Joint Financial Management Improvement Program

JFMIP NEWS

A Newsletter for Government Financial Managers

Spring 1999 Vol. 11. No. 1.

INSIDE



*Scantlebury Memorial Award Winners Sallyanne Harper and Edward Renfrow are surrounded by (l-r) Gene Dodaro, David Walker, Ed DeSeve, Don Hammond, Karen Alderman, Gil Scaux, and Woody Jackson.*

# Financial Management Officials Garner Top Honors

Sallyanne Harper, Chief Financial Officer of the U.S. Environmental Protection Agency, and Edward Renfrow, North Carolina's State Controller, are recipients of the Donald L. Scantlebury Memorial Awards, presented by the Joint Financial Management Improvement Program (JFMIP). These awards recognize distinguished leadership in financial management improvement in the public sector. The Scantlebury awards are given annually to public sector leaders who have contributed significantly in financial management improvements over a number of years. The award honors the former Chief Accountant of the General Accounting Office (GAO), who left a career legacy of improved financial management practices in the Federal government. The awards were presented during the luncheon session of the JFMIP's 28th Annual Financial Management Conference in Washington, DC on March 19, 1999. Comptroller General David Walker, Office of Management and Budget (OMB) Deputy Director for Management G. Edward DeSeve, and Treasury Fiscal Assistant Secretary Donald Hammond participated in the awards ceremony on behalf of JFMIP. Mr. Hammond is the current chairperson of the JFMIP Steering Committee.

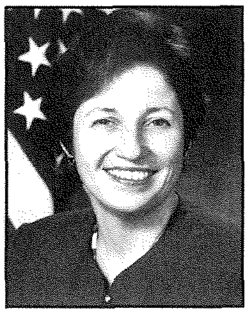
Ms. Harper has served as the Agency's primary champion and catalyst for management reform at EPA. She developed EPA's new goals-based planning, budgeting, accountability, and financial management framework, which dramatically has changed EPA's management and resource structure. EPA's FY 1999 budget submitted to OMB and the Congress marked the first time the Agency aligned its resources with its performance goals and objectives. EPA was the first agency to fully integrate its budget request with the performance-based Annual Plan as required by the Government Performance and Results Act. Under her leadership, EPA received an unqualified (clean) opinion for the FY 1997 Agency-wide audited financial statements. She has ensured that all critical financial systems and payroll system are year 2000 compliant. She is a strong advocate on improving financial management efficiencies in the Federal government. In the past several years, she has aggressively driven the Agency to use electronic funds transfers (EFT) more for contract payments and travel payments. Two years ago only 23% of EPA's contract payments were done by EFT; today over 91% of the contract payments are

SP-99-3

*Continued on page 3.*

# A Joint Perspective

Spring is a beautiful season in Washington, DC, and there are many activities here with the tourists during cherry blossom festival, and the beavers that were chopping down the trees! (until they got caught and relocated). The Federal government is working on many activities in the financial management arena this spring. Agencies have completed the process of their audited financial statements. The Department of the Treasury, the Office of Management and Budget, and all Federal agencies, with the General Accounting Office finished the production of the second audited Consolidated Financial Statement of the Federal government. New initiatives are coming to life, including the National Partnership for Reinventing Government sponsored "Access America for Students" program. Starting in June 1999, Access America for Students will test the use of information technology to make a wide range of information and Federal program delivery accessible to students and administrators at ten educational institutions. These initiatives as well as others were presented at the 28th Annual JFMIP Conference, "The Future is Now-Implementing Financial Management Initiatives" on March 19th. This edition of *JFMIP News* summarizes the remarks of the keynote speakers, who were Comptroller General David Walker and the Office of Management and Budget Deputy Director Sylvia Mathews as well as the major lessons learned from the Conference panels.



*Karen Cleary Alderman*
*Executive Director, JFMIP*

JFMIP recognized top leaders in the financial management community with the Donald L. Scantlebury Memorial Awards to Sallyanne Harper, Chief Financial Officer, Environmental Protection Agency, and Edward Renfrow, North Carolina State Controller. The JFMIP also took this occasion to present G. Edward DeSeve, who served as Chair of the JFMIP Steering Committee from 1996 to 1998, with a special award in recognition of his many governmentwide contributions. Congratulations again for well deserved awards to each of you!

***JFMIP System Improvement Milestones.*** As promised, I would like to provide a status report against JFMIP milestones to improve Federal financial systems. The major elements of the CFO Council's strategy to improve Federal financial systems are: (1) update or develop JFMIP financial system requirements for the entire scope of financial systems; (2) separate the core financial system software qualification process from the procurement process, and develop a robust and open testing and qualification process to assure that vendor software complies with functional requirements; (3) eliminate policy requirements for a separate mandatory schedule for core financial systems software and simplify the procurement process; (4) establish a web-based "knowledgebase" to inform and educate government and vendor stakeholders; and (5) establish a Program Management Office (PMO) under JFMIP to develop and maintain these tools on behalf of the Federal CFO community. Major accomplishments and future goals are presented below.

***Financial Systems Requirements-Populating the "Wheel of Fortune."*** JFMIP reissued *Core Financial System Requirements* on February 24, 1999, almost one year after the steering group led by R. Schuyler Lesher, Chair of the CFO Systems Committee; Jean Holcombe, OMB, the JFMIP Executive Director and staff, and our Logistics Management Institute (LMI) partners, undertook the effort. The reissued document provides the necessary foundation for testing and qualifying core financial system software and for the development of enterprise systems that meet Federal agency needs. The new document introduces the concepts of mandatory requirements and value added features. Mandatory requirements describe the minimum functionality necessary to operate a system and to comply with Federal law and regulation. Value added features are technical capabilities and functionality over and above the core requirements that are of interest to Federal agencies. The reissued requirements include 251 mandatory requirements, a 21 % increase from the 1995 document, reflecting changes in laws, regulations, and Federal reporting requirements. Only mandatory requirements will be tested by JFMIP.

Progress is being made in defining current subsidiary system requirements. In April 1999, JFMIP reissued *Human Resources & Payroll Systems Requirements.* The JFMIP document institutionalizes the work of the Human Resources Technology Council in establishing baseline mandatory requirements and incorporates value added requirements that describe the Federal direction to achieve modern systems. Human resource systems must integrate or interface with payroll systems. The reissued document also brings payroll requirements up-to-date. JFMIP salutes all the stakeholders in this initiative for bringing this effort to the finish line.

We are moving out on several other functional areas. Comments have been received on the exposure drafts for Direct Loans and Travel System requirements. These will be analyzed and revisions made in the near future. Exposure drafts for Seized Property and Forfeited Assets System Requirements and Guaranteed Loans System Requirements will be issued this spring. Work continues on the development of Grants System requirements. The CFO Fellows from the Class of 1998-1999 are playing a special role in the grants system development effort under the leadership of Al Mulhbauer, the Deputy CFO at the National Science Foundation. The Department of Defense agreed to lead the development of property system requirements. Stan Azebu, a senior executive in the Office of the Under Secretary of Defense for Acquisition and Technology, will head the governmentwide team. Dorothy Sugiyama, a Defense Leadership and Management Program participant has been detailed to JFMIP for a one-year developmental assignment, to serve as special assistant in support of this effort. Work commenced in April 1999.

***Core Financial System Testing and Qualification Process.*** With the reissuance of *Core Financial System Requirements*, JFMIP

*Continued on page 22.*

# CFO Council Fellows Program

The CFO Council is pleased to announce the selection and placement of the 1999/2000 class of CFO Council Fellows. They are:

Len Bechtel, Environmental Protection Agency (EPA), will serve at the Department of Transportation

Patricia Clark, Department of Labor (DOL), will serve at the Joint Financial Management Improvement Program

Tracy Dahbura, EPA, will serve at the National Science Foundation

Adolphus Hawkes, DOL, will serve at the Department of Defense (DoD)

Steven Nash, Social Security Administration, will serve at the Department of Health and Human Services

Lou Pennock, DoD/Defense Finance and Accounting Service, will serve at the National Aeronautic & Space Administration

Deborah Staton-Wright, Food and Nutrition Service, will serve in Department of Agriculture's Office of the Chief Financial Officer

Tyndall L. Traversa, Department of Commerce/National Oceanic and Atmospheric Administration, will serve at National Institute of Science and Technology at Commerce.

This elite group of men and women will spend the next year working on substantial Federal financial management projects and attending classes designed to expand their already formidable range of knowledge and skills. It is anticipated that this next year's experience will significantly enhance their recognized potential to lead as Federal financial managers in the 21st century.

Congratulations to each CFO Fellow and thanks to each CFO organization participating in the program this year. The new class of CFO Fellows will begin a training program at the Federal Executive Institute in Charlottesville, Virginia on May 10. □

# New CFO Council Officers

The Chief Financial Officers Council elected new officers for the Council:

- Executive Vice Chair—Sallyanne Harper, Chief Financial Officer (CFO), Environmental Protection Agency
- Vice Chair, Programs—Ned Powell, CFO, Department of Veterans Affairs
- Vice Chair, Legislation-John Callahan, CFO, Department of Health and Human Services (HHS)
- Secretary/Treasurer-George Strader, Deputy CFO, HHS

A new committee for the CFO Council is the Financial Statements and Standards, which will be chaired by Bert Edwards, CFO, Department of State, while the Performance Management Committee sunset. □

*Awards, continued from front page.*

done electronically. Mr. Renfrow was recognized for his exceptional and sustained leadership in improving financial management in the State of North Carolina. Since 1974, Mr. Renfrow has been a strong advocate for fiscal accountability and responsibility within state government in his roles as State Controller, State Auditor, and State Senator. He has been instrumental in reducing costs, and promoting the efficiency, effectiveness and economy of governmental operations. Appointed as State Controller in 1993, Mr. Renfrow implemented the North Carolina Accounting System. The NC Accounting System provides consistent statewide financial information, a uniform chart of accounts, common policies and procedures, an online access to up-to-date data, and a rational way to measure, compare, and evaluate diverse programs within the state government. It also eliminated redundant activity in different State agencies and provided a foundation for integration of other financial systems. Mr. Renfrow developed a comprehensive business planning process to manage the State's IT resources, which has stressed more fiscal responsibility and accountability.

Messrs. Walker and Hammond presented a Special Award to G. Edward DeSeve, then the Deputy Director for Management, OMB for distinguished leadership for improving financial management as the Chair of the JFMIP Steering Committee from 1996-1998. Mr. DeSeve was recognized for his innovative thinking and dynamic leadership in changing the way Federal agencies plan and implement financial management improvements. Mr. DeSeve was Controller, Office of Federal Financial Management at OMB when he was Chair of the JFMIP Steering Committee. Mr. DeSeve has left his Federal position and is a consultant in the private sector.

It was also announced that a Special Award to Senator John H. Glenn, Jr. will be presented at a later date. His award is for fostering financial management excellence through the development and passage of the Chief Financial Officers Act of 1990, and through the strong support of other legislative initiatives and oversight by Congress. □

# New JFMIP Staff

The JFMIP recently welcomed three new staff members. The new staff will work on a variety of assignments including testing of core financial system software, the development of systems requirements, and updating core competencies for financial management personnel.

Dorothy (Dot) Sugiyama, a senior program analyst from Department of the Army, began a one-year rotation at JFMIP in April 1999. She is a 1998 graduate of the Industrial College of the Armed Forces, one of the nation's senior service colleges, with a Master of Science Degree in National Resource Strategy. She also holds a Master of Public Administration Degree (with dual emphasis on financial management and

*Continued on page 12.*

# Reflections of a CFO Council Fellow

*by Betty White*

I am the 1998-99 Environmental Protection Agency's (EPA) Chief Financial Officer (CFO) Council Fellow and one of nine Fellows who will graduate in May 1999. The goal of the CFO Council Fellows Program is to provide the Federal government with a cadre of diverse, experienced staff who will serve as a source for future Federal financial management leaders.

My developmental assignment at the Joint Financial Management Improvement Program (JFMIP) was educational, empowering, creative, energetic, and challenging. It has been a broadening experience, which I will reflect on positively in future years.

*FEI*

The assignment began April 26, 1998, at the Federal Executive Institute (FEI) in Charlottesville, Virginia, where the CFO Fellows met and bonded immediately. This class of CFO Fellows and their home and host agencies are: Ralph Beaty, National Aeronautics and Space Administration (NASA)/U.S. Department of Agriculture (USDA); Russ Gardiner, Food and Nutrition Service/General Service Administration (GSA); Willa Green, USDA/Labor; Ted Kontek, Labor/EPA; Margaret Myer, GSA/Veterans Administration; Richard Noll, National Science Foundation (NSF)/Defense Finance and Accounting Service; Debbie Watson, NASA/NSF, and Betty Weber Army/USDA.

