

# Monthly Footnotes

Monthly Publication

Southern Wisconsin Chapter of the Association of Government Accountants (AGA)

September, 2007

Vol. VI, No. 2

## Luncheon Meeting

Welcome all Members and Non- Members

**TOPIC:** E-mail Etiquette

**SPEAKER:** Cindy and Ron Cox, DFAS-Indianapolis Center

**DATE:** Wednesday, September 19, 2007

**REGISTRATION:** 11:30 a.m. **LUNCH:** 11:45 a.m.

**PLACE:** Dayton Street Café (in The Concourse, 1 West Dayton)

**MENU CHOICES:** All meals include soda, coffee, or tea

- \* Famed Salad Bar - variety of salads, toppings, soups, bread, and desserts
- \* Roasted Chicken Breast Sandwich with marinated tomatoes, roasted onions, mixed greens, and basil mayonnaise - served with fries
- \* Dayton Street Burger with cheddar cheese, balsamic onions, lettuce, and tomato on a challah onion bun - served with fries

**RESERVATIONS:** Please call **Sherri Voigt** by **11 a.m. on Friday, September 14, 2007** with your name, menu selection and membership status, (608) 267-9818 or e-mail: [sherri.voigt@wisconsin.gov](mailto:sherri.voigt@wisconsin.gov). If you need help getting a ride to the lunch, please contact Sherri for car-pooling information.

### NEW MEMBERS FIRST LUNCHEON MEETING

If you are a new member and this will be the first luncheon you are attending, please note that when calling in your reservation; your first chapter luncheon meeting is FREE!

### BRING YOUR SUPERVISOR TO LUNCH ON AGA

One of the benefits of belonging to our Chapter is that you can bring you Supervisor to lunch once annually to show your appreciation for his/her support of your participation in AGA. Why not invite them for this months meeting?

**Remember!** Attend any 3 training sessions from September to February and earn a free lunch coupon good at the March, April, or May lunch!

## **ABOUT THE LUNCHEON SPEAKERS**

### **Cynthia L. Cox, Accounts Receivable Project Manager Standards and Compliance, DFAS – Indianapolis Center**

Currently, Cindy Cox is the Accounts Receivable Project Manager for Defense and Accounting Services (DFAS). Prior to her current position, she was the DFAS Leaders in Motion Program Manager where she was responsible for oversight of entry-level recruiting and training programs for all DFAS sites. Prior positions included: Assistant Deputy Director for Defense Agencies – Indianapolis Operations where she oversaw the accounting work of 150 accountants and technicians, Chief of Central Disbursing Accounting; Chief of the Military Pay Accounting Office; and Co-chair of the GAO Accounting Task Force.

Ms. Cox completed a senior executive fellowship in strategic planning from Harvard University in 2001, graduated with honors in 1998 with a master's degree from Ball State University, received her bachelor's degree with honors in 1983 from Indiana University, and is a Certified Government Financial Manager.

Ms. Cox is the Regional Vice President for AGA for the North Central Region and has served as President of the Indianapolis AGA Chapter in the recent past. Cindy spends her spare time with her spouse, children, and 4 grandchildren, and enjoys golfing, scrap booking, and decorating.

### **Ronald L. Cox, Acting Director of Finance Standards and Compliance, DFAS – Indianapolis Center**

Ron Cox currently is the Acting Director of Finance, Standards and Compliance, Defense Finance and Accounting Service (DFAS). His Finance Operations are responsible for paying over 5.9 million service members, DoD civilians, and retirees and annuitants each month. In his regular position, he serves as the Executive to the Deputy Director, Operations.

He began his federal career in 1978 with the Federal Deposit Insurance Corporation in Columbus, OH, moving to the U. S. Army Finance and Accounting Center, Indianapolis, IN 1980. In 1993, he was the Deputy Director for Centralized Disbursing, responsible for disbursing over \$1.2 billion each month to soldiers and their families. In 1997, he was named as Director for Transportation Payments, responsible for \$1.5 billion in payments each year to Army, Air Force, and DoD agencies. He has been a key member involved in several critical Department of Defense projects over his career.

