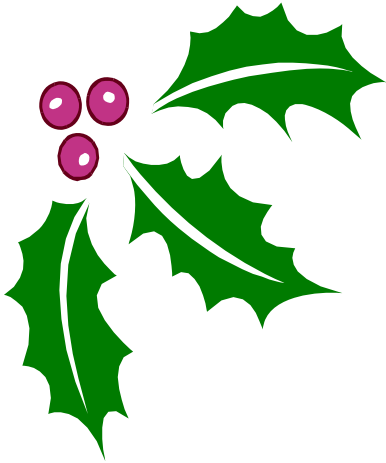


Monthly Footnotes

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

December, 2007

Vol. VI, No. 5



Happy



Holidays!!



PRESIDENTS MESSAGE

Eric Busse

Hi Everyone,

This is the time for giving, as some of you did yourselves by giving to our food drive. How important is Community Service to AGA and to our chapter? If you ask those who have contributed to the many programs we have offered, you would find a multitude of answers. My answer is that besides "it just makes you feel good"; it helps people know that someone is watching out for them. There are many reasons for organizations and individuals to volunteer their time or give items to other agencies. Our programs at AGA show people and agencies that we have a group of individuals that will work to make the livelihood of someone unknown to them happier. In the past few months, our local chapter has risen to the occasion by lending a helping hand to: a school in New Orleans with our school supplies campaign, to those devastated by summer floods in the southwestern portion of the state with a donation from our organization, and to families in need of a little extra on their tables with our food drives to Second Harvest. We will also give of ourselves through the VITA program, and we will be looking into other ways our chapter can help those in need.

Our last month's speaker was Barry Golden from the Department of Public Instruction. His presentation on Charter Schools gave us information on background of how they were started and how the funding of a charter school get up and running. He also explained the differences between a charter school and a traditional school (even though they are in the same district) as well as the growth of applications to develop new schools.

If you would like to nominate someone (and it could be yourself) 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 any of the board members or myself for more information or attend a board meeting.

Our next luncheon will be Annual Income Tax Update, which is an extremely informative session and will provide you with income tax preparation tools. I would also like to encourage you to attend our class on "Cost Principles and Cost Allocation Rules and Regulations for Federal Funded Grants and Contracts" it is a very valuable course.

In closing, I would like to extend my wishes to all of you for a safe and happy holiday season. See you in January.

January Lunch Information

Date: Thursday, January 24, 2008

Topic: Annual Income Tax Update

Place: Imperial Garden East

Announcing the OMB Circular Training

Course Title: Cost Principles and Cost Allocation Rules and Regulations for Federally Funded Grants and Contracts.

Date: Mar 11, 2008

Length: 8 Hours

Class Size: Unlimited

Description: This course is actually two courses in one

The first 4 hours discusses OMB Circular A-102 and the government wide “Common Rule.”

All State, local and government units receiving Federal funds must follow these general administrative rules. This part of the course covers pre-award, post-award, and grant closeout requirements.

The second half of the course covers OMB Circular A-87 – Cost Principles for State, Local and Indian Tribal Governments. The course discusses the basic principles for determining the allowability of costs incurred by State, local and Indian Tribal governments. The course also includes a discussion of direct versus indirect costs, a description of 4 basic types of indirect cost rates and an introduction to the preparation and use of cost allocation plans and indirect cost rates.

Objectives: Upon completion of the course, participants will able to:

1. Determine the eligibility and allowability of costs as they apply to Federal Grants.
2. Administer the general administrative grant and cooperative agreement requirements associated with most federally funded programs.
3. Differentiate between direct and indirect costs.
4. Understand the difference between a Central Cost Allocation Plan and Indirect Cost Rate and how these two types of rates relate to each other.
5. Prepare and apply an indirect cost rate.
6. Understand the roles and responsibilities of Federal Cognizant Agencies, the primary recipient of federal funds, and sub-recipients receiving pass through federal funds including their agency’s Single Audit Requirements.

Primary Audience: Federal, state, local, and tribal government employees responsible for or wish to learn more about administering federally funded grants and cooperative agreements.

Instructor: Joe teaches this course throughout the United States including the Virgin Islands and Puerto Rico. He is currently a Senior Faculty member at Concordia University. He holds a Masters of Business Administration from the University of Northern Colorado.

Reserve the date in your calendar now; complete details and registration form will be coming in January

From The National Office

Join Us in Washington, D.C. for AGA's Sixth Annual National Leadership Conference

Government financial managers are committed to accountability, efficiency and improving the business of government, but it is easy to focus on one small part of the puzzle instead of the big picture.