The FEI program was developed by Linda Winner, Ph.D., FEI, in consultation with John Amey, Program Manager, USDA Graduate School. The Fellows met with counselors who helped us to understand our leadership strengths and identify areas of development opportunities. We were given insights on understanding our styles of thinking and were asked to develop a life/career plan.

*Assignments*

I reported to JFMIP, a small organization with a huge responsibility for improving financial practices in the Federal government. JFMIP has a number of time sensitive projects and a demanding schedule for completion. My first and year-long assignment was as a team member of the Financial Management Systems Software (FMSS) reengineering process. This reengineering process is to separate the software testing and certification process from the procurement process to allow information to be easily disseminated to agencies and vendors.

The interagency team is led by R. Schuyler Lesher, Deputy CFO, Interior, and Chair, CFO Financial Systems Committee and Karen Cleary Alderman, Executive Director, JFMIP. Other team members are agency representatives from Office of Management and Budget, Interior, General Services Administration, JFMIP, and Logistics Management Institute, a contractor. The highlights and accomplishments of the team include: updated and issued the JFMIP *Core Financial System Requirements* document; developed the Program Management Office (PMO) Knowledgebase for communicating with the public using a Web-based tool; developed software testing and qualification process; and hosted three Open House forums for agencies and vendors to share information. The FMSS project began before I arrived and is scheduled to be completed by September 30, 1999.

I also worked on the development of the Grants Financial System Requirements. Al Muhlbauer, Deputy CFO, National Science Foundation and Chair, CFO Council's Grants Management Steering Group, and the Interagency Electronic Grants Committee (IAEGC) agreed to work jointly to develop grants financial system requirements. Mr. Muhlbauer, who is the project leader, requested the CFO Fellows work on this project, which we gladly accepted. Grant agency representatives and a General Accounting Office (GAO) representative also worked on the project. The draft Grants Financial System Requirements are being developed and are currently going through the review process. Reviewers include the CFO Grants Steering Group, IAEGC, GAO, and Federal Accounting Standards Advisory Board (FASAB). The efforts of the Grants Team are in line with priority to improve administration of Federal assistance programs, as stated in OMB and the CFO Council's Federal Financial Management Status report and Five-Year Plan, June 1998.

During the update of the JFMIP *Travel System Requirements* document, one issue arose concerning the need for the Government Transportation Request (GTR). JFMIP was asked to facilitate this process, and survey agencies soliciting their views on the need to continue using the GTR. I followed up with agencies, compiled and analyzed the data received. The analysis strongly suggested that, except for rare circumstances, such as international travel or travel to remote locations, the GTR could be eliminated. The Department of Defense stepped forward to identify and find ways to address those obstacles. I coordinated the governmentwide effort, led by Defense, to design an implementation plan to eliminate the GTR.

I also worked on assignments in the human resources area, which is designed to improve financial management human resource development, recruitment, and retention. This was also an objective of the CFO Council and JFMIP. I worked with other agency representatives on review boards, led by Kenneth Bresnahan, Acting CFO, Labor Department, Doris Chew, Assistant Executive Director, JFMIP and John Sander, Department of State, to update the Core Competencies for Financial Managers and Core Competencies for Accountants. I also participated in the Office of Personnel Management's focus group to discuss and identify changing knowledge and skill requirements for accountants.

*Customer/Stakeholder Needs*

JFMIP encourages being responsive to customer needs and promotes partnerships with stakeholders. Customer and stakeholder feedback has been incorporated into projects and subsequent finished products. I have been instrumental in JFMIP's proactive search for input from all interested sources – government and private industry. I have designed structured data gathering and analysis models. I also coordinated three CFO Financial System Committee and JFMIP Open House forums, arranging the logistics, developing the agenda, and preparing the press release. The Open House forums were designed to communicate to vendors and agencies the progress made on the FMSS reengineering process and to provide milestones for future activities.

*Continued on page 23.*

# JFMIP 28th Annual Financial Management Conference

*The Future is Now: Implementing Financial Management Initiatives*

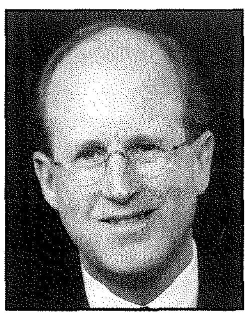
Over 1050 persons attended the Joint Financial Management Improvement Program (JFMIP) 28th Annual Financial Management Conference on March 19, 1999 in Washington, DC. Dynamic keynote addresses by the Comptroller General of the United States David Walker, and the Office of Management and Budget Deputy Director Sylvia Mathews highlighted the future direction of GAO and the Administration's budget priorities. Also at this year's Conference, there were panel sessions on: Critical Governmentwide Accounting and Auditing Issues; Resolving Y2K Issues; Financial Systems Update; Financial Workforce 2000 and Beyond; Looking Ahead with Federal Accounting Standards; Exploiting Electronic Initiatives for Financial Management; and Linking Resources to Results with Performance Plans.

Summaries of all of the presentations can be found in this issue of the *JFMIP News*. The JFMIP would like to thank the staff from the Graduate School, USDA and agency volunteers that made this Conference a success. They are: Graduate School, USDA- Isabelle Howes, Sharon Barcellos, Debbie Herway; Department of Agriculture-Patricia Wensel; Department of Army-Dorothy Sugiyama; Department of Energy-Judi Fuerstenberg and Patrice Williams; Department of Justice-Linda Herbert, Hilary Holmes, Sophie Jones, Marilyn Kessinger, Melissa Loughan, Susan Mata, Kelly Stefanko; Department of Labor-Willa Green, Janet Laytham and John Oberzut; Federal Accounting Standards Advisory Board-Lucy Lomax and Andrea Palmer; General Accounting Office-Rocky Rockburn, Patricia Slocum and Lisa Shames; and Office of Management and Budget-Jean Holcombe. □

## Keynote Address

*By David Walker, Comptroller General of the United States*

Noting a lifelong admiration for public servants, Mr. Walker challenged the audience to partner with GAO to accomplish the common goal of government accountability to the American people. He emphasized that accountability is more than accounting and auditing; it means providing good government. GAO and the Federal financial community must strive to improve the efficiency, and effectiveness of the Federal government for the benefit of the American people.



Mr. Walker said that GAO is dedicated to good government through its commitment to three core values: accountability, integrity, and reliability. These core values describe what we do, how we do it, and how we want it to be received.

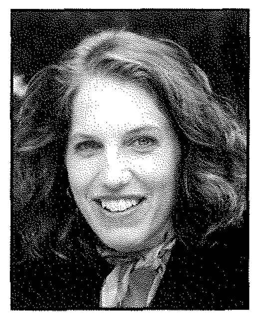
Mr. Walker emphasized that accountability represents what we do. The evaluation and analytical work we perform to assure accountability in Federal programs and operations requires diverse, multi-disciplinary approaches and a broad range of skilled professionals, including evaluators, auditors, lawyers, economists, and information technology specialists. He noted that less than 25% of the work GAO undertakes to help the Congress oversee Federal programs and operations is traditional accounting and auditing. Instead, GAO accomplishes its mission through a variety of activities that include financial audits,

*Continued on page 8*

## Keynote Address

*By Sylvia M. Mathews, Deputy Director, Office of Management and Budget*

Ms. Mathews' speech focused on the importance of having a good financial foundation to support the strategic work of the government. Financial management emphasizes accounting; however, it also provides the form and structure for all that the government provides to the public. Before the GMRA passed in 1994, audited government financial statements were not required. Everything was thought of on a cash basis. You can't do the strategic work without audited financial statements. If you do it's like building a sturdy house but without a foundation. Accountability is a strong foundation but it stands empty without fiscal responsibility. It is essential to maintain fiscal discipline. She further emphasized that the management and budget functions must work together. Jointly they provide solid management and financial information for program management, improved bottom line results, and solid management to implement what the President and the people care about.



Ms. Mathews described the President's Social Security proposal to illustrate one way to achieve the goal of fiscal responsibility in an era with a budget surplus. In its Fiscal Year 2000 Budget, the Administration proposed to devote 62% of projected budget surpluses to extend the life of the Social Security Trust Fund until 2055. About one-fifth of the President's commitment to Social Security will be invested in corporate stock. The Administration also

*Continued on page 9*

# JFMIP 28th Annual Financial Management Conference

*The Future is Now: Implementing Financial Management Initiatives*

Highlight Session

## *Critical Governmentwide Accounting and Auditing Issues*

Norwood (Woody) Jackson, Acting Controller, Office of Federal Management, Office of Management and Budget (OMB), discussed where the Federal Government is, what we have done, and where we are going on critical accounting and auditing issues. Many agencies are making major efforts to achieve unqualified opinions on their financial statements. In 1991, it was difficult to find financial statements with valid information, and only one agency received an unqualified opinion. In 1997, eleven agencies received unqualified opinions. In 1998, OMB expects thirteen or fourteen unqualified opinions. He doesn't view that as bad as long as we are moving along a continuum to reach the goal of all 24 CFO Act agencies having unqualified opinions. Although major problems exist in Property, Plant and Equipment (PP&E) and in inventory, the Department of Defense, which has more PP&E than all other agencies combined, is now undertaking a massive effort in PP&E, inventory and environmental clean-up costs. The Forest Service and the State Department are notable for their efforts at improvement. Therefore, Mr. Jackson is cautiously optimistic for the near term and very optimistic for the long term. Mr. Jackson highlighted that two massive problems for all agencies are unreconciled disbursements and intragovernmental transfers. To resolve these problems, it will require serious cooperation among the agencies, and between agencies and the Treasury Department.

Donald Hammond, Fiscal Assistant Secretary, Department of the Treasury, discussed the preparation process for financial statements. For this fiscal year major improvements have taken place in the timelines of financial statements, and the accuracy of the data. Treasury requested agencies' input fifteen days earlier than last year and the vast majority of agencies complied. Mr. Hammond pointed out that while intragovernmental transfers are a significant problem—since the volume of business conducted between government agencies is estimated in hundreds of billions of dollars—we can solve it. Another major problem was the out of balance amounts between trust funds reported by the agencies and the Treasury. Analysis disclosed that the agencies and Treasury were using different methods of amortization, which will be corrected next year. Mr. Hammond stated that persistence and planning for the future will solve most of our difficulties.

Gene Dodaro, Assistant Comptroller General, Accounting and Information Management Division, General Accounting Office (GAO), discussed the progress made by the Federal government in accounting and auditing. Presidential and congressional interest has increased substantially. Meetings held among the Chief Financial Officers, GAO and OMB were well organized and constructive. A meaningful dialogue was established with the Department of Defense, and for the first time it was recognized that people outside the financial community (in budget, logistics, program management) must be involved. Everyone is coming to the table to resolve issues and making a solid commitment to work with JFMIP on financial systems. Mr. Dodaro stated that he had not seen good cooperation between agencies and the Treasury Department and that it is very important for the Treasury, agencies and auditors to work together on solving problems. ❑

Panel Session

## *Resolving Y2K Issues*

Jim Flyzik, Deputy Assistant Secretary for Information Systems, Department of Treasury outlined the scope of Treasury's challenge to resolve Year 2000 Issues. Treasury has 14 bureaus and offices, supporting a wide range of missions, goals, and objectives. The four primary missions include economic, financial, law enforcement, and management. Treasury has some of the largest and complex information technology (IT) systems in the Federal government, which includes Customs and Internal Revenue Service. It also has the largest civilian Government data network.

Mr. Flyzik stated that as of March 1 over 86% of Treasury's mission-critical IT systems are now Y2K compliant. 99% are projected to be compliant by March 31, 1999.

Having a strong management support structure has been instrumental to ensuring that adequate personnel and funds were available. Major reporting and oversight requirements were in place at bureaus. This included bureaus submitting plans, schedules, and monthly status reports. Ongoing reports and briefings by bureaus and corporate systems program managers on the status of telecommunications, IT and non-IT efforts were also available. Additional reporting management controls include conducting vulnerability assessments and follow-up and audits by the Treasury Inspector General and the General Accounting Office. Coordination with the Treasury Chief Financial Officer (CFO) Council has been an instrumental part of the program management structure for buy-in Department-wide.

There were several Y2K program building blocks instituted. This meant gaining senior executive level commitment and engaging all organizational components of Program Management. Program Management offices included the Chief Information Officer, CFO,

*Continued on page 10.*

# JFMIP 28th Annual Financial Management Conference

*The Future is Now: Implementing Financial Management Initiatives*

Panel Session

## *Workforce 2000 and Beyond*

Marilyn Gowing, Associate Director of the Office of Personnel Management (OPM), Sharon Fitzsimmons, a partner at PricewaterhouseCoopers, and Kenneth Bresnahan, Acting Chief Financial Officer at the Department of Labor and Chair of the CFO Council's Human Resource Committee addressed emerging financial workforce issues.