He attended Ball State University in Muncie, Ind. where he earned his Bachelor's of Science Degree in Business Administration and Finance, with honors. He earned his Master's Degree, with honors, in Business Administration and Management at Indiana University.

He is currently the AGA Senior Vice President for Regional Services – Section 1, is a Certified Government Financial Manager, and a member of the American Society of Military Comptrollers. Ron lives in Indianapolis with his wife Cindy, and has 5 children and 4 grandchildren. His hobbies include golf and singing.

## **PRESIDENTS MESSAGE** **Eric Busse**

Can you believe it is September already? School is in session, the fall sport season is here for local schools and colleges, and summer is winding down. However, with these changes happening, we know that we will be able to enjoy the fall colors soon.

As I mentioned, it is September and that starts our program luncheon series for this year. Our September speakers will be Cindy and Ron Cox. Cindy is our AGA Regional Vice President and Ron is our AGA Senior Vice President; both Cindy and Ron share a wealth of knowledge and will present their topic on Email Etiquette. I would like to encourage you to attend as we use this tool everyday in the workplace.

I had talked about what an enjoyable experience it was to attend the PDC in Nashville last June. Well, if had a chance to go to the national website ([www.agacqfm.org](http://www.agacqfm.org)) there is an article that the hotel is now accepting reservations. The room rate will be \$129 per night (plus tax). You may call the hotel at (888) 829-1396 and remember to mention you are attending the "AGA PDC" so you get the discounted rate or you can reserve a room online by going to (<http://www.marriott.com/hotels/travel/atlmq-atlanta-marriott-marquis>).

If you or would like to nominate someone to serve on our chapter board, we welcome others to get involved. Anyone interested in taking a more active role in the chapter should look at the vacancies on the last page of the newsletter. Feel free to contact me or any of the board members for more information or attend a board meeting.

## **New AGA Training Session In Madison October 16-17! Governmental Financial Management and Control**

This Course Is Designed For:

Financial management professionals who are interested in learning more about the government environment, specific to management and control. Participants will learn about the internal and management control process in government organizations, and how this process can aid managers in meeting objectives for reliable financial and performance reporting. They will also learn about efficiency and effectiveness of organization operations, and compliance with laws and regulations.

Course Topics Include:

- The internal and management control process
- Performance measurement and reporting processes in government organizations
- Reasons, basic tools, and techniques for financial and managerial analysis
- Financial and managerial concepts, controls, and techniques

You Will Be Able To:

- Understand the need for and practice of management/internal control
- Consider safety and liquidity in the management of cash and investments involving public resources
- Meet the responsibilities of government managers in providing accountability for the public trust

FORMAT: Lecture, group discussion, and class exercises

LEVEL: Intermediate

FIELD OF STUDY: Auditing (Governmental)

CPE CREDITS : 16

**Hold the dates! October 16-17 at the Inn on the Park**

This class will also assist anyone studying for Part 3 of the Certified Government Financial Manager exam: Governmental Financial Management and Control.

**Training announcement with registration details coming soon**

Class size  
will be  
limited to 30

## From The National Office

### AGA Members Make Mark on GAO as First Participants in Executive Exchange Program

A new executive exchange program that brought a Big Four accounting firm together with a federal oversight agency is reaping benefits, not only for KPMG and the Government Accountability Office (GAO), but for anyone working on federal financial audits.

**Hannah Padilla** and **Derek Thomas**, members of AGA's Washington, D. C. Chapter and KPMG senior managers with CFO Act audit experience, were the first to participate in GAO's exchange program. The program was included in the GAO Human Capital Reform Act of 2004 and allows GAO to bring in private-sector professionals to work on special projects for three months to two years. [Read more.](#)

### Maine City Embraces AGA Initiative to Boost Understanding of Finances

Each year, Saco, Maine, publishes voluminous 100-plus page reports on its finances, including an operating budget, performance measurement report, and comprehensive annual financial report.

But few of the city's 18,000 residents read these statements, and knowledge of Saco's finances is limited despite the rivers of ink devoted to them, said finance director **Lisa Parker**, a member of AGA's Maine Chapter.

"Realistically, the average citizen is not going to read hundreds and hundreds of pages of reports", Parker said.

