	<b>December Luncheon</b> <i>Location &amp; Time:</i> Clyde's of Gallery Place; 11:30am -1:30pm <i>Speaker:</i> TBD CPE: 1.0	<b>Toys-for-Tots</b> <i>Location:</i> Washington DC			<b>Holiday Party</b> <i>Location &amp; Time:</i> TBD			Teleconference #: 888-283-7402 Access code: 2809637 12:00 - 1:00 PM
January	19	10			22			14
	<b>January Luncheon</b> <i>Location &amp; Time:</i> Clyde's of Gallery Place; 11:30am -1:30pm <i>Speaker:</i> TBD CPE: 1.0	<b>Make-a-Wish Foundation</b> <i>Location:</i> Washington DC			<b>Ski Trip Tri-Chapter</b> <i>Location &amp; Time:</i> 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> <i>Location &amp; Time:</i> Clyde's of Gallery Place; 11:30am -1:30pm <i>Speaker:</i> TBD CPE: 1.0	<b>Tax Assistance</b> <i>Location:</i> TBD			<b>Fondue Party</b> <i>Location &amp; Time:</i> Melting Pot; TBD <b>ALTERNATE DATE:</b> <b>February 24</b>			Teleconference #: 888-283-7402 Access code: 2809637 12:00 - 1:00 PM

# Calendar of Events - 2010/2011 Program Year (cont'd)

Month	Luncheons	Community Service	Education	Mentorship	Early Careers	Membership/ Liason Committee	Awards	CEC Meetings
March	16	17			8			14
	<b>March Luncheon</b> <i>Location &amp; Time:</i> Clyde's of Gallery Place; 11:30am - 1:30pm <i>Speaker:</i> TBD CPE: 1.0	<b>Job Fair</b> <i>Location:</i> UMBC			<b>St Patty's Day Happy Hour</b> <i>Location:</i> TBD			Teleconference #: 888-283-7402 Access code: 2809637 12:00 - 1:00 PM
April	20	16			21			14
	<b>April Luncheon</b> <i>Location &amp; Time:</i> Clyde's of Gallery Place; 11:30am - 1:30pm <i>Speaker:</i> TBD CPE: 1.0	<b>Habitat for Humanity</b> <i>Location:</i> TBD			<b>Beer Lab</b> <i>Location &amp; Time:</i> Gordon Biersch; TBD			Teleconference #: 888-283-7402 Access code: 2809637 12:00 - 1:00 PM
May	18	19			5			14
	<b>May Luncheon</b> <i>Location &amp; Time:</i> Clyde's of Gallery Place; 11:30am - 1:30pm <i>Speaker:</i> TBD CPE: 1.0	<b>Cell Phone Collection</b> <i>Location:</i> TBD <b>**Collection during Happy Hour**</b>			<b>Cinco de Mayo Fiesta</b> <i>Location &amp; Time:</i> Austin Grill; TBD			Teleconference #: 888-283-7402 Access code: 2809637 12:00 - 1:00 PM
June		9						14
		<b>Lyons Club Eye Glass Collection</b> <i>Location:</i> TBD						Teleconference #: 888-283-7402 Access code: 2809637 12:00 - 1:00 PM
July								

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