Ms. Fitzsimmons led off the discussion by describing workforce issues in finance common to both the government and private sectors. These are recruitment, professional development, compensation and motivation. Several factors are contributing to a shortage of new financial workers: low unemployment rates, aging baby boomers, and low birthrates. A recent phenomenon is competition with the technology sector. Since "all finance jobs are technology jobs ...and accounting and management graduates are (thus) qualified for technology jobs." Fewer graduates are entering into purely financial occupations. Two strategies she suggested for confronting this problem are recruiting college juniors as interns and improving work processes for different skill sets.

She tied professional development to compensation. By improving tools for learning and development, she posed the possibility of compensating for competency rather than tenure. This would require employers to clearly disclose what is needed to progress, and to provide and promote opportunities to develop core competencies, qualities and values critical to success.

Rewards beyond compensation should also be considered. These include retirement issues such as control over investments and earlier retirement age options; trading dollars for lifestyle, and providing more family benefits such as child and elder care. Ms. Fitzsimmons completed her presentation by

*Continued on page 11.*

Panel Session

## *Financial Systems Update*

At the 1998 JFMIP Conference, G. Edward DeSeve, then Acting Deputy Director of Management, Office of Management and Budget, described his vision for Federal financial systems. He stated that there was a need for the Federal government to: 1. build private sector partnerships, 2. provide market information that encourages private sector "partners" to furnish products, 3. make it easy for (qualified) vendors to get on the "schedule", 4. maintain up-to-date financial standards, 5. re-engineer procurement vehicles-easy to use, flexible, wide selection of products, and 6. provide incentives that encourage private sector update products "on their nickel".

The Financial Systems Update session presented at this year's conference provided an update on the progress the Federal government has made in these areas during the past year.

Karen Alderman, JFMIP Executive Director, stated that the first step in accomplishing the goals for financial systems software requires addressing the JFMIP system requirements for core financial systems and the 13 subsidiary systems. The system requirements for each of these systems must be brought up-to-date in order to give the vendors the current financial functional requirements against which they need to provide software solutions. This is an ongoing effort with revisions to 7 systems requirements now underway.

Schuyler Lesher, Deputy Chief Financial Officer at the Department of the Interior, highlighted the state of the current environment for financial systems in the Federal government. The Year 2000 (Y2K) effort has overwhelmed almost every information technology (IT) area and will continue to do so for the rest of 1999. This has slowed the effort on the improvement of financial systems. However, once the Y2K

*Continued on page 12.*

Panel Session

## *Exploiting Electronic Initiatives for Financial Management*

Chris Sale, Director, Management Initiatives, Office of Management and Budget chaired the panel session, "Exploiting Electronic Initiatives for Financial Management." Panel speakers were: Larry Bedker, Deputy Director, Office of Finance, General Services Administration (GSA); Robert Salvucci, President, SAP America Public Sector, Inc.; Charles Coleman, Program Manager, Access America for Students, Department of Education.

Ms. Sale stated that the Administration is addressing many managerial performance challenges covering initiatives such as: the Y2K problem, government-wide financial statements, the Indian trust funds, and the census.

In April 1999, Treasury is scheduled to issue the FY 1998 audited report on the Federal Government's financial statements. The statements incorporate financial information from the twenty-four CFO agencies and other Federal entities. There have been extraordinary accomplishments to date, as the number of agencies receiving a clean opinion on their financial statements has increased from one to six and now, eleven. The Administration's goal for the FY 1999 financial statements is for 20 agencies to receive a clean opinion.

She stated that agencies are still coping with huge weaknesses in the systems that produce their financial statements. Extraordinary amounts of improvement are needed in inventory, loan, asset management, receivables, and property systems. These systems are still inherently weak in terms of production flow, data, and interaction with financial activities. Agencies must get at legacy systems and the transaction systems

*Continued on page 13.*

# JFMIP 28th Annual Financial Management Conference

*The Future is Now: Implementing Financial Management Initiatives*

*Walker, continued from page 5.*

program reviews, investigations, legal research, policy and program analyses.

Integrity describes the standards that we set for ourselves in how we conduct our work. We must provide professional, objective, fact-based, non-partisan, non-ideological, fair and balanced analyses. Mr. Walker stressed the importance of acknowledging progress, talking about what's working right, providing constructive comments, and sharing best practices. Talking only about what's wrong with government programs and operations undermines the public's respect for and confidence in their government.

Reliability describes how we want the Congress and the American public to view our work. Our goal is to produce high quality reports, testimony, briefings, legal opinions, and other products and services that are timely, accurate, useful, clear, and candid. Mr. Walker emphasized that it is important to think and talk straight and to be more concise in our reporting.

Mr. Walker noted that his fifteen year tenure as Comptroller General will give him the opportunity to focus not only on current issues but also on the emerging challenges facing the government.

Financial management is the foundation of government accountability. Like a house, the government's programs and operations must be built on a rock solid foundation. Annual financial audits represent an important means to assure continued progress in connection with improving Federal financial management. However, Mr. Walker cautioned that while obtaining unqualified "clean" audit opinions is an important objective, it is not an end in itself. We need financial management and information systems which produce timely, accurate, and useful financial and management information which Congress and other decision-makers can use on an ongoing basis, not just good year-end data.

In addition, good strategic planning, improved information technology management, and enlightened human capital management are key components in assuring accountability and improving performance throughout the Federal government.

GAO
Accountability * Integrity * Reliability

With respect to information technology, in the short term the government must focus on the Year 2000 problem because this is a date certain event and the government still faces high hurdles. Mr. Walker stressed that in the longer-term the government must address implementation of the Clinger-Cohen Act. This reform legislation builds on the best practices of leading public and private organizations. It requires improving government operations through more effective planning, investment, and use of information technology. Requirements include establishing Chief Information Officers, linking IT investment decisions to program missions and goals, and strengthening internal controls. Mr. Walker encouraged CIOs and CFOs to work together more closely. He also stated that GAO is revising the standards on internal controls issued in 1983. There must be a clear recognition that automated information systems are the engines and repositories of financial information. It is no longer acceptable or possible to "audit around" computers. Mr. Walker noted that GAO has worked with OMB to design and issue guidance to assist agencies in implementation of Year 2000 and other information technology management reforms.

Mr. Walker declared that human capital is GAO's and the government's most important asset. No organization can maximize its economy, efficiency, and effectiveness without having up-to-date, state-of-the-art human capital strategies that are aligned with its overall strategic plan. Organizations must invest in people-its intellectual property—to maximize value and manage risk. This is especially true in the case of professional service organizations, like GAO. Mr. Walker noted that the government has been woefully inadequate in this critical dimension of performance. He said a top priority of his tenure at GAO, as well as an area of review for GAO throughout the government will be human capital, people strategy, issues.

In evaluating an organization's performance, the outcomes, not output, must be measured, together with client and employee feedback. Mr. Walker also stressed the importance of protecting merit principles and pursuing lifelong learning. The 80-hour CPE requirement encourages continuous professional development.

Mr. Walker reiterated that accountability is the key to delivering good government to the American people. Accounting and financial management is one of the core competencies needed for accountability. He noted that the country is now experiencing temporary budget surpluses. However, given the known demographic trends of the American population, projected Social Security and Medicare payments produce structural deficits such that by 2050 some models show there may be no money for any discretionary spending. The government auditing and financial community has an obligation to address and report on these structural deficiencies, to provide the Congress and the public with the facts to make informed decisions. ▫

# JFMIP 28th Annual Financial Management Conference

*The Future is Now: Implementing Financial Management Initiatives*

Panel Session

## *Looking Ahead with Federal Accounting Standards*

David Mosso, Chairman, Federal Accounting Standards Advisory Board (FASAB), began the presentation by focusing on the transitional nature of Federal financial management. He spoke of the changes required by financial management legislation, such as the Chief Financial Officers (CFO) Act, Government Management Reform Act (GMRA), Government Performance and Results Act (GPRA), and the effect of those changes on the FASAB standards, the Federal financial reporting model, and the Federal management model. He stressed the positive direction of the evolving Federal management model as replacing control by prescription and restriction with control by performance targets and accountability for results. He also explained that fiscal year 1998 was the "stress test" of the new accounting standards since this is the first fiscal year in which all of the core set of accounting standards (SFFAS 1-8) were in effect. The results of the audits of the fiscal year 1998 agency financial statements will help the Board assess the nature and degree of implementation problems with the standards and how those problems might best be addressed.

Mr. Mosso also discussed the general purpose Federal financial reporting model (GPFFR). He said that, in many respects, the Federal model is more complex than either private sector or state and local government model. He discussed the unique aspects of the Federal model, including the links between the Statement of Net Cost and performance measures, and between the Statement of Net Cost, the Statement of Budgetary Resources and the Statement of Financing. He also stressed the importance of stewardship reporting and the impact that such reporting might have on users and decision-makers.

*Continued on Page 14.*

Panel Session

## *Linking Resources to Results with Performance Plans*

Sallyanne Harper, Chief Financial Officer for the Environmental Protection Agency (EPA), opened up the panel session by observing that agencies' annual performance plans are opportunities for them to demonstrate the full value of their programs for the resources that are being spent. At EPA, the fiscal year 1999 annual performance plan was part of its annual budget submission-it was one of only three agencies that submitted an integrated performance plan and budget. EPA made fundamental changes to its budget structure in recognition that it should be organized around environmental outcome goals and not a particular media.

For its fiscal year 2000 performance plan, EPA again placed its requested resources in this budget structure. Additional improvements to the plan include an increased number of performance goals and measures with an environmental-outcome orientation. These goals and measures are accompanied by enhanced baseline data. The plan contains a full discussion of the strategies EPA will use to achieve these goals and the verification and validation procedures for performance and cost data. EPA is continuing its consultations with congressional stakeholders.

One of the current challenges for EPA is the need for timely, accurate, and relevant data to be able to demonstrate progress in meeting its goals. Full cost data will adhere to the goal format set in the performance plan budget submission. Such data will allow managers to assess the cost of achieving results. Collecting results-oriented performance data calls for new collaborative relationships with partners, such as state governments, that implement environmental programs. EPA is working with states to focus on agreed- upon outcomes and to

*Continued on Page 15.*

*Mathews, Continued from page 5.*

proposed to commit an additional 15% of future surpluses to extend the Medicare trust fund's solvency. Most of the share committed to Social Security and Medicare will be used to buy down the publicly held debt. The Budget also proposed to dedicate 12% of the remaining surpluses to new Universal Savings Accounts and the remaining 11% to priorities like education, national security, and health care. Overall, this plan will reduce the debt held by the public from \$3.7 trillion to \$1.2 trillion, which is the lowest level relative to the size of government since 1917. This creates room for productive private capital investments and reduces interest payments from \$.13 on the dollar to \$.02 on the dollar, shrinking the debt burden on future generations. Ms. Mathews concluded the speech by thanking participants for their efforts at improving financial management and offered OMB's continued assistance in advancing these efforts.

During the question and answer period, Ms. Mathews was asked about the concerns Mr. Greenspan expressed with equity investments in the market. She replied that government holdings would be limited to account for no more than a small fraction of the stock market, and would be smaller than the share of the market presently held by some private investors. Ms. Mathews also noted that the investments would be independently managed by private sector managers and insulated from political influence. A question was also raised on how we maintain funding without needing to borrow again in the future. She responded that there would be equity returns that would extend the time you have surpluses, there will be no default on Treasury securities, and that we need to put ourselves in the position where money is there to pay claims. The audience enthusiastically received the answer to the final question on repealing the windfall act that sets earnings limits for people receiving Social Security. The administration supports lifting the limits on earnings as part of its overall Social Security reform package. ❑

# JFMIP 28th Annual Financial Management Conference

*The Future is Now: Implementing Financial Management Initiatives*

*Y2K, continued from page 6.*

Budget, Management and Operations, International Affairs, and Security/Emergency Preparedness.

Mr. Flyzik discussed the evolution of becoming Y2K compliant. An assessment was conducted of the mainframe systems perspective, telecommunication systems, and midrange systems, personal computers, and local area networks. Data exchanges were conducted between Treasury and its Federal, State, commercial trading, and business partners. Currently, the focus is on continuity planning, core business processes, and command center.

Treasury's final challenge entails ensuring success. They hope to attain this by continued oversight, contingency planning for systems, and continuity of operations planning for key business processes. They are preparing for January 1, 2000 and have a Day One strategy.

Mr. Bert Edwards, Chief Financial Officer (CFO), Department of State, alerted everyone that the time is coming and there is no way around Year 2000 (Y2K). The United States will not be able to solve this worldwide problem. What will be more troublesome for some countries will be their inability to obtain customer support because they are using pirated software. Additionally, most countries are depending on the U.S. for solutions to the Y2K problem. There will be crises on the same day. State expects to have the most, because of its worldwide involvement.