To make the financial information more accessible, the town helped develop one of the first prototypes of a four-page "[citizen-centric](#)" report that summarizes the information in all three financial reports and directs residents to the town's [website](#), where they can "drill down and learn more about the stuff they're interested in," Parker said. [Read the entire article.](#) — Andrew Ackerman, *The Bond Buyer*.



### School is Back in Session—Let us Promote the New Government Finance Case Challenge

A new school year has just begun and we need your chapter's help to promote AGA's new [Government Finance Case Challenge](#) to colleges and universities across the country.

- Are you still in touch with your alma mater?
- Is your chapter trying to make connections with faculty, staff, and students at a local university?

Use this case challenge as a way to open doors! Plus, if you assist AGA, your chapter is eligible to receive chapter recognition points. How Can Your Chapter Help?

1. Contact your local university and speak with faculty from the accounting, business, or public administration departments. Make a phone pitch, send them an e-mail, or ask if you can post information about the challenge on the department bulletin board, classrooms or on their website.
2. Find chapter volunteers to act as mentors to the student teams that decide to participate in this challenge.

Key Perks to Mention to Potential Student Teams:

- Free to participate

- Eligible to win cash prizes
- May be invited to present their case response to a panel of judges at AGA's National Leadership Conference in Washington, D.C.
- Free one-year membership to AGA
- Networking opportunities with employers
- Resume booster

If you have any questions about the program, contact [Jennifer Curtin](#) at 800.AGA.7211, X340. (Note: If you decide to contact your university, please notify David Mellem of the Southern Wisconsin Chapter so that the chapter can coordinate efforts and avoid duplication. Dave's contact info is near the end of this newsletter.)

### Plan To Retire Soon?

Did you know that AGA has a special class of membership just for you? Yes, as a retired member you can retain *all* of your AGA benefits at just a *fraction* of the cost! Stay connected with your friends in the government financial community as a retiree and help shape the future of the industry by retaining your AGA membership. As a retiree, your years of experience are not only an asset to the Association, but to the field as a whole. For more information, contact our [Customer Satisfaction Center](#) or call toll free at 800.AGA.7211.

### Member News

The AGA National Office extends its congratulations to several Nashville Chapter members who recently earned their CGFM—**Amy Abbott, David Lannom, Cynthia Singleton** and **Elizabeth Wood**. Singleton and Wood were among 24 other individuals from around the country who completed their CGFM Examinations before the PDC in Nashville: **Raul Anaya, Joey Barnard, Kirk Boyer, Colleen Calvin, Angelisa Chadwick, Dianne Copeland, Vijay Deshpande, Tracy Farris, Daniel Felten, James Goss, Jeffrey Hart, William Hughes, H. Sandra Kuban, Robert Lagana, Sharon Marchant, William Riedell, Christy Tennant, Harry Maurice Thompson, Mark Anthony Treece, William Vasquez, Edward Wellmann** and **Milissa Young-Loiselle**. **Bill Raymer**, a member of the New York Capital Chapter, also earned his CGFM. The National Office is proud to recognize these individuals for their hard work.

**Walter J. Kucharski**, a member of AGA's Richmond Chapter, has been named a recipient of the Outstanding CPA in Government Award, given by the American Institute of Certified Public Accountants (AICPA). Kucharski, auditor of public accounts for the Commonwealth of Virginia, helped maintain Moody's AAA rating, which has resulted in millions of dollars of taxpayer savings in interest payments for public spending initiatives. Holding the commonwealth's departments accountable for their financial statements, he has ensured that sound government spending is the norm, and he has contributed to Virginia's consistent ranking as a top state for business, according to the AICPA. Kucharski recently received AGA's William R. Snodgrass Distinguished Leadership Award.

**Georgie Ortiz, CGFM, CPA**, a member of AGA's Albuquerque Chapter, was promoted to Partner with Meyners & Company LLC.

### Congressman Tom Davis and Mayor Adrian Fenty Speaking at Oracle Federal Forum on Oct. 11

Oracle invites you to attend their Federal Forum at the Ronald Reagan Building on October 11. This complimentary one-day conference explores how technology and applications can help agencies gain operational efficiencies, ensure regulatory compliance, and improve constituent services. Featured speakers include Congressman Tom Davis (VA) and Washington D.C. Mayor Adrian Fenty. Find out more [online](#) or call 800.820.5592, ext. 4590.