Earn 14 CPE hours and learn how to make a real difference at AGA's National Leadership Conference. This event is centered on the theme "Dynamic Leadership for Changing Times", and few fields change as quickly as government financial management. Staying up to date on new regulations, while maintaining a clear vision of government transformation, can be accomplished through the best training.

The NLC features timely topics and an impressive lineup of speakers that will share best practices, leadership secrets and equip you with the knowledge you need to become more effective. Join us to hear from the top financial management leaders and industry experts, including:

- **Douglas J. Bourgeois**, Director, National Business Center, U.S. Department of the Interior
- **Rear Admiral Steve Branham**, Assistant Commandant for Resources and Chief Financial Officer, U.S. Coast Guard, U.S. Department of Homeland Security
- **Jay Carney**, Washington Bureau Chief, *Time* magazine
- **Lisa Casias**, Deputy Chief Financial Officer, U.S. Department of Commerce
- **Thomas N. Cooley**, Chief Financial Officer and Director, Office of the Budget, Finance and Award Management, National Science Foundation
- **Lisa D. Fiely, CPA, PMP**, Deputy Chief Financial Officer; U.S. Department of Labor
- **Daniel L. Fletcher, CPA**, Director, Office of Financial Management, U.S. Department of the Interior
- **Zack E. Gaddy, CGFM**, Director, Defense Finance and Accounting Service, U.S. Department of Defense
- **John J. Radford, CGFM, CIA, CFE**, State Controller, State of Oregon
- **Diana Jones Ritter**, Commissioner, Office of Mental Retardation and Developmental Disabilities, State of New York
- **David M. Walker, CPA**, Comptroller General of the United States, U.S. Government Accountability Office

In addition to an outstanding technical program, the NLC offers unparalleled opportunities to network, exchange ideas, discover effective strategies, and perhaps find solutions to common problems. **Register Now & Save!** Do not miss this opportunity to recharge professionally, gain useful information and expand your network of colleagues. Register today!

- [Register Online and Save](#)
- [Download Registration Form](#)
- [Visit the Website](#)
- [Become an Exhibitor](#)

We Have a Dream Campaign Heats Up



Temperatures are falling outside, but the 2007–2008 **We Have a Dream Member-Get-A-Member Campaign** is starting to heat up. **Stephanie Paschel** is sizzling her way toward this year's Top Recruiter prize with 28 new members so far. **Colette Cormier** is hot on her heels with 27 new recruits.

Now the heat is on for you to get involved and start recruiting new members. **EVERY AGA member is challenged to recruit at least ONE new AGA member before the close of the membership year, April 30, 2008.** *Are you up to the challenge?*

We have made it so easy to participate!

- [Download a membership application.](#)
- Print your name on the "Sponsor's Name" line on the application to receive sponsor credit when your recruits join.
- Follow up with those individuals that you asked to join.

[Find out all the details, including prize information.](#) The 2007–2008 Recruitment Campaign runs through April 30, 2008. ***Now is the time to start cooking.*** In addition, be sure to reach out to those early career members.

High-Quality CPE's, Cost Savings Make AGA's GFM Courses the Right Choice

AGA's Richmond Chapter shows that it's no trick to do many things at once: provide high-quality CPE at a low cost while helping chapter members prepare for the CGFM Examinations.

In May, the chapter sponsored AGA's Government Financial Management (GFM) Training Program, worth 48 CPE hours, providing the site for the courses and the attendees, while AGA provided the instructor and the materials. The GFM Program consists of three courses: *Governmental Environment* (8 CPE hours), *Governmental Accounting, Financial Reporting and Budgeting* (24 CPE hours) and *Governmental Financial Management and Control* (16 CPE hours). [Read a description of the courses.](#)

This year, Richmond joined chapters in Guam and Washington, D.C. in bringing all three classes in the series to their chapters. Richmond plans to sponsor the program again this coming May. In addition, AGA's Baltimore, Dallas/Fort Worth, and Washington D.C. Chapters are working to bring the GFM Program for its members next year. In the past, Austin, Nashville, N. Utah, Portland, Baltimore, New York Capital, Maine, Washington D.C. and Wisconsin chapters have sponsored the entire program or one of the courses. [Read entire article.](#)

Additional Governments Sign On to Produce Citizen-Centric Reports

The state of Arizona, the city of Schenectady (NY), the state of Nevada, the city of Albany, NY, the state of West Virginia and the city of West Valley, UT, are the latest governments to join a [growing list of state and local governments and federal agencies](#) that are producing four-page Citizen-Centric Reports and answering the call for fiscal accountability and transparency.