The Department of State is responsible for advancing national objectives and interests in shaping a freer, more secure, and more prosperous world through formulating, representing, and implementing the President's foreign policy. State, the first Federal agency, was established in 1789 and has representation in 162 countries at 260 locations. The Ambassador coordinates all U.S. programs and activities in host countries. State provides administrative support services to more than 150 different Federal agencies and entities overseas.

State is meeting the worldwide Y2K challenge on three levels. The three levels are global intervention, business of State, and business processes at bureaus and posts. Global intervention involves participating in international Y2K organizations and committees or international outreach. There is an ongoing country-specific readiness assessment.

The business of State ensures system readiness. There are application remediation activities for 59 mission critical and 57 critical department-wide systems. State's computer systems interface with 195 external and internal organizations and 106 banks. By March 31, 1999, 90% of the State's mission critical systems will be Y2K compliant and the remaining systems by May 31. In September 1999, State plans to conduct Department-wide end-to-end testing of critical processes and certify system compliance.

For business processes at bureaus and posts, State has developed a contingency planning toolkit for "Day Zero" planning and risk mitigation activities. Mr. Edwards highlighted areas of particular concern, such as: transportation systems abroad affected by computer problems; financial institutions outside of the United States experiencing difficulties; and U.S. citizens abroad with special medical needs that may be unavailable.

Additional information about Y2K issues and links to Y2K websites for foreign governments can be accessed at http://travel.state.gov.

Al Uretsky, DMR Consulting Group, spoke about Y2K risk management. For the last two years he has worked on Y2K risk management in the banking and securities industry.

No one really knows what will happen on January 1, 2000. It may be no more than simply a "bad day". But, everyone else in the world will also be having a bad day - some worse than others. He predicts that we will see it more in the last quarter of the year. It will be another day. Everyone will have problems, be inconvenienced.

The Y2K risk management objective is to be prepared by focusing on the risks that Y2K poses to your business. You should also assist in maintaining the integrity of critical business processes by quantifying the level of risk and developing a mitigation strategy and action plan.

There is a 7- phase approach to the Y2K Risk management:

- Develop an overall Y2K Contingency Planning Strategy
- Conduct Contingency Planning awareness sessions
- Review the Business Impact Assessment
- Develop Y2K Business Continuity Plans
- Develop Y2K Remediation Contingency Plans
- Validate all Y2K Business Continuity Plans and Y2K Remediation Contingency Plans
- Develop a Y2K Cutover Plan

There should be organizational planning. The Board of Directors and Senior Management must be directly involved in the planning process. Development and execution of said plans should be decentralized to the business units. A continuity group or resource should be established with corresponding responsibilities assigned. The Legal Department should be involved along with the Quality Assurance team for plan validations.

The Y2K Continuity Plan Validation is important to validate the effectiveness and reasonableness of the proposed contingency plans. They should be conducted by an external third party for an objective perspective.

Mr. Uretsky emphasized that the most important way to mitigate risk is to develop a sound, validated contingency plan and continually monitor and alter plans as required.

Joel Willemssen, Director, Civil Agencies Information Systems, General Accounting Office (GAO) offered the GAO perspective on the Y2K status in the Federal government. He discussed what remains to be done in the Federal government.

*Continued on Next page*

# JFMIP 28th Annual Financial Management Conference

*The Future is Now: Implementing Financial Management Initiatives*

*Y2K, continued from page 10.*

GAO has been involved in the Y2K dilemma for several years and has issued 90 reports and testimonies on Y2K. They have spent the majority of time on government-wide progress. Now, time is spent on business continuity. Mr. Willemssen stated that overall, the Federal Government is more optimistic than a year or even 18 months ago. He credits the Office of Management and Budget (OMB) with spurring the agencies to pay attention to the Y2K crisis. OMB developed guidance directing agencies to submit quarterly reports on their progress and making top agency officials aware of the issues. This resulted in positive benefits.

A recent OMB quarterly report in the Washington Post showed that 79% of mission critical systems in the Federal Government were Y2K compliant and 90% by the end of March 1999. This is, however, self-reported. GAO believes that the percentages may be less and should have an independent review and verification to confirm the accuracy of the report.

GAO would like to see the Federal Government begin to focus on key business functions and programs - essential business areas. Also each critical agency should have an aggressive "Day One" or "Day Zero" strategy. The status of state and local governments should be reviewed. Their action or inaction will significantly affect benefit payments.

Key economic sectors are of concern, because of what the Government doesn't know. They are unable to provide assessment data on where they stand. Mr. Willemssen foresees a greater demand, not for the business sector, but for individual companies to disclose information in order to determine where the U.S. stands. □

*Workforce 2000, continued from page 7.*

proposing organization-wide official coaching programs for every employee. This private sector "best practice" helps the organization assimilate new employees faster. Coaches are delegated responsibility for advising on and approving training, helping new people network, providing hands-on training, and advising on career paths.

Dr. Gowing presented an overview of initiatives the OPM is pursuing to improve Federal human resource practices. OPM's primary strategy is to ensure that the elements of human resource functions are integrated and client focused. A major re-invention is a new conceptual model for qualification and classification standards. The model builds standards based on competencies rather than years of experience and credit hours. OPM plans to introduce assessment tools to gauge these competencies, which include not only the technical skills pertinent to any one occupation, but also general competencies indicative of success in the workplace. Dr. Gowing presented a sampling of these general competencies: good communication skills, reasoning, integrity, self-management, and flexibility. These were consistent with competencies cited by the private sector panelist.

OPM has issued draft classification and qualification standards for the GS-510 accountant, using the new format. Select agencies will pilot the standards for a six month period beginning in May 1999. All revised standards will be Web-based to enable OPM to distribute revisions in a timely manner, keeping pace with the market and changing nature of disciplines and occupations.

OPM is also developing Web-based solutions to streamline the hiring process. Jobs are posted on-line and agencies are beginning to accept applications on-line. OPM is leading the President's Task Force on Federal Training Technology. Soon, OPM will have automated competency based assessments on line. Dr. Gowing stated that OPM is a "new organization committed to working with line managers to revolutionize the system. But we need your help and look forward to working with you."

Kenneth Bresnahan tied the information together by briefing the audience on developments specific to the Federal financial workforce. He cited OPM statistics showing that since 1992 the Federal financial workforce has decreased and a significant proportion of the remaining workforce will become eligible for retirement in the next five years. At the same time, the proportion of the financial workforce under the age of 30 has declined significantly. Since 1992, new financial legislation has changed the nature of Federal financial management and placed new demands on that shrinking workforce. Time is of the essence. The financial community must move quickly to increase recruitment, strengthen qualifications, and improve professional development.

The workforce demographics cited above underscore the immediate need to recruit highly qualified financial personnel. To fill this need, the CFO Council's Human Resources Committee (HRC) is completing work on a centralized recruiting network dedicated to financial personnel. Its goals are to promptly identify candidates and streamline the hiring process. This pool of candidates would be available to any finance organization. At the same time, the HRC recognizes that identifying candidate resources in today's competitive environment will require innovative approaches. One underway is a nascent partnership with Hispanic Serving Institutions.

Now that the HRC of the CFO Council and the Joint Financial Management Improvement Program have completed their work to define the core competencies specific to Federal financial occupations, the framework is in place to proceed to improving professional development and defining qualifications for new recruits.

The latest product of the HRC is the Executive Toolkit: Building A Financial Management Workforce Development Plan, which is available on the FinanceNet website under the CFO HRC webpage. This is a comprehensive package to help financial managers update and maintain the

*Continued on Page 15.*

# JFMIP 28th Annual Financial Management Conference

*The Future is Now: Implementing Financial Management Initiatives*

Systems, continued from page 7.

effort is completed, more resources can be devoted to upgrading financial systems. A current financial systems snapshot among the CFO agencies showed that there are 751 financial systems, 1170 applications and $1.6 billion in annual expenditures. Only 49% of financial applications are JFMIP compliant and a very small 13% are using commercial off- the-shelf (COTS) system software. However, 71% of the systems are planned for upgrades or replacements by 2003.

One of the major problems for the Federal government is the lack of business process reengineering. The Government buys software and modifies the software to conform to its current procedures. The government should take advantage of new technology to make its business practices more efficient by changing the processes to conform to the software, or better yet, reengineer the business practice first, then search for a software solution that fits the revised process. In fact, the Federal financial management systems software process is itself being reengineered. A Program Management Office (PMO) is being established in the JFMIP to do the following: update, maintain and communicate financial system requirements; reengineer current core financial systems software test and certification process; work with GSA to streamline procurement vehicles under a new concept of operations; and maintain a "knowledgebase" of information on financial commercial systems services and related information.

The "knowledgebase" is available now on the JFMIP website for all to use. Information will be posted once the COTS packages are tested and meet the JFMIP core financial system requirements. The information will include the name of the software products and vendors, how well the software works, and value added features of the product.

Catherine Nelson, Program Manager, Logistics Management Institute (LMI) spoke about how her organization has assisted the CFO Financial Systems Committee and JFMIP in reengineering the financial system software testing process. She spoke about the current Financial Management System Software schedule and compared it with the new qualification and testing procedures. The key components of this process are selection and implementation. The COTS package must be tested to see whether it meets Government requirements. The requirements can be mandatory, agency specific or value-added. The approach will be for JFMIP to test the mandatory requirements. Value-added requirements will be observed by the test team, but they will not be tested. Agencies must test any agency specific requirements and retest any value-added functionality they might want to use. LMI is working with JFMIP to build, test and maintain the testing process. The draft test scenarios are currently on the knowledgebase and are available for review and comment.

Within 30 days of receipt of required application information from the vendor, the JFMIP PMO will notify the vendor of result of their review. Applications can be rejected based on the review. If the application is accepted, JFMIP will schedule the test date. Vendors must be prepared to test within 60 days following application submission. Vendors will begin using the tests for testing their products from June to September 1999. Results of the tests will be officially announced on September 30 with certificates effective October 1, 1999. After the initial period, notification of a successful test and a certificate of compliance will be provided within 30 days of testing.

Frank Sullivan, Deputy Chief Financial Officer, Department of Veterans Affairs (VA), explained how the VA is building a business case for a future integrated financial/logistics management system (Integrated Financial Management System - IFMS) in accordance with Capital Investment Board guidelines that supports and facilitates VA's mission. He also discussed how they are using the new JFMIP qualification and testing process to help them accomplish this goal. The VA is focused on the value-added testing, making the assumption that JFMIP will provide the testing of mandatory requirements. The VA is looking to change their business processes to become more efficient and find financial system software that will fit their new processes. Information on the VA IFMS project can be found on the IFMS web site at "http://ifms.va.gov".

As the panel session concluded, it was stated that future Federal financial system development faces many strategic challenges. Building business cases, populating the Enterprise with "best of breed", managing change and how to continue in the face of the "disappearing" Federal financial workforce are major issues. A sense of urgency must be established. A powerful guiding coalition must create and communicate vision. Everyone should feel empowered to act. Short term wins ("low hanging fruit") must be accomplished and change must be institutionalized. All this is necessary to ensure that the future of Federal financial systems is golden. ❑

Staff, continued from page 3.

organizational management) from Golden Gate University in San Francisco and a Bachelor of Arts degree in physics from the University of California at Berkeley. Dot is a participant in the Defense Leadership and Management Program. During her one-year rotational assignment at JFMIP, she will work primarily on property systems requirements.

Bruce Turner joined JFMIP as a full-time, permanent employee for the JFMIP Program Management Office on April 26, 1999. Prior to this, he was the Director, Financial Systems Consulting at the Department of the Treasury's Center for Applied Financial Management. Prior to that he was Director, Financial Management Consulting, since inception of the Center in 1991. He helped start FMS' Financial Systems Cross- Servicing program, after spending 8 years in various financial management positions within the Department of Defense. At JFMIP, he will

Continued on page 23.

# JFMIP 28th Annual Financial Management Conference

*The Future is Now: Implementing Financial Management Initiatives*

*Electronic, continued from page 7.*

that feed them. They must use new technology in these areas to deliver improved services and benefits to recipients.

The panel discussed activities going on at agencies that are trying out new technology and integrated systems to provide managers and customers with the information they need on a timely basis.

Ms. Sale stated that GSA is an extraordinary example of an agency using leading edge technology to support administrative activities. Mr. Larry Bedker demonstrated nine applications on the GSA web site.

1. The Payment application shows the status of payments to vendors, travelers, and other recipients. Payees get a password, which allows them to access only their own payment data. Payment information includes: the invoice number and amount, the EFT number (if applicable), the date and type of payment, and the accounting control transaction number.

2. The FEDdesk application has enabled GSA to close out all imprest funds. It enables an employee to route a request for reimbursement to their approving official and to receive payment by EFT. Reimbursement requests approved by 11:00 a.m. will result in receipt in the employee's bank account by the next day. Travel vouchers and time and attendance reports are also processed through this application.

3. The Fastrack application enables authorization of awards up to $2,500. It also provides an employee's awards history. In the future, time off awards will be processed through this application.