## CGFM Corner

*AGA asked its national leaders why maintaining the CGFM credential was so important to them. The responses reflected a variety of reasons, including improved service to citizens, a competitive advantage in the industry, a demonstrated commitment to continuous learning, and more. Read on . . .*

“Government financial management is a diverse and complex function at all levels of federal, state, and local governments. I started my career at the federal level in the Department of Defense and now work mainly with state and some local special government operations. Obtaining the AGA CGFM certification and maintaining the required continuing professional development while I was at the federal level helped me successfully transition to the state and local operations. The CGFM and its network of professionals helped to give me the competence and the confidence to transcend boundaries and barriers in governmental financial management at the different levels for my career. It helped me realize that much of our work is understanding the processes and managing resources at the federal government level, to/through the state and local level and even to the private contractors that are also more and more involved in accomplishing the outcomes for our citizens. The CGFM helps build the individual professionals at all levels of government and the private sector that are needed to be members of successful ‘teams’ that are necessitated in this day and age to provide valued services to our citizens. In my current agency that means natural resource conservation services.”

### **Milt Barr, CGFM**

Fiscal & Administrative Manager, Water & Soil Conservation Division, Department of Natural Resources, State of Missouri

“The CGFM credential is held by people who value good financial management in government and who are interested in improving their knowledge and achievement.”

### **David M. Bell, CGFM**

Senior Auditor, Office of Audit Services, Office of Inspector General, U.S. Department of Health and Human Services

"As a government financial manager, I believe it is absolutely critical in today's environment to maintain one's CGFM credential for a number of reasons. One reason is that we live and work in a highly competitive world. To lose a possible competitive advantage because of a failure to maintain my CGFM credential would be totally inexcusable. Another reason is that by working to maintain my credential, I am staying on top of my game. I am staying current with issues, technologies, and best business practices. This helps me function better as a manager, and to maintain my competitiveness. A third reason is that it is my duty to set an example for my employees and colleagues. I feel that I have a responsibility to provide an example as a mentor, and how can I do that if I don't stay current myself? A final reason is because I love to learn . . . to know more . . . to increase my level of knowledge. It is fun to learn."

### **Bobby A. Derrick, CGFM**

Former Director for Administrative Services and Corporate Resources Support Services  
Customer Advocate, Defense Finance and Accounting Service (DFAS), Indianapolis

## Past AGA National President

“My CGFM is important to me because it demonstrates in no uncertain terms that I have both the depth and breadth of knowledge in government financial management to be a leader in our profession at any level of government--federal, state, or local. It also demonstrates that I am personally committed to my continuing professional education and remaining current in the standards, issues, and techniques that are important in our profession.”

### **Jeffrey S. Hart, CGFM, CFE**

Manager, Office of Inspector General, U.S. Environmental Protection Agency  
Immediate Past National President, AGA

“Maintaining your CGFM credential shows that you are serious about your profession as a government financial manager. You do not rest on your achievements, but strive to improve yourself through continuing professional education. By maintaining your CGFM designation one demonstrates a desire to remain abreast of our ever-changing professional environment so we can remain accountable to our employers, customers and the public.”

### **Joseph A. Kapelewski, CGFM**

Director of Finance, Virginia Department of Agriculture and Consumer Service

“I am a CGFM by experience and a CPA by testing and experience. I consider the CGFM much more relevant because it better reflects what I do in my job—government financial management. On my business card and my correspondence I list CGFM first, both because I am proud to be a CGFM and of the two credentials the CGFM better reflects who I am as a professional.”

### **Tom Sadowski, CGFM, CPA**

Director, Division of Accounting, Office of Administration, State of Missouri  
Past National President, Past National Treasurer, AGA

“The CGFM shows two important attributes: an individual's commitment to a career in public service financial management, this counts for a lot even if they have other professional certifications; and secondly, professional certification is a commitment to lifelong professional learning, college degrees are ‘point in time’ events, continuing professional education for a certification is always up to date.