The four-page annual "state of the government" reports are designed to be visually appealing, provide understandable information to citizens about the performance and

financial condition of the government as well as demographics and future challenges while answering the question, “Are we better off today than we were last year?”

Democracy is all about engaging the citizenry in the operations of government. We believe the AGA Citizen-Centric Reporting model provides more useful and timely information to our citizens thereby engaging taxpayer participation. If your government is not producing a Citizen-Centric Report, please help convince them to do so. All the tools you need to start the process can be found on the [AGA website](#).

Together we can help make government more transparent and ultimately more accountable to its citizens.

Free Research Reports Available from AGA!

The AGA Corporate Partner Advisory Group (CPAG) continues to produce research studies of great value to governments, industry, and the entire AGA membership. The CPAG has 13 published studies and nine more in the works! [Download the completed reports](#). Contact [Susan Fritzlen](#) for hard copies of any of the reports.

Improving Government Performance

Fourteen years after the passage of the Government Performance and Results Act, a new executive order formally creates a single point of accountability in each agency and government-wide for creating, tracking, and reporting performance and results. Symbolically, this executive order signals that performance improvement continues to be important to the president. The next administration will inherit a performance improvement network of senior career executives, who are responsible for advocating improved performance and making results of agency programs publicly available. If the next administration is not committed to either performance improvement or transparency of results, it would have to proactively take actions to change course. [Click here to read the Executive Order](#).

Montgomery Chapter Sets Record

The Montgomery Chapter hosted its fall training program on November 15 with record attendance of 305. Congratulations to Chapter President **Cindy Reaser** and the program chair, **Bob Childree**.



Dr. Redmond Van Danker, Executive Director of AGA (left) **Dr. Lee Gurley**, Head, Accounting & Finance Dept., Auburn Montgomery, signed an agreement between Auburn University Montgomery and AGA for the use of the CGFM Program in the curriculum of AUM. This agreement also provides for the students taking the CGFM Exams.



Pictured from left to right: Bob Childree, Comptroller, State of Alabama, Cindy Reaser, President, AGA Montgomery, Dr. Keren Deal, Assistant Professor, Auburn Montgomery, Dr. Jane Goodson, Dean, School of Business, Auburn Montgomery, Dr. Relmond Van Daniker, Executive Director, AGA, Dr. Lee Gurley, Head, Accounting & Finance Dept., and Auburn Montgomery.

CGFM Corner



Take the CGFM Examinations Before the NLC

AGA is once again offering a great opportunity to take the CGFM Examinations and earn your CGFM before the Sixth Annual National Leadership Conference (NLC) in Washington D.C. Whether you have found it difficult to find time to complete the three exams or just need an extra reinforcement of the material, this is your chance to get it done!

To help you reach that goal, we are offering a two-day Intensive Review Course on **Monday, Feb. 18** and **Tuesday, Feb. 19** and an opportunity to take the CGFM Examinations **Feb. 20–21**. The cost of the course is only \$249 for qualified participants, and it offers 18 CPE hours. **Special Bonus:** The CGFM Examinations are offered at no cost to course attendees.

This course is designed as a supplement to previous preparation for the CGFM Examinations, so this is a perfect opportunity for those individuals who have already attended GFM training courses or have been preparing by using the CGFM Study Guides. Enrollment is limited and popular exam time slots are reserved quickly, so do not delay.

More information and a registration form for this event are available on the [AGA website](#). If you have any questions, please contact [Crystal Vanison](#) at 800.AGA.7211, ext. 316.

CGFM Profile: Kathleen Kimmel

Kathleen Kimmel, CGFM, was paging through a brochure of classes offered by Management Concepts, when she came across a description of AGA's Government Financial Management training series.

Kimmel, an auditor with Virginia is Auditor of Public Accounts, was looking for some "nuts and bolts" training because her governmental accounting class in college was too theoretical. When she read the course description for AGA's three classes, she thought, "Whoa, this

applies to everything I do.”

