



SOUTHERN  
WISCONSIN  
CHAPTER



# Monthly Footnotes

SEPTEMBER 2010

VOLUME XI, ISSUE 2

Camp Randall



Lake Monona



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## September Luncheon Meeting Welcome Members and Non-Members

**TOPIC:** Role of the Wisconsin Government  
Accountability Board

**SPEAKER:** Tom Winkler, Government  
Accountability Board

**DATE:** Thursday, September 23, 2010

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

**COST:** \$6 for Members, \$12 for Non-