### **Capt. Larry R. White, CGFM, CMA, CFM, CPA**

Commanding Officer, U.S. Coast Guard Finance Center

## **Government Financial Management & Control Course Madison, Oct. 16-17, 2007**

See the announcement earlier in this newsletter for more detail. This 2-day training class can also help you in the review process for Part 3 of the exam (Governmental Financial Management and Control).

## **Chapter Member Profile**

### **Allen Vick, CGFM**

Allen is a retired member of the AGA. After graduation from Madison Business College he reported for duty with the US Army. Among other US Army experiences, he completed Army Administration School at Fort Leonard Wood, MO.

After returning home he worked 13 years as an Accountant/Office Manager at the Madison office of a Chicago based insurance company. In 1974 he began a 27-year employment with the Department of Public Instruction (DPI), retiring in 2001. Allen worked as an Auditor, Administrative Officer, Grants Supervisor and other classifications over the years in his role as Section Chief of DPI's Federal Aids and Audit unit. Allen has been an AGA member for 10 years.

Allen lives in the Township of Pleasant Springs (near Stoughton) with his wife Agnes. They have 3 adult children and 7 grandchildren from ages 7 to 15. He enjoys retirement spending time with his numerous hobbies and family.

## **Articles**

### **The Trials and Tribulations of Creating a Citizen Centric Report**

During the summer of 2007, the Defense Finance and Accounting Service (DFAS) held another summer internship program. As part of that program, DFAS encouraged its summer interns to show initiative by volunteering some of their own time to create a Citizen Centric report. We showed them a couple of current examples, brainstormed some governmental organizations they could use to produce a report, and provided as much help/oversight as possible. To our delight, a small group of summer interns produced three Citizen Centric reports during their summer, and they indicated it was their favorite project! The SVPRS for Section 1 is currently working with the appropriate governmental organizations to get these reports officially published. As part of their project, we asked them to prepare a short summary on what it took to produce the reports. Their summary is provided below.

#### **The Summer Interns' Report**

As a citizen, do you understand how your tax dollars are distributed? Have you searched state and local government websites looking for information only to find yourself in the same position you were before you started? Do you know what the future holds for your state and local government? Do you know if your community is better off today than they were last year? AGA has created the Citizen Centric report in an effort to answer these questions by encouraging governments to provide meaningful and understandable information about the financial condition and performance of the government.

Although the result of a Citizen Centric Report is a very useful tool for citizens, the actual research and gathering of data can cause many trials and tribulations. A thorough report takes a vast amount of research, several drafts, and a creative mind. While a few examples are available of other cities and states, finding pertinent and up-

to-date information can be a challenging task. For the most part, a state or city website is available to reference, but often times there is either too much information, and it becomes overwhelming, or too little information, which makes it difficult to start compiling the data.

In cases where information is out-of-date or not available, the governmental entity may need to be contacted. The governmental entity should provide a time frame that the information will be available and/or updated on the website. When a great deal of relevant information exists, it is often difficult to narrow it down to make it meaningful for the citizens. In general, specific statistics such as demographics, usage of parks and recreation services, graduation rates, etc. are difficult to obtain, especially for the most recent years.

Despite all of the challenges, the final product makes working through the trials and tribulations worthwhile. The report is neat, concise, and professional. It provides citizens with an interesting and factual representation of the condition of their government.

### **AGA's FMSB Issues two Comment Letters to FASAB**

AGA's Financial Management Standards Board (FMSB) has commented on two proposals by the Federal Accounting Standards Advisory Board (FASAB). One is a proposed Federal Financial Accounting Technical Release titled, *Implementation Guide for Statement of Federal Financial Accounting Standards 29: Heritage Assets and Stewardship Land*. [Read the comment letter.](#)

The second is a proposed technical release providing guidance to federal entities on three aspects of full costing, *Clarification of Standards Relating to Inter-Entity Costs*. [Read the comment letter.](#)