4. The Webcard application enables purchase cardholders to review and change the default accounting classification codes on their charge items within ten days of the transaction. After the ten-day period, there is also the capability of a one-time reclassification.

5. The Near Online application has eliminated microfiche and paper reports for their legacy mainframe batch mode financial system. Users are able to look at reports on-line. A good browser is available to sort through information and help users find what they need.

6. The Financial Management Information System is another tool for obtaining financial reports on-line.

7. The Accounting Classification application contains all accounting codes, including definitions. This tool has permitted the elimination of hard copy handbooks, which were usually out of date. Users can obtain lists of codes and definitions for: service and staff offices, client agencies, object classes and cost elements, general ledger, and other agency categories.

8. The TOPS application stands for the Telecommunication Ordering and Pricing System. It is an on-line customer billing retrieval system for information on GSA's phone billings to other agencies through the Treasury OPAC system. GSA customers can obtain their billing information at this web site.

9. The Invoice Imaging application enables GSA offices to review all invoice data on-line and to certify receipt and acceptance on this screen by keying in their password and typing in the date received and accepted. Users can query this application by organization, the number of days old for the invoice, and cumulative invoice amount. This application was developed as a tool to get improved accounts payable information for financial statement purposes.

GSA is implementing a new core financial system. There are 500 to 1,000 users of the current legacy financial system. The new core financial system will have 8,000 users.

Bob Salvucci discussed how growth can be driven in a digital economy through the integration of finance, technology, and strategy. Declining financial conditions, worldwide competitive pressures, and changing constituent needs are forcing private and public organizations to transform how they do business. Today's organizations must improve constituent satisfaction, eliminate non-value-added steps, and provide their suppliers and customers with access to real time information.

Technology is changing at an unbelievable rate, with the development of open systems and interoperability. Organizations are trying to perform activities in a different way through business process redesign and reengineering based on the new technology. When you change dramatically how the business is conducted, you transform the business itself. Reorganizations will not accomplish this type of business transformation.

Finance is the chief interpreter, communicator, and educator concerning the financial impact of decision making. Finance is uniquely positioned to drive this transformation by leveraging technology. The Chief Financial Officer (CFO) must act strategically to identify and support new opportunities for positioning the agency for future growth and to lead business process redesign and reengineering initiatives. Today's CFO must begin to leverage the essential integration of finance and strategy. Information technology must be mastered and leveraged to cope with the rate of change, support business transformation, drive efficiency, and cultivate constituent satisfaction.

People issues are at the core of implementing new technology. Key elements of the new way of doing business are: value chain orientation, process driven, customer-focused, learning organization, and networked operations (intranet, extranet, and internet).

Charles Coleman talked about the accomplishments of the Office of Student Aid in the Department of Education. It is the first Performance Based Organization (PBO) in the Federal Government. Its Access America for Students program grew out of a National Performance Review initiative to use electronic commerce for delighting customers and providing better governmental services. Students are the first demographic group slated to test this type of service delivery. Other electronic service programs are planned for seniors and small business customers.

A study was done to compare key performance statistics associated with filing student loan applications via the traditional paper process versus a pilot electronic submission process. For the traditional paper application, the processing cost per application was $1.50; the government contractor's data entry error rate was 14%; and the average time for notification of receipt

*Continued on Next page*

# JFMIP 28th Annual Financial Management Conference

*The Future is Now: Implementing Financial Management Initiatives*

*Electronic, continued from page 13.*

to the applicant was 3 weeks. For the web site application, the processing cost per application was $.10; the applicant's error rate was less than 1%; and the average time for notification of receipt to the applicant was less than one day.

Phase One of the Access America for Students program will offer a core suite of governmental services through an electronic yellow pages. In addition to student loan applications, users will be able to change addresses with the U.S. Postal Service, obtain tax information from the IRS, and make national park reservations.

The student aid program involves 10 million students, 7,600 schools, and 4,000 lending institutions. The Access America for Students web site will enable students to obtain loan services and look over account information on-line. Participating students will be given an electronic ID and a student account number. Account information will include: current month's loan activity, loan history, current year's pending awards, and the repayment status of prior loans.

The Access America for Students program consists of a steering committee, a public/private partnership council, and a full-time staff. There will be a two-year pilot, with ten schools participating in a test of these concepts in the school year 1999-2000 and 50 schools participating in the following school year. Students will be the center of this new way of doing business. The Access America web site will also let students use the Internet to study, play, chat, shop, seek employment opportunities, and participate in distance learning.

The Access America for Students program grows out of several modernization initiatives: a performance based organization, new ways of doing business, technology to lower costs and improve service, greater customer focus, a single point of contact, near real-time operations, and more electronic processes. Agencies are encouraged to get involved in these technologies. ❑

*Accounting Standards, continued from page 9.*

Mr. Mosso then told the audience that FASAB was being considered for Rule 203 status from the American Institute of Certified Public Accountants. This status, although not required for the FASAB to set Federal accounting and reporting standards, would allow auditors to opine that Federal financial statements were in conformance with Generally Accepted Accounting Principles (GAAP). GAAP currently comprises a core set of accounting standards developed by the Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB), for the private and state/local sectors, respectively. Such status also would add credibility to the financial information reported by the Federal Government.

Wendy Comes, FASAB Executive Director, provided highlights of the most recent standards of the Board. SFFAS 11 provides changes to the definition for certain stewardship property, plant, and equipment (PP&E). SFFAS 12 provides an exception to the "more likely than not" definition of probable for contingent liabilities arising from potential litigation. SFFAS 13 provides a deferral of the reporting of certain receivables reported by tax-collecting agencies.

She also discussed those accounting standards the Board expects to issue in the very near future. The proposed standard on deferred maintenance would move the placement of the reported information from the financial statement notes to supplementary stewardship information. Management's discussion and analysis (MD&A), would be issued as both a concepts document - to provide a tool for managers in drafting the MD&A, and a standards document - to provide the requirement for the MD&A. The proposed standard on social insurance would address disclosures of information to be reported as supplementary stewardship information. Finally, to supplement SFFAS 11, standards would be issued how the stewardship category of national defense PP&E should be measured and reported.

She told the audience of other ongoing efforts of the Board, for example on reporting of direct loans and loan guarantees. She concluded with a brief explanation of projects to be addressed by the Board, such as inter-entity costs, grant accounting and a definition of Federal assets, performance measures reporting, and natural resources, and she discussed current efforts by the Board's Accounting and Auditing Policy Committee.

Sally Thompson, Chief Financial Officer, Department of Agriculture, provided an agency perspective on the status of financial accounting and reporting. While applauding the effort to standardize financial accounting and reporting by Federal agencies and FASAB's efforts to date, she spoke of the problems agencies often have in implementing the changes required by that standardization. She discussed the differences in types of implementers within the Federal Government, such as small, one-program agencies with centralized decision-making, to large, multi-program, complex organizations with de-centralized decision-making. Ms. Thompson also stressed that within these varied agencies there were often diverse and unrelated activities. All of these complexities impact an agency's attempt to successfully implement accounting standards.

Some of the major challenges faced by implementers of the standards were practical and technical issues, competing demands for limited resources, availability of financial management resources, and the need for more implementation flexibility. Ms. Thompson concluded her remarks with some advice for the implementers. She suggested that implementers and auditors could benefit from partnering to work toward a consensus, consider making a joint presentation to FASAB and the Office of Management and Budget (OMB), and encourage OMB and others to hold discussions and simultaneously make presentations to implementers and auditors, when appropriate. ❑

# JFMIP 28th Annual Financial Management Conference

*The Future is Now: Implementing Financial Management Initiatives*

*Resources, continued from page 9.*

reduce any burdens associated with collecting appropriate performance data.

EPA is putting in place accountability processes that will allow it to assess its success in achieving results. Strong management support, especially from EPA's Administrator, has been invaluable. Finally, it is important to remember to maintain a long-term perspective when building a planning, budgeting, and accountability framework. EPA anticipates that many of the changes may require further modification as EPA's GPRA processes mature.

Heather Huyck, Director of the Office of Strategic Planning at the National Park Service (NPS), described its efforts to link resources to results. NPS is a very dispersed organization and has over 370 sites from Maine to Samoa. Although its parks have many unique features, managers have recognized that they also share many common elements.

NPS has devised a multi-step performance management process that addresses four basic questions:

1. Why do we want to accomplish something?
2. What do we want to accomplish?
3. How do we plan to accomplish it?
4. Did we accomplish what we intended?

To address the "why", NPS has mission goals. They are to preserve park resources, provide for public enjoyment, perpetuate heritage resources and enhance recreational opportunities, and ensure organizational effectiveness. The NPS annual performance plan breaks these long-term goals into annual increments and specifies the actions and resources needed. NPS goals are stated as the desired future conditions, with the performance measures embedded into the goals, and the annual goals a one-year increment of them. The plan deals with the "whats" and "hows" by identifying the annual goals and the required activities to accomplish them. Reporting and evaluating results is the last step. For example, based on its first nationwide visitor survey in 1998, NPS is able to report that 95 percent of park visitors are satisfied overall with NPS facilities, services, and recreational opportunities.

The performance management process helps improve management capability, budget formulation, and ultimately public satisfaction. NPS is fortunate that it has top leadership support, especially in Deputy Director Denis Galvin who is very committed to the performance management process. The NPS GPRA taskforce, which includes representatives from regions and parks, and technical experts, works to fit performance management principles into operational settings. To reinforce this leadership support, NPS is building expertise among its managers via satellite workshops and convening town hall meetings to get stakeholders' buy-in.

J. Christopher Mihm, Associate Director in the General Government Division of the General Accounting Office (GAO), offered government-wide observations on agencies' progress in linking resources to results in their performance plans. Based on its assessments of the 24 CFO Act agencies' fiscal year 1999 performance plans, GAO identified five opportunity areas and specific practices that if applied consistently, could improve the overall usefulness of subsequent plans. These opportunities are to:

1. Better articulate a results orientation by creating a family of performance goals and measures that addresses key performance dimensions and balances competing priorities. Performance plans should also include goals to address mission-critical management problems, such as the ones identified in GAO's recently issued performance and accountability and high-risk series, in recognition that these problems impede the achievement of performance goals.

2. Coordinate crosscutting programs by identifying programs that contribute to similar results and setting complementary goals that show how these programs are mutually reinforcing.

3. Show how strategies will be used to achieve goals. A performance plan should show how the agency will achieve its intended results. To do this, plans should link programs to performance goals; describe strategies to leverage or mitigate the influences of external factors; and discuss strategies to resolve management problems that could impede the achievement of goals.

4. Show performance consequences of budget and other resource decisions. Performance plans are just starting to link budgetary resources to goals. Plans should also show how capital investments and human capital contribute to annual goals.

5. Build the capacity to gather and use performance information. Agencies should not only describe data sources, procedures to verify and validate data, and actions to compensate for low quality data, but also discuss data collection challenges, such as the challenge for intergovernmental programs to aggregate inconsistent data from numerous entities to demonstrate progress in reaching a national goal.

For more information, see Agency Performance Plans: Examples of Practices That Can Improve Usefulness to Decision-makers (GAO/GGD/AIMD-99-69).

*Workforce 2000, continued from page 11.*

competencies of their workforce. The kit presents a menu of tools to assess, identify, execute and evaluate workforce development.

The Committee has also accepted leadership for the Federal Finance domain of the Federal Training Technology initiative. This new forum offers the potential to expand education to workers "anytime, anywhere."

Finally the HRC will work closely with OPM to evaluate the classification and qualification pilot programs this year, and to align OPM job profiles for the entire professional and administrative job family with the JFMIP/HRC Core Competencies. The Human Resources Committee members welcome your ideas. They may be reached at http://www.financenet.gov/financenet/fed/cfo/hrc/hrc.htm. ❑

# FACTS II Development Keeps Rolling Along

The creation of the Federal Agencies' Centralized Trial-Balance System II (FACTS II), which is a key part of a joint OMB-Treasury initiative to eliminate duplicate year-end reporting, is rolling along. During the last few months, 15 agencies participated in an extensive pilot test; more than 200 agency staffers from across the country attended a three day training seminar on FACTS II; revisions to Treasury reporting guidance are being completed; and, FACTS II received an accolade from the Association of Government Accountants.

Starting this Fall, agencies will submit FACTS II data that will fulfill the requirements of the FMS 2108, the SF 133, and be used to produce much of the initial set of prior year data in the Program & Financing Schedule (P&F) in the President's Budget.