As a Reporting and Standards Team specialist working with local governments, Kimmel reviews Comprehensive Annual Financial Reports (CAFRs) and conducts quality control reviews by checking the documentation of the local CPA firms that do the local government audits. [Read more.](#)

Articles

Senate Bill Would Increase IG Oversight

Congress may tighten controls on agency inspectors general but offer them more authority under new legislation introduced in the Senate. The Inspector General Reform Act would guarantee that administrations appoint qualified people to be IGs, that IGs remain independent of agency pressure and that they make their reports accessible to the public. The legislation would require information on each agency IG’s budget request to be sent to Congress with the administration’s proposal. Lawmakers want to make sure agencies are not reducing IG funding. The bill would also establish a committee to investigate allegations of wrongdoing against inspectors general and their staff. “After several incidents in which the independence of inspectors general seems to be threatened—as well as some incidents of apparent IG misconduct—we need to revisit the legislation,” said Sen. Joe Lieberman (I-CT), chairman of the Senate Homeland Security and Governmental Affairs Committee. —Matthew Weigelt, *Federal Computer Week*. [Read more.](#)

D.C. Auditor Urged Close Look at Property Tax Refunds in 2004

The Washington, D.C. auditor urged city government officials three years ago to “closely monitor” the flow of real property tax revenue after she noticed a spike in the amount of money refunded to property owners. Deborah K. Nichols’s reports, made in the summer of 2004, did not suggest wrongdoing in the Office of Tax and Revenue, the department now at the center of the largest financial scandal in the city’s history. However, she noted that the amount of property tax refunds was 105.7 percent higher than projected over three fiscal quarters, a jump not easily explained. She suggested that officials take a closer look. Nichols said that the refunds “raised a red flag because they were running so high when fewer appeals had been decided during that time.” Chief Financial Officer Natwar M. Gandhi has ousted 10 employees, including the tax office’s director, Sherryl Hobbs Newman, saying they must be held accountable even if they were not directly implicated. The city has lost more than \$20 million at a minimum, authorities said. —David Nakamura, Nikita Stewart and Yolanda Woodlee, *The Washington Post*. [Read more.](#)

Internal Audit Departments 'Return to Roots' Five Years After SOX

For the first time since the Sarbanes-Oxley Act went into effect in 2002, a growing number of internal audit departments are returning to business as usual, according to a new survey by Protiviti Inc. Having been consumed with Sarbanes-Oxley compliance projects for the past four years, 24 percent of companies report their internal audit departments have achieved “rebalancing”—a renewed focus on their traditional responsibilities that is balanced with compliance activities. This number is more than

double the response (10 percent) from a similar survey conducted in 2005. — *SmartPros*. [Read more.](#)

Graduating to Public Service

In hopes of encouraging more college students to consider careers in government, leaders at 27 universities are trading ideas and techniques on what it will take to bring a new generation into public service. The forecast is troublesome. Hundreds of thousands of baby boomers will be retiring from the government in the next few years, but most college students know little about federal jobs and how to apply for them. The college leaders gathered recently at Princeton University for a discussion on the future of the government and how to create a national movement to champion scholarship and fellowship programs that will attract top students to public service. —Stephen Barr, *The Washington Post*. [Read more.](#)

Foreclosure Crisis to Pinch Everyone: Mayors' Report

The foreclosure crisis is rippling far beyond threatening home ownership, now robbing the economy of consumer purchases, governments of tax revenue and workers of jobs, according to a new report. Commissioned by the U.S. Conference of Mayors, the report puts specific numbers on the broader impact and was released Nov. 27, as several of the nation's mayors met at the MGM Grand in Detroit to discuss what to do about the problem. The Detroit region ranks seventh in the nation in loss of economic activity among metro areas with a hit of \$3.2 billion because of the foreclosure epidemic, the report states. Economic activity is defined as the total value of goods and purchases. "The foreclosure crisis is no longer just about mortgages," said Detroit Mayor Kwame Kilpatrick, host of the conference. "Entire neighborhoods are being negatively affected on several levels. This issue is now the No. 1 economic challenge of many major American cities." —Zachary Gorchow, *Detroit Free Press*. [Read more.](#)

Walker to Speak on "A Call for Stewardship"

Comptroller General of the United States, **David Walker, CPA**, who heads the U.S. Government Accountability Office (GAO), is set to discuss the government's latest financial report when it is released on **Dec. 17**. He will talk about the government's overall fiscal condition and what can be done to turn things around. GAO will release a new report that summarizes a variety of ways—key national indicators, for example—to help reform government. The event, set for 12:30 p.m. at the National Press Club in Washington, D.C., will begin with lunch, followed by Walker's speech and a question-and-answer session. The public is invited. Call Pat Nelson at 202.662.7539 or obtain tickets through the [National Press Club website](#).