### **Analyst Urges NY to Trim Retiree Health Benefits**

Faced with a staggering \$47 billion potential bill for the health care of future retirees from government jobs, the state should look at ways to cut back on benefits for future pensioners, a financial analyst contends. "The benefits have to be restructured," said E.J. McMahon of the Empire Center, a conservative think-tank. "It's simply not fair and not affordable to continue promising (state workers) employer-paid health insurance for the rest of their lives." The state pays about \$1 billion a year for health care for retired workers. But to be able to pay for the same coverage for future retirees, the state should be socking away about \$2.8 billion a year more, according to accounting estimates. The state has to start estimating this year the future costs of such benefits under a ruling by the Government Accounting Standards Board. The state is prevented from cutting the pensions of retired state workers by the state constitution, but there is no prohibition on cutting medical benefits for retirees. —Jay Gallagher, *The Journal News*. [Read the entire article.](#)

### **TV Ads Help Feds With Employment Crisis**

As recently as February, the Patent, and Trademark Office (PTO) considered itself lucky to draw 15 or 16 people to a regional job fair. But in March, a PTO job fair in Detroit was so packed that the agency had to schedule a second fair in April to handle the overflow. What made such a difference so quickly? Officials say it was a 30-second television advertisement featuring a patent examiner named Sherry Estremsky. The Office of

Personnel Management (OPM) says that the [series of nine](#) television ads it created and aired over the last 15 months has aroused job seekers' interest in the federal government and driven traffic to its USAJOBS Web site. OPM communications director Susan Bryant said the ads had immediate results. Every time another ad aired, the number of unique visitors to USAJOBS.gov spiked, she said, and numbers stayed high as those new visitors returned to further investigate jobs. "It's almost like they're hooked," Bryant said. "We're not YouTube, but we're doing pretty well." —Stephen Losey, *Federal Times*. [Read the entire article.](#)

### **Do Vacationing Bosses Ever Take A Break?**

The president of a small manufacturing company in Cleveland told his top marketing manager that he wasn't going to be reachable during a recent weeklong safari in Africa. But midway through the week, the manager received a voice-mail message from his boss inquiring whether he had completed a particular assignment—and telling him which task to tackle next. "I felt he didn't trust that I knew how to do my job," the marketing manager says. "When he got back from vacation and I asked how he'd managed to get a cell phone signal in the jungle, he confessed he'd programmed the voice-mail message to me before he left." Fed up with being micromanaged, the manager quit shortly afterward. It's vacation season—but many executives not only limit themselves to breaks of just a few days, they also continue to check in with employees and issue directives from yachts, beaches and mountain resorts. Their refusal to turn off their cell phones and Blackberry's means they are never relieved of work pressures no matter how remote or luxurious their vacation destinations. In addition, those executives who can't disengage from the office and delegate authority undermine employees' confidence to make decisions and be creative. —Carol Hymowitz, *The Wall Street Journal*. [Read the entire article.](#)

### **FASAB Seeks Comments on New Exposure Draft**

The Federal Accounting Standards Advisory Board (FASAB) is requesting comments on an Exposure Draft, *Reporting the Gains and Losses from Changes in Assumptions and Selecting Discount Rates and Valuation Dates*. The ED proposes new financial statement display for the gains and losses from changes in assumptions. Such gains and losses will now be shown as individual items on the statement of net cost. In addition, the ED proposes guidance for selecting discount rates and valuation dates for present value measurement. Comments are requested by Nov. 30, 2007. The ED and specific information requested are available on [FASAB's website](#).

### **Reimbursement Surpluses and Shortfalls**

By Simcha Kuritzky, CGFM, CPA

Whether authorized by a revolving fund or the Economy Act, reimbursable activity is becoming more common in the federal government. Reimbursements should include all associated costs, but figuring those costs and funding them up front can be problematic. The description below on financial statement entries assumes that, at the end of the year, all outstanding agreements and obligations are closed out.

## **The Base Case**

In the simplest case, all funding is current and expenses equal expenditures. For cash flow purposes, the reimbursable projects either receive advances or borrow cash from an appropriation that uses the same Treasury Symbol. What this all means is that, at year end, the Statement of Net Costs (SNC) shows zero net cost for reimbursable activity, and the Statement of Budgetary Resources (SBR) shows line 3D1 (earned spending authority) equal to 8B (reimbursable obligations incurred). There is no surplus or shortfall.