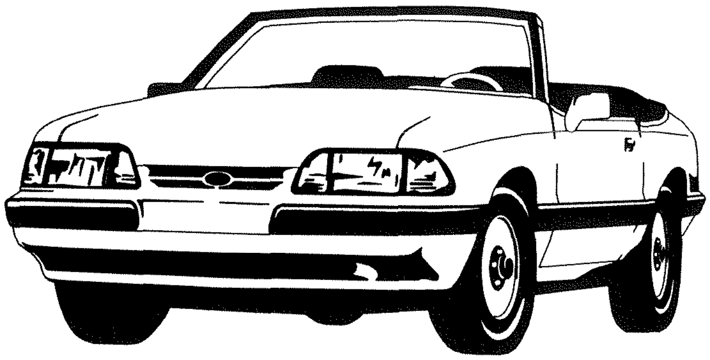
*Winter Pilot*

Last Winter, 15 agencies taking part in a FACTS II pilot test provided submissions for 200 accounts. The FACTS II submissions were equivalent to fourth quarter SF 133 Report on Budget Execution and FMS 2108 Year-End Closing Statements that agencies had previously reported to OMB and Treasury, respectively.

The data submitted by these agencies was able to pass extensive edits, and testers using the FACTS II software were able to run a variety of reports, including SF 133s and FMS 2108s.

Almost without exception, the testers were very surprised to see an edit that checks FACTS II outlays against the year-end outlays published in the September 30 Monthly Treasury Statement (MTS). The edit shows that in many cases the budgetary general ledger accounts with outlays do not match exactly with the MTS outlays, which agencies report on the SF 224 Statement of Transactions.

To the degree they were surprised to see this edit, the testers also breathed a sigh of relief when they learned that for 1999 reporting the outlay edit is an informational edit. For FACTS II reporting in FY 2000 and beyond, however, the plan is to make sure that the FACTS II outlays match the MTS outlays.



*Training*

Treasury's Center for Applied Financial Management offered a 3-day seminar on FACTS II last March. While the initial hope had been for 100 staffers from the agencies to sign up, more than 200 signed up — at a cost of $500 per person. In fact, even more staff would have attended had additional seating been available.

During the seminar, participants were instructed in the use of U.S. Standard General Ledger (SGL) accounting and the FACTS II attributes used in conjunction with SGL accounts to fulfill OMB and Treasury reporting requirements. Participants also saw a live, real-time demonstration of the FACTS II software.

This Summer, the Treasury Financial Management Service (FMS) will offer free, hands-on training for agency staff who will be using FACTS II.

At its annual conference August 10-12, the Center for Applied Financial Management will also have presentations on FACTS II.

*Revising Treasury Reporting Guidance*

FMS has been preparing revisions to the portions of the Treasury Financial Manual (TFM) that relate to the SGL and FACTS II, and will issue updated guidance in May. The guidance includes the list of SGL accounts and descriptions of attributes used with FACTS II, as well as cross walks between FACTS II data and the FMS 2108, SF 133, and the P&F Schedule in the President's Budget.

As part of FACTS II, the year-end reporting guidance issued by OMB, Treasury and the SGL Board is more consistent than ever before. Numerous people at FMS and OMB have worked on improving the consistency of the government's reporting guidance, including Neil Lobron (OMB), Veronica Kitchen (HUD), and Jan Steinbrueck (Education). Veronica and Jan signed up for 90-day details to work on the FACTS II project.

*Future Pilot*

A pilot is planned for July, 1999 when agencies will submit FY 1999 3rd quarter data. This pilot will introduce other agencies to FACTS II, allow agencies to use bulk transfers to send in their FACTS II data, and enable testers, FMS and OMB to assess a variety of new reporting features.

*More Information*

The Center for Applied Financial Management is now working to put on FACTS II training sessions at several agencies; if you would like more information, please call Erika Mathis at 202-874-9542. For additional information, especially if you are interested in taking part in a pilot, or in working on the FACTS II project as a detailee to OMB or Treasury, please contact Chris Fairhall, (202) 395-4836 / Chris_Fairhall@omb.eop.gov or Jeff Hoge, (202) 874-6179 / Jeff.Hoge@fms.sprint.com.

# FASAB *Update*

Highlights from recent meetings of the Federal Accounting Standards Advisory Board (FASAB) are summarized below.

New FASAB Members Kenneth Winter, Deputy Chief Financial Officer, National Aeronautics and Space Administration (NASA), and Barry Anderson, the Deputy Director, Congressional Budget Office (CBO), were welcomed to the Board at its February meeting. Mr. Winter is the representative for the civilian agencies, while Mr. Anderson is the CBO representative. These new members replaced James Reid, formerly Deputy Controller, Department of Energy and James Blum, formerly Deputy Director, CBO, who recently retired from Federal service.

***Deferral of Paragraph 65.2 of SFFAS No. 7***

Paragraph 65.2 of the revenue standards requires disclosure of material revenue-related transactions such as penalties, abatements, interest, and collections. At its December 21st meeting, the Board issued a recommended standard that would defer for three years the required disclosure of certain detailed information regarding revenue-related transactions - as required in paragraph 65.2 of the Exposure Draft "Recession of Paragraph 65.2 of SFFAS 7". This statement has been approved and is issued as SFFAS No. 13.

***Deferred Maintenance***

At the February meeting, the Board discussed a proposed Statement of Recommended Accounting Standards (SRAS) to move Deferred Maintenance from the document's notes to Supplementary Stewardship Information (SSI) with Required Supplementary Information (RSI) audit treatment. It was noted that RSI was introduced in the private sector for experimental information for a period of time. The Board agreed to RSI, and has provided recommended standards, Statement of Recommended Accounting Standards No. 14, to the FASAB Principals (Comptroller General, Secretary of the Treasury, Office of Management and Budget Director). Once approved by the Principals, the statement is to be submitted to Congress for a 45-day review period. The amendment is expected to be finalized in August 1999 and becomes effective for FY99 financial reports.

***Governmentwide Supplementary Stewardship Reporting***

The Board discussed a draft Statement of Recommended Accounting Standards (SRAS) at its February and April meetings. Since the SRAS includes reporting requirement for National defense Property, Plant & Equipment (PPE) which are currently under study, it is being held up until amendments to Stewardship PP&E are completed.

***Social Insurance***

The Board continued its discussion of the five major issues identified at its October meeting. A discussion of Issue 4 involved the question of whether the standard should continue to specifically identify social insurance programs or be changed to require the programs to meet general criteria. Issue 5 involved the question of whether additional rationale would help certain users to understand the standard. The Board decided not to change or add rationale to the basis for conclusion.

At its April meeting, the Board deferred voting on approving the recommended Statement to the future.

***Management's Discussion and Analysis (MD&A)***

At its February meeting the Board considered comments received in response to the exposure drafts "Concepts for Management's Discussion and Analysis" and "Standards for Management's Discussion and Analysis". At the April meeting, the Board approved the issuance of both the Concepts and the Standards documents. The Board agreed that the effective implementation date for the recommended standard should be FY 2000 and not FY 2001 as some wanted.

***Amendment to SFFAS 2, Accounting for Direct Loans and Loan Guarantees***

The Board approved the issuance of an exposure draft that adds:

(a) reporting subsidy reestimates in two distinct components: the interest rate reestimate, and the technical/default reestimate,

(b) reconciling the beginning and the ending balances of the subsidy cost allowance for direct loans and the liability for loan guarantees, which are reported in an entities balance sheet, and

(c) providing a description of program characteristics and disclosure for (i) the amounts of direct or guaranteed loans disbursed in each program during the reporting year, (ii) the estimated subsidy rates for the total subsidy and the subsidy components at the program level in the current year's budget for the current year's cohorts, and (iii) events and changes in economic conditions, other risk factors, legislation, credit policies, and subsidy estimation methodologies and assumptions, that have had or would have a significant impact on subsidy rates, subsidy expense, and subsidy reestimates.

New documents issued by FASAB include:

*Approved Recommended Standards*

- Management's Discussion and Analysis: Concepts
- Management's Discussions and Analysis: Standards
- Amendments to Deferred Maintenance Reporting
- Deferral of Paragraph 65.2
- Material Revenue-Related Transactions Disclosures
- Recognition of Contingent Liabilities

*Exposure Drafts*

- Amendments to Accounting for Direct Loans and Loan Guarantees in SFFAS #2
- Amendments to Accounting for Property, Plant, and Equipment

***Accounting and Auditing Policy Committee (AAPC)***

The Board reviewed the active projects currently being undertaken by the AAPC in the areas of Stewardship Land and Heritage Assets, National Defense PP&E, Stewardship Investments, a Joint Review of Stewardship Reports, and an Inter-Entity Cost Project.

For more information, please go to FASAB website: www.financenet.gov/financenet/fed/fasab or contact Dick Tingley, (202) 512-7350. ❑

# Getting to the Core of Competency

*The original version of this article was published by the Association of Government Accountants in its Spring issue 1999 of the Government Accountants Journal.*

Over the past decade, several legislative initiatives, such as the Chief Financial Officers Act of 1990 (CFOs Act), the Government Performance and Results Act of 1993 (GPRA), the Government Management Reform Act of 1994 (GMRA), and the Federal Financial Management Improvement Act of 1996 (FFMIA) have created an impetus for enhancing the quality and effectiveness of Federal financial management. Recognizing that the cornerstone of this and any significant endeavor rests with the people involved, the Human Resources Committee (HRC) of the Chief Financial Officers (CFOs) Council and the Joint Financial Management Improvement Program (JFMIP) have undertaken efforts to improve the recruitment, training, retention, and performance of Federal financial management personnel. It has become and will continue to be vital for organizations to employ staff and management who possess the skills and competencies necessary to effectively manage Federal programs as Congress increasingly uses historical and expected program performance as foundations for funding decisions.

***Improving the Federal Workforce*** In the fall of 1994, a government-wide training symposium set the development of core competencies for financial management personnel as a priority for human resource development. This coupled with a strong desire by the HRC to assist CFOs and other leaders in developing and retaining a highly-skilled workforce, served as the catalyst for a joint project between the HRC and JFMIP to develop core competencies for a variety of Federal financial management functions.

### *What are Core Competencies?*

Core competencies are defined in popular business literature as those skill sets which are essential to the effective management of an organization. They represent the fundamental capabilities that individuals must possess to accomplish the organization's mission, and can rarely be substituted or replaced without compromising the organization's ability to operate effectively. The changing legislative and administrative landscape that has dominated much of the 1990s, particularly in the Federal financial management arena, has created a need to expand and enhance the basic abilities, or competencies, that a financial manager in the Federal government requires to effectively lead an organization. These include, but are not limited to:

- the preparation, analysis, and interpretation of consolidated financial statements;
- the formulation / execution of budgets under increasingly constrained resource caps;
- the development and implementation of complex and useful financial and management information systems; and
- the development and use of performance measures.

The joint project to develop core competencies for Federal financial management, in great part, builds and expands upon work already undertaken by JFMIP to identify knowledge, skills, and abilities for certain financial management functions. In July 1998, the HRC and JFMIP completed a multi-year project to develop core competencies documents covering the following employment categories:

- Accountant
- Budget Analyst
- Financial Manager
- Program Manager
- Information Technology (IT) Personnel
- Financial Systems Analyst
- Management Analyst and Financial Specialist

### *Common Paths — Leading to Performance*

A significant characteristic of the core competencies viewed collectively is their inter-relationship and inter-dependence across functions. This phenomenon was articulated in a July 1998 *Government Executive* article, The True Financial Manager, by Irwin T. David, Chief Financial and Administrative Officer at the National Weather Service. Mr. David's article characterized financial and program management as being "inextricably intertwined." As such, program managers do not necessarily need to be concerned with the details of the accounting process, but they do need to be able to analyze financial information in order to make effective program decisions. Conversely, financial managers must have a working knowledge of programs to be able to provide relevant, reliable information to support the analysis and decision processes. Extending this concept to other functions, financial and program managers can not perform their functions effectively without the support of accountants and budget analysts, who provide much of the raw data used to make decisions. Similarly, information technology and financial systems personnel must maintain an awareness of any technological or process advances or improvements that may facilitate the working relationship among these and other functions.

The driving force behind this integrated approach is the pursuit of an organization's mission through optimum performance, as articulated through and intended by the GPRA. As such, much of the commonality among the functions discussed in this article involves strategic planning and performance measurement. In fact, other than general communicative abilities, these GPRA-related skills are the only distinct competencies to be referenced to varying degrees by each of the competencies documents.

The importance of the competencies' inter-relationship in the context of GPRA requirements is already being demonstrated in current CFO Council activities. Two of these initiatives are highlighted in the 1998 Federal Financial Management Status Report and Five-Year Plan, an annual report on governmentwide efforts to reform financial management prepared jointly by the CFO Council and the Office of Management and Budget (OMB.)

One initiative is to link performance measurement initiatives with personnel accountability initiatives. That is, an inherent incentive is created to meet GPRA requirements by integrating GPRA- related activities (planning and performance measurement) into individual responsibilities. In so doing, core competencies provide an effective vehicle for promoting the development and use of relevant performance measures and strategic plans at multiple levels of the organization. As

*Continued on Next page*

*Core of Competency, continued from page 18.*

strategic and performance plans serve as blueprints for department, bureau, and agency operations, greater employee involvement can lead to a greater understanding of each individual's respective role within the organization. A second initiative concerns integrating performance measurement under GPRA into the budget process. This represents GPRA's extended impact on Federal management as performance serves not only as a means to evaluate and modify current operations, but also as a foundation on which future policy decisions can be based.