Calif. Pushes Public-Private Public Works Partnerships

Gov. Arnold Schwarzenegger has signaled a controversial push to engage private companies in the building and management of state and local public works projects, proposing a strategy widely employed in Canada, Europe and elsewhere. In such partnerships, which could take a variety of forms, private companies could finance, build and manage roads, schools, wastewater treatment plants, ports, levees, hospitals and other projects. The companies would rent the facilities to the government or collect fees from users. Though public-private partnerships have been undertaken in some other states and occasionally in California, such as in the construction of San Diego's South Bay Expressway, state law does not explicitly authorize or set rules for such deals. Until

now, Schwarzenegger's piecemeal efforts to involve the private sector in state government generally have been opposed by lawmakers and labor unions. However, the governor is considering an ambitious proposal that would institutionalize private-sector deals, and would need legislative approval for it. —Michael Rothfeld, *Los Angeles Times*. [Read more.](#)

Bush to Pay Feds 3 Percent Raise in 2008 Unless Congress Acts

President Bush has called for a 3 percent federal employee pay raise for 2008, defying Congress' intent to give a 3.5 percent raise. Bush said the government plans to pay out a 3 percent raise in a Nov. 27 letter to House Speaker Nancy Pelosi, D-CA, and Senate President Robert Byrd, D-WV. However, Congress is sure to pass a spending bill that contains a 3.5 percent raise. The House already passed such a bill, but the Senate must still pass the spending bill that contains the pay raise. House Majority Leader Rep. Steny Hoyer, D-MD, said Congress likely will approve the larger raise in December as part of an omnibus spending package. The appropriations package will be Congress' top priority when lawmakers return from the Thanksgiving recess, Hoyer's office said. If the bill passes in December, employees would receive the higher raise starting with the first pay period beginning after January. —Stephen Losey, *The Federal Times*. [Read more.](#)

Corporate America Making Strides on Sarbanes-Oxley Compliance

The results of a recent study show that Corporate America is making marked improvements in regulatory compliance despite persistent problems. The same issues that dogged companies when the Sarbanes-Oxley Act first came into effect three years ago—poor documentation of accounting procedures, insufficiently trained accounting and finance staffs, and difficulty closing the books at year-end—still flummox companies as they try to comply with SOX today, according to reports from *Compliance Week*. However, the total number of such "material weaknesses", which must be disclosed under Section 404 of the law, has plunged from 537 such disclosures in Year One to only 173 in Year Three. "The data clearly show that after three years, corporations are doing a much better job identifying and remediation problems," said Matt Kelly, managing editor of *Compliance Week*, who spearheaded the research. "Executives might not like Sarbanes-Oxley," added Kelly, "but they're certainly getting better at addressing its challenges". —*SmartPros*. [Read more.](#)

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 radvl@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.agacqfm.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 16-17, 2007 – Government Financial Management and Controls Training Course (Inn on the Park)

October 25, 2007 – Wisconsin's Homeland Security Grant Program, Greg Engle, OJA (Coliseum Bar)

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

November 15, 2007 – Charter Schools in Wisconsin, Barry Golden, DPI (Babe's)

No December Luncheon Meeting or Board Meeting

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

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

February 12, 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 11, 2008 – Federal Common Rule/Indirect Cost Training (Tripp Commons, UW-Memorial Union)

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

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, 608-267-9199

President Elect – Vacant

Past President – Sherri Voigt, CGFM, CPA, DNR, sherri.voigt@wisconsin.gov, 608-267-9818

Chapter Recognition – Dolly O’Laughlin, olaughlin@co.dane.wi.us, 608-242-6314

Secretary – Vacant

Treasurer – Roger Birkett, CPA, jabirk@charter.net

Historian – David Mellem, CGFM, CIA, CISA, US DHHS OIG, 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,
608-264-5415 ext 25

Newsletter Editor – Lillian Radivojevich, DHFS, radivl@dhfs.state.wi.us, 608-267-7306

Education Chair – Carrie Ferguson, CPA, LAB, carrie.ferguson@legis.state.wi.us, 608-259-9839

Webmaster – Scott Thornton, scott@goochpages.com

Community Service Chair – Sherri Voigt, CGFM, CPA, DNR, sherri.voigt@wisconsin.gov

Research Coordinator & Liaison w/Other Profession Organizations – Vacant

CGFM Chair – Eric Busse, DPI eric.busse@dpi.state.wi.us

Awards Chair – Vacant

Early Careers Chair – Vacant

Directors -

Julie Gordon, CPA, UW System, jgordon@uwsa.edu, 608-263-4395

Mary Laufenberg, CGFM, CPA, DOR, mary.laufenberg@revenue.wi.gov, 608-266-1670

Thomas A. Scheidegger, CPA, Virchow Krause, Tscheidegger@virchowkrause.com, 608-240-2303

Cynda Solberg, DHFS, solbeck@dhfs.state.wi.us, 608-301-1360

RVP North Central Region – Cinday Cox, DFAS, cindy.cox@dfas.mil



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