This model assumes that the agency bills exactly what is spent. This can be done within an agency, where transfers are reported on the SF-224 Statement of Transactions and can be adjusted easily, or if the only contracts are for discrete work or materials that are easily accounted for. When an agency incurs a variety of costs that are all for reimbursable activity, they may choose to use a standard cost model based on their projected costs, and adjust the charges periodically to meet actual costs. Where standard costs are charged, there will inevitably be a small surplus or shortfall each year on both the SNC and SBR.

## **Unfunded Expenses**

Full-cost pricing demands that unfunded expenses also be included in the costs charged. These are generally recorded with an entry such as debit 6800 Future Funded Expenses credit 2610 Actuarial Pension Liability, so the SNC would show a net zero effect, but on the SBR, line 3D1 earnings would exceed line 8B spent. While I understand the desirability of charging full costs, I question the logistics of charging an appropriation for, say, unfunded pensions, when the agency collecting the charges doesn't have to pay for them. Of course, in an economy-act fund, which expires, the excess collections will be returned to the General Fund after six years and so will end up in the same pot from which the pensions are paid. However, a revolving fund would get to keep and reuse the surplus collections, unless Treasury or OPM assesses a charge against them—and I don't know that anyone has done that yet (though there's been talk of budgeting full costs).

## **Fixed Assets**

Another problem is how to account for fixed assets. It is clear that, unless an asset is specific to a customer or set of customers who agree to pay for it up front, the clients should be billed for depreciation rather than the cost of acquiring a fixed asset. This, of course, causes a cash flow problem, since the agency has to lay out funds and won't collect the reimbursement for several years (unless they use a capital lease). Some agencies cover the cash deficiency by collecting advances from their customers (which would be outstanding for a few years). Others use appropriated funding, either as part of the set-up of a revolving fund or from the direct portion of the same Treasury Symbol the reimbursable authority uses. Agencies generally choose this latter solution when the assets will be used for both the appropriated activity and reimbursable activity.

When covered by an appropriation, the reimbursable project can "rent" the asset, and pay for only the amount they use. In this way, the asset acquisition does not affect the reimbursable activity reported in the financial statements, and the depreciation is actually a funded expense, so SNC nets to zero and the SBR line 3D1 equals 8B. The reimbursement side should show an expenditure and expense transaction with the

agency as the Trading Partner, and the appropriation should show the exact opposite (a reduction to expenditures and expenses). In this way, the elimination of internal activity is automatic—there's no offset of revenues against expenses or collections against expenditures.

### **Conclusion**

These are just a few of the basic issues with accounting for reimbursements. In addition to accounting issues, agencies have to deal with requirements embedded in the authorizing legislation, cost allocations, and IPAC wars with their clients.

Comments, suggestions, and critiques are welcome. Send them to [Simcha.Kuritzky@cgi.com](mailto:Simcha.Kuritzky@cgi.com), and not to AGA.

### **Employment Opportunities**



Clifton Gunderson offices in Washington, D.C., Baltimore, MD, and Harrisburg, PA are looking for experienced professionals to join our public sector practice. The ideal candidate will have 5+ yrs of Public Accounting or equivalent audit experience along with your BA/BS in Accounting and CPA or CGFM. Duties will include audits of Federal entities; State & Local audits (GASB), A-133 audits, and compliance auditing. To apply please e-mail [Jennifer.Busse@cliftoncpa.com](mailto:Jennifer.Busse@cliftoncpa.com)

---

### **SHARE YOUR NEWS**

Do you have some interesting news that your fellow chapter members may be interested in? If so, please submit an article to the Newsletter Editor at [ravidl@dhfs.state.wi.us](mailto:ravidl@dhfs.state.wi.us). Deadline for submission of articles is the 25th of the month.

### **ARE YOU MOVING?**

If you are moving, or have already moved, please notify both your chapter and AGA National of your address change. You can update your address online at the national website: [www.agacgfm.org/membership/form\\_address.htm](http://www.agacgfm.org/membership/form_address.htm).