While there are certainly many other commonalities among core competencies that could be drawn, those pertaining to GPRA are changing the way Federal programs are managed and are certainly among the more important in today's Federal financial management environment.

***Looking Ahead-Putting Competencies to Work***

The Core Competencies documents that have been issued define the essential qualities that individuals in several key Federal financial management functions should possess. These functions and their related competencies, however, do not exist in a vacuum. As the legislative and operating environment evolves for Federal organizations at all levels, so too must the capabilities needed to operate effectively in those environments. These competencies are intended to meet the needs of the Federal financial management community during this particular era, but some measure of revision should be expected to accommodate environmental and organizational change. The HRC and JFMIP have established a review-board to insure that these core competencies remain current. To date, the review board has already recommended changes to the core competencies for accountants, budget analysts, and financial managers. In addition, for further encouragement, the HRC and JFMIP will be sharing "best practices" concerning the successful implementation of these core competencies within Federal organizations.

The HRC has already undertaken several projects, many of which include core competencies as an integral part. In conjunction with the Office of Personnel Management, the HRC is currently developing a set of more current and relevant qualification standards for financial management functions and personnel, as well as enhanced recruitment and retention initiatives. The HRC is also seeking to ensure the perseverance of competency through the establishment of minimum requirements for continuing professional education (CPE) so individuals may maintain their competencies in the face of a changing legislative and administrative landscape. The endurance of such initiatives and the realization of their potential benefits are, however, dependent upon the vision and support of current Federal management.

It now becomes incumbent upon current Federal financial managers and other leaders to implement and integrate these competencies into the day-to-day as well as the medium- and long- term missions and activities of their organizations. Due to the varied missions and operations across bureaus, agencies and departments, the core competencies documents are not intended to be prescriptive, but rather to serve as general models for providing greater focus for and improving the performance of the Federal financial management workforce. ▫

# Treasury Annual FM Conference

Treasury's 9th Annual Government Financial Management Conference is scheduled August 10-12, 1999 at the Hyatt Bethesda, MD. The conference is planned by Financial Management Service's Center for Applied Financial Management. This year's theme "Highlighting Solutions' will focus on the improvements and developments made in government's financial practices, systems, and operations. The conference will capitalize and improve on last year's successes by offering over 70 sessions by experts governmentwide on topics such as: accounting reporting, auditing, budget, financial systems, procurement, travel, technology, best practices, and GPRA. Other conference highlights include corporate exhibits, demonstrations, and panel discussions by financial systems vendors; prominent plenary speakers; and special plenary sessions on such topics as legislative issues. Please register early by calling the Center at 202 874-9560. ▫

# Army's Multi-Disciplined Financial Analyst Program

Today, Army comptroller careerists are finding they must be skilled in more than just their main functional area. They must be multi-functional and multi-dimensional, capable of analyzing and handling various situations. The Army Comptroller Proponency Office is spearheading the development of the multi-disciplined Financial Analyst Program which encompasses the design of a career model including training, education, experience, professional development and accreditation at various levels of one's career.

This program will have a two pronged approach: first, for the new Army careerist and later, for members of the current workforce. To date, core competencies with associated sample formal training to help achieve these competencies have been drafted. These competencies are based on the Joint Financial Managerment Improvement Program (JFMIP), Department of Defense (DoD) and Army core competencies and are being staffed with all levels of the Army Financial Management community from HQ Department of the Army (HQDA) to installations. In the near future, these competencies will be available for comment on the Army Comptroller Proponency home page. The next step is to design the career path beginning with GS-5 through SES delineating the types of training, experiences, and education required at the various stages of one's career to receive accreditation.

Shortly, we will meet with private industry experts from Xerox, IBM, JCPenney and Chase Manhattan to examine their best practices in this area. Many large corporations ensure their employees are multi-faceted by exposing them to myriad different experiences and training. Army hopes to learn from them the pros and cons of their experience. Also, they will begin a series of visits to some resource management offices to share our concept and get input from current careerists.

If any individuals or offices are currently organized under a multi-disciplined financial analyst concept, Army would like to hear from

*Continued on Page 22.*

# Giving Shape to the Shape of Things to Come

Due to the fact that Federal budgets can no longer support them as part of a traditional workforce and infrastructure, "A few good men" - and women - in the Forest Service are devising new ways to share their knowledge, reliability, and experience. They're part of an experiment born at the Forest Service's Pacific Southwest Region and Station's Reinvention Lab and are providing their skills and services in a brand new way - through establishing businesses of their own, called enterprise units, inside the agency.

It might seem unlikely that an entrepreneur can blossom inside a Federal agency, but when a Forest Service tree measurement expert saw the elimination of his job looming on the not-too-distant horizon, he made the determination that he would not go gently. In fact, he would not go at all. Instead, recognizing that his services were still valuable and necessary to the agency, he found a way to help the agency help him keep his job. In the process, the agency is learning to help itself do business better. This employee has formed an enterprise unit he calls T.E.A.M.S. (Timber Expert And Management Services) and is now marketing himself and an apprentice to customers within his agency. His entrepreneuring venture and that of others like him was made possible through the Reinvention Lab.

The Lab itself was established in August 1997 as part of the Presidential Initiatives under the National Partnership for Reinventing Government (NPR) when Vice President Al Gore and Forest Service Chief Mike Dombeck chose the Pacific Southwest Region and Station as the place to begin and authorized the Regional Forester and Station Director to waive all the rules, within confines of the law. The term of the experiment: five years; the purpose: to find better and more ecological ways to operate the nation's forests - in short, to find better ways to do business.

To meet that challenge, the Lab set forth to recruit, encourage, and train employees who expressed interest in pursuing an entrpreneurial idea. The Reinvention Lab and Enterprise Development Bank presently provides support to twelve operating enterprise units. The Lab has developed a strategic evaluation and monitoring plan to monitor the effect of the enterprise units on the workforce, customer responsiveness and goal attainment, and assess their financial success.

Furthermore, through efforts of the Reinvention Lab, a Memorandum of Understanding (MOU) between the Union and Forest Service management was signed December 4, 1998 recognizing and defining enterprise teams and establishing the procedures and arrangements for their establishment and use.

Through the development of a strategic plan, the Lab identified its objectives: improve stewardship of the land; improve service to the public thus improving customer responsiveness; improve operating efficiencies and costs; and enhance the work environment for employees.

*Stewardship of the land*: Which element is of greatest importance to the owners of the national forests? If the initiative focuses on value areas, although those value areas may vary in intensity, by far and away, the task of greatest importance is taking good care of the land entrusted to the agency to ensure that this generation and generations to come can see it, enjoy its beauty and diversity, play in it, and make a living from it. Chances are good that the dependence upon our ability to do this - and do it well - will increase, not decrease. With this in mind, and recognizing that we are an agency in the throes of diminishing budgets and downsized staffs, it behooves us to step outside the boundaries of our traditional ways of land stewardship and examine alternate methods of achieving this goal.

*Service to the public and customer responsiveness*: An ebbing tide in the numbers of employees to provide needed services does not have to mean the benefit to the public has to be reduced or eliminated, or that services cannot be performed. Important projects do not have to be temporarily or permanently set aside. The task of managing the agency and the forests does not have to be compromised. On the contrary. The enterprise units now currently operating under the mantle of the Reinvention Lab make it their business to perform their work for customers within the agency with more enthusiasm than ever. They deliver top-notch services, are more cost conscious, and produce an exceptional level of quality work at a lower true cost than they did when functioning within the traditional system. Their dedication to quality work assures that internal and external customers benefit - employees, management and ultimately, the public. One benefit to management and the public is that this initiative has prompted management to look at their full costs of providing services. Services that were previously thought to be "free", are now reexamined in a new light.

Since enterprise units' success in part depends on return customers, they must focus on service and quality. Their view is that managing and operating the mandates of national forests is every bit as important as operating and managing any other business. They believe that management will realize that by utilizing the services of enterprise units, they can get quality products in less time and for less cost than they could attain any other way.

The majority of these entrepreneurs are considered experts in their fields. They operate under the belief that it is not just goods and services that sustain a business, it's the philosophy too. It is incorporating a work ethic and solid business policies and practices into their daily activities. Unlike private sector vendors who may have to understand the idiosyncracies of a given agency, these savvy specialists know their clients and their clients' operations. They can optimize their time and avoid wasting time and money. Their ability to provide expert service to customers in multiple areas not only eliminates duplicate work, it reduces overall costs for current and future customers through the achievement of economies of scale. It also keeps a pool of specialists within the agency who can compete with traditional staffs, and with each other, for jobs. Market forces are allowed to drive the economy within the agency where enterprise units are functioning. The Forest Service, then, is able to keep a highly skilled, high- performing workforce productively employed, and it is those highly skilled, high-performing workers that provide the best kind of customer service to both internal and external customers.

*Efficiencies in operations and lower costs*: Even if budgets remain static, the purchasing

*Continued on next page.*

*Continued from previous page.*

power of the Forest Service budget is lost at the rate of 2 to 4 percent each year due to inflation. This fact and the current trend toward continual budget reductions requires us to look at alternative ways of getting the job done. Against this backdrop of shrinking budgets and a diminishing workforce - downsizing and rightsizing - consistency and quality are the hallmarks of the enterprise units. Driven by a desire to be successful, businesses in a market-driven economy will compete for market share. The by-products of a market-driven economy are improved customer service and responsiveness and better quality. To maintain a competitive edge, businesses must run efficiently.

To assist these new businesses function within a market-driven economy, the Lab created a separate entity under the Forest Service's Working Capital Fund (WCF) called the Enterprise Development Bank. Its role, in encouraging and fostering new enterprise units, is to provide seed money and financial advice to the enterprises and to produce full cost accounting financial statements (balance sheet and income statements) for each business to assist its owner(s) in making financial decisions that affect the business. Through the use of the WCF, the bank is able to maintain each enterprise unit's account, tracking revenue and expenses, and can analyze how well financially the business is doing. Also through the use of the WCF, the enterprise units are able to collect through their billing rates, necessary funds for future training, awards, research, marketing, and growth that are essential to their business survival.

Before it can open for business, each enterprise unit is responsible for developing and maintaining a business plan outlining their products and services, sales and marketing strategy, and financial strategy. It must include a plan for continued sustainability and growth potential. The unit identifies revenue producing (billable) hours and determines their full operating costs, including overhead, to establish a pricing structure. Pricing must be within market demand constraints.

The enterprise units have both vision and innovative ideas for providing quality services. Their goals are grounded upon the premise that continued demand for their types of specialty services has created a niche for them. It is an opportunity for both them and their agency to extend this great experiment, and incorporate it into a standard for conducting business.

Under an internal contract that establishes price, defines the project and timelines, managers can choose between the enterprise specialists, or use existing personnel who may not have the advanced skills to perform specialized projects. They give managers the option to contract with a team specifically formed to provide expert advice and services without incurring transfer costs, FTEs, and full overhead.

*Enhanced work environment*: A good work environment is essential in motivating employees and increasing performance. In private business, this can mean money in the bank for both employee and the company. In a government land management agency, it can and should mean the same thing. Even more importantly, it can mean an overall improved benefit to the people who own the land - the public. Because of all the marked changes within the last few years, among them the trend toward fewer people doing the same amount of work, there's a downward spiral in which productivity suffers and a noted introspective search among employees to find job satisfaction.

The enterprise unit experiment is a way to motivate employees from a mere existence and the meeting of basic needs to that of attaining a high level of job satisfaction and self actualization. The innovative and creative opportunity to establish and operate an internal self- sustaining enterprise is appealing to many employees. They see this as an opportunity to direct their own destinies within an agency they highly regard. They can enjoy the freedom to perform in a capacity that excites them and allows them to maximize their contribution in the areas of their expertise. They are able to relate the value of their work to the agency's mission and their direct contribution in meeting its objectives. Since they come to work with a renewed enthusiasm, they are an inspiration to others who feel that declining budgets and downsizing has, or is, devaluing the work they have done in the past.

Is there a place in the Federal government for these emerging entrepreneurs to stay? Is this indicative of things to come? Will an idea that at one time might have drawn a cold shoulder from managers prove to offer them new opportunities and challenge them to take a closer look at the full costs of the way they currently do business? If so, perhaps they will decide for themselves the value and benefit of the services received in relation to these full costs and come to the inevitable conclusion that there truly is a better way to do business, and achieve their goals.

A lot is riding on these rising stars who began as part of this experiment. There are questions about just how good they are and how successful they will be. Much depends upon the ability of management to examine carefully the use of enterprise units and to gain a keen understanding of their costs versus the costs of traditional management methods and activities. The Lab hopes that the agency will adopt the enterprise concept and other new and innovative ways to manage the land.

The final verdict is not in yet, but as the debate continues, so does the experiment. Whatever the outcome, the needs of the Forest Service to respond to the ever-changing political climate, the needs of its employees and the public, and to operate the national forests in a way that is fiscally responsible and accountable will not be reduced. It is even expected to increase while the numbers of men and women who contribute to its cause continue to decline.

In the meantime, and in spite of obstacles such as inefficient financial systems, information system moratoriums and approval processes, and agency and policy regulations that don't have the flexibility to adequately recognize and compensate them as small business operators, the 'few good men and women" who began this adventure as part of an experiment at the Reinvention Lab drive forward. They are examples of fortitudinous and determined people set on not merely making a living for themselves, but rather on improving efficiencies in the operation of an agency that has, for most of them, become a part of the fabric of their lives. And for the rest of us, they are a source of inspiration and an opportunity for us to learn by example. ❑

# Reconciliation of Fund Balance with Treasury Accounts

One of the key responsibilities of the Financial Management Service (FMS), Department of the Treasury is to centrally account for and report on the financial operations of the U.S. Government. FMS therefore prepares and releases a variety of financial reports and key among these is the "Financial Report of the United States Government" (formerly the "Consolidated Financial Statements of the U.S. Government"). On a daily, monthly, and/or annual basis, these reports are released to the President, Congress, the Office of Management and Budget, the public, and other top Government officials for status reporting on the financial viability of agency programs and/or for management control, planning, and key decision making activities. As such, FMS continually seeks to prepare and improve the reliability and usefulness of Treasury's financial report data.

However, in a October 1998 General Accounting Office (GAO) report to the Treasury and after completion of the FY 1997 Annual Report and agency audits, significant problems were identified by GAO in the area of Reconciling Fund Balance With Treasury (FBWT) accounts. Specifically, GAO stated that many agencies had not been reconciling their FBWT accounts consistently, or in some cases not at all. The FBWT account is identified as an asset item on agencies' books and it reflects the available budget spending authority for each authorized fund. Transaction reporting to appropriations, non-expenditure transfers, collections, disbursements, etc. account for changes in the FBWT accounts and the overall ledger/trial balances, as recorded by the agencies and the Treasury. Thus, the monthly reconciliation of the FBWT accounts between the Treasury and agencies provides a key internal control over the integrity and accuracy of the Federal receipts and disbursements.

*Fund Balance with Treasury Team.* To meet the challenge of improving the reconciliation issues faced by agencies, FMS established a Fund Balance Team (FBT) under the Assistant Commissioner for Governmentwide Accounting. The team's mission is to create awareness of the significance of the reconciliation process and to help reduce the obstacles that face agencies in their efforts to reconcile their FBWT accounts. The FBT is coordinating its efforts with various internal and external offices including the FMS Center for Applied Financial Management, GAO, and the Office of Management and Budget.

The team began in 1998 by sending surveys related to fund balance issues to approximately 800 agency locations. The team used the results of the agency surveys to focus on the areas of greatest need and to develop additional methods to improve reconciliation efforts. These efforts included developing a web site at http://www.fms.treas.gov/cfs/dev/fundbalance. The web site includes the survey results, basic reconciliation guidelines for agencies, responses to agency questions, identification of core competencies, and listings of training and conference schedules. Also, based on the survey responses, FMS has provided for additional on-site agency visits and is developing a list of best practices.

The team also plans to have detailed generic reconciliation guidelines available for agencies during the summer of this year. The FMS Center for Applied Financial Management has agreed to develop these operating procedures and has formed a government-wide focus group composed of representatives from various agencies to review the requirements for developing the guidelines. The Fund Balance Team is interested in hearing from agencies regarding their Fund Balance with Treasury issues and may be reached at (202) 874-9857 or by e-mail at Fund.balance@fms.sprint.com. ▫

---

*Analyst, continued from Page 19.*

you. For further information or suggestions on this project please contact: JoAnn Van Beusichem DSN 227-1985, (703) 697-1985, email vanbejo@hqda.army.mil or Bill Guillaume DSN 227-1983, (703) 697-1983, email guillwj@hqda.army.mil. Periodic updates on the progress of the financial analyst concept will be posted to the Army Comptroller Proponency Home Page (www.asafm.army.mil) and in subsequent editions of the Armed Forces Comptroller publication. ▫

---

*Joint Perspective, continued from page 2.*

has been able to finalize the test. Key features of the new testing process include:

- **Comprehensiveness**-all testable mandatory requirements will be partially or fully tested; information will be collected about value-added features.
- **Traceability**-a supporting, searchable data base links requirements, test objectives, test steps, expected results, and actual results. Stakeholders will have access to this fully integrated data model through the "knowledgebase."
- **Full Disclosure**-all steps in the development process and development tools are vetted with stakeholders and all materials are posted in the knowledgebase to facilitate broad use by agencies and vendors. For the procurement of software, the agency decides whether any of the mandatory requirements need to be retested—since all qualification test results will be published, this retest may not be necessary, which should reduce the agency's selection test efforts. The agency also decides which value-added features, agency specific requirements, and performance and operational requirements need to be tested.

Vendors who wish to be qualified in the first round of testing applied by March 26, 1999. On April 13th, JFMIP hosted the third open house on the core financial system reengineering process to share information on the testing and qualification process. Findings from the test validation exercise conducted by JFMIP and LMI staff at a government facility were presented to over 150 representatives from government and the vendor community. In addition to lessons learned from the test validation process, the test plan developed to explain to organizations on how to prepare for the test, was also presented.

During the test of the test phase, J. Christopher ("Chris") Martin, Assistant Director at GAO's Accounting and Information Management Division, helped validate the test by performing an independent assessment of test steps against requirements. He identified areas for improvement that were acted upon and he identified those requirements that cannot be tested directly. Chris produced valuable information that will

*Continued on next page.*

help us develop supplemental information to ensure that agencies are fully informed about how to use test results to evaluate vendor software to meet their needs. GAO's participation demonstrates the teamwork from across government to provide enhanced tools to government agencies.

With the validation of the test completed and final adjustments posted to the knowledgebase in mid-April, JFMIP will commence testing in June. Three testing teams will be fielded and work will continue throughout the summer. The JFMIP PMO is staffing up to meet this workload. Several new staff members have recently joined the JFMIP staff (see page 3 of this issue).

We have scheduled all the vendors who have applied to be tested by the end of September. Software packages that successfully pass the test will receive a certificate of qualification on September 30, 1999 that take effect on October 1, 1999-the beginning of the first fiscal year of the new millennium! ▫

*Staff, continued from page 12.*

lead one of the teams for testing core financial systems software.

***Women's Executive Leadership Program***

JFMIP has continued to support the Women's Executive Leadership (WEL) Program by providing developmental work assignments for program participants. The WEL Program is a one-year management development program for men and women at the GS-11 and GS-12 levels. The program is coordinated and directed by the U.S. Department of Agriculture Graduate School.

Linda Taylor, a procurement analyst from Department of State, is assigned to JFMIP for a 2-month developmental detail. Since joining the office, she has assisted with a JFMIP Open House and a Presidential Management Intern Program job fair. She is working on the Core Competency publications for accountants, budget analysts and financial managers. She also worked on articles included in this issue of *JFMIP News*. ▫

*Reflections, continued from page 4.*

I designed a form to collect data from agencies regarding their procurement plans. This information will be posted to the PMO Knowledgebase. I also helped to develop a questionnaire that will be used to solicit information from agencies on lessons learned after implementing a core financial system. This information will be valuable to other agencies that are planning system implementation.

JFMIP was interested in what agencies thought were the more important value-added features, which will be observed when qualifying vendor software. Agencies were surveyed and I followed up with agencies for their input, compiled the data, and provided matrices listing value-added features in ranking order. This information will be posted to the PMO Knowledgebase to communicate to agencies and vendors. JFMIP's customer service attitude is in line with Executive Order 12862, Setting Customer Service standards.

***Communication***

Throughout the year, I have had numerous writing assignments. I made substantial contributions to the quarterly *JFMIP News* by writing and editing articles, and developing profiles of senior financial officials. I worked on the update of the *JFMIP Core Financial System Requirements*; wrote press releases; prepared Federal Register announcements for exposure drafts of financial systems requirements. I also prepared an option paper and an issue paper for the JFMIP Steering Committee's review and action. I also worked at the Presidential Management Intern Job Fair to explain JFMIP's role and responsibilities and to answer questions.

***Training and Best Practices***

My assignment at JFMIP had many training opportunities and exposure to best practice forums. Karen Alderman, JFMIP Executive Director, is a model for continuous learning. I attended forums hosted by the CFO Council's Committees, the President's Council on Integrity and Efficiency, and the Federal Implementation Technology Electronic Committee to share agency information and best practices for issues, such as accountability reports, Government Performance and Results Act, performance measures, and electronic commerce. I also attended conferences on Defending Cyberspace, Association of Government Accountants Leadership Conference, and the JFMIP Annual Conference. The topics at these conferences focused on how to make the Federal government more effective and efficient in financial management. I also learned a great deal from the JFMIP News articles. The articles consisted of summaries of the GAO reports to Congress, financial statements, FASAB updates, agency best practices, and new senior financial officials. The Graduate School, USDA arranged for a FASAB briefing and for the CFO Fellows to take three Graduate School courses.

***Networks***

The first networking opportunity began at the FEI when the CFO Fellows met. Assignments at JFMIP have presented numerous occasions to network with agency representatives and vendors. JFMIP is continuously involved in interagency teams to update or develop financial system requirements and core competencies. JFMIP has hosted a number of agency detailees on developmental assignments. Then there are the lunches, where you could informally meet agency representatives to further develop your network.

***CFO Fellows Recommendations***

The 1998-1999 CFO Fellows program was the first class and we offered recommended ways to improve the program. Several suggestions were implemented for the 1998-1999 class, are: establishing brown bag lunches; receiving briefings from agency CFO offices; an introduction to the CFO Council; formulating a CFO Fellows homepage; and receiving briefings from a private company on its CFO operations and from the Congress.

***Conclusion***

The CFO Fellows Program will conclude at the FEI, when the 1998-1999 class will meet the 1999-2000 class, and we will share our experiences. At JFMIP, I have experienced how Federal financial management policies and practices are developed and implemented and how central agencies operate. I have received a broad perspective on Federal financial management policies and practices. Thanks to my home agency, EPA and Sallyanne Harper, Chief Financial Officer, and Jack Shipley, Director, Financial Management Division and the Chicago office for giving me this opportunity to participate, and to Karen Cleary Alderman, JFMIP Executive Director, and the many individuals that I worked with this year for this rewarding experience. ▫

## Special Section

### Summaries & Highlights of the JFMIP 28th Annual Financial Management Conference

### Implementing Financial Management Initiatives

Contributors to this issue:

| | |
|---|---|
| Karen Cleary Alderman | JFMIP |
| Scott Bell | OMB |
| Patricia Clark | JFMIP |
| Bernadette Derr | Treasury-FMS |
| Michael Duffy | USDA-Forest Service |
| Chris Fairhall | OMB |
| Linda Herbert | Justice-INS |
| Jean Holcombe | OMB |
| Tavia Hollenkamp | USDA-Forest Service |
| Janet Laytham | Labor |
| Lucy Lomax | FASAB |
| Dennis Mitchell | JFMIP |
| John Oberzut | Labor |
| Andrea Palmer | FASAB |
| Rocky Rockburn | GAO |
| Lisa Shames | GAO |
| Patricia Slocum | GAO |
| Dot Sugiyama | Army |
| Linda Taylor | JFMIP |
| Dick Tingley | FASAB |
| JoAnn Van Beuschem | DoD |
| Betty White | JFMIP |
| Kathleen Wolcott | USDA-Forest Service |

### Change of Address?

Write to *JFMIP* **News** at:
Room 3111
441 G Street NW
Washington, DC 20548-0001
or call, 202/512-9209


The ***JFMIP*** **News** is published quarterly by the Joint Financial Management Improvement Program. The purpose of the newsletter is to promote sharing and dissemination of current financial management information, activities and practices.

Suggestions and article submission are encouraged and may be sent to JFMIP News at the above address, fax 202/512-9593, email chewd.jfmip@gao.gov
www.FinanceNet.gov/fed/jfmip/jfmip.htm

Soliciting Editor: Doris A. Chew
Publications Specialist: Bruce W. Kletz



US General Accounting Office
JFMIP

441 G Street NW
Room 3111
Washington, DC 20548-0001

Official Business
Penalty for Private Use $300

Bulk Rate
Postage & Fees Paid
GAO
Permit No. G100


**Check out the JFMIP Website:** www.FinanceNet.gov/fed/jfmip/jfmip.htm.