## Southern Wisconsin Chapter Calendar of Events for 2007-2008

August 14, 2007 – Board Meeting, Old Country Buffet, Madison

**September 11, 2007 – Board Meeting, Old Country Buffet, Madison**

**September 19, 2007 – E-mail Etiquette, Cindy and Ron Cox (Dayton Street Café)**

October 9, 2007 – Board Meeting, Old Country Buffet, Madison

October 16-17, 2007 – Government Financial Management and Controls training course, Inn on the Park

October 25, 2007 – luncheon topic and location to-be determined

November 13, 2007 – Board Meeting, Old Country Buffet, Madison

November 29, 2007 – luncheon topic and location to-be determined

No December Luncheon Meeting

January 22, 2008 – Board Meeting, Old Country Buffet, Madison

January 24, 2008 – Annual Tax Update (Imperial Garden)

February 19, 2008 – Board Meeting, Old Country Buffet, Madison

February 21, 2008 – luncheon topic and location to-be determined

March 11, 2008 – Board Meeting, Old Country Buffet, Madison

March 20, 2008 – luncheon topic and location to-be determined

April 8, 2008 – Board Meeting, Old Country Buffet, Madison

April 24, 2008 – luncheon topic and location to-be determined

May 6, 2008 – Board Meeting, Old Country Buffet, Madison

May 13, 2008 - *Annual Spring Symposium*, Tripp Commons, UW-Madison Memorial Union (note date change from last month's newsletter)

May 22, 2008 – luncheon topic and location to-be determined

June 10, 2008 – Board Meeting, Old Country Buffet, Madison

Note: Community service, VITA, and social events will be announced during the year.

## **2007-08 Chapter Officers and Board Members**

**President** – Eric Busse, DPI [eric.busse@dpi.state.wi.us](mailto:eric.busse@dpi.state.wi.us), 608-267-9199

**President Elect** – Vacant

**Past President** – Sherri Voigt, CGFM, CPA, DNR, [sherri.voigt@wisconsin.gov](mailto:sherri.voigt@wisconsin.gov), 608-267-9818

**Chapter Recognition** – Dolly O’Laughlin, [olaughlin@co.dane.wi.us](mailto:olaughlin@co.dane.wi.us), 608-242-6314

**Secretary** – Vacant

**Treasurer** – Roger Birkett, CPA, [jabirk@charter.net](mailto:jabirk@charter.net)

**Historian** – David Mellem, CGFM, CIA, CISA, US DHHS OIG, [david.mellem@oig.hhs.gov](mailto:david.mellem@oig.hhs.gov), 608-264-5415  
ext 25

**Membership Chair** - David Mellem, CGFM, CIA, CISA, US DHHS, OIG, [david.mellem@oig.hhs.gov](mailto:david.mellem@oig.hhs.gov),  
608-264-5415 ext 25

**Newsletter Editor** – Lillian Radivojevich, DHFS, [radivl@dhfs.state.wi.us](mailto:radivl@dhfs.state.wi.us), 608-267-7306

**Education Chair** – Carrie Ferguson, CPA, LAB, [carrie.ferguson@legis.state.wi.us](mailto:carrie.ferguson@legis.state.wi.us), 608-259-9839

**Webmaster** – Scott Thornton, [scott@goochpages.com](mailto:scott@goochpages.com)

**Community Service Chair** – Sherri Voigt, CGFM, CPA, DNR, [sherri.voigt@wisconsin.gov](mailto:sherri.voigt@wisconsin.gov)

**Research Coordinator & Liaison w/Other Profession Organizations** – Vacant

**CGFM Chair** – Eric Busse, DPI [eric.busse@dpi.state.wi.us](mailto:eric.busse@dpi.state.wi.us)

**Awards Chair** – Vacant

**Early Careers Chair** – Vacant

**Directors -**

Thomas A. Scheidegger, CPA, Virchow Krause, [Tscheidegger@virchowkrause.com](mailto:Tscheidegger@virchowkrause.com), 608-240-2303

Cynda Solberg, DHFS, [solbeck@dhfs.state.wi.us](mailto:solbeck@dhfs.state.wi.us), 608-301-1360

**RVP North Central Region** – Sherri Voigt, CGFM, CPA, [sherri.voigt@wisconsin.gov](mailto:sherri.voigt@wisconsin.gov)



P.O. Box 1454  
Madison, WI 53701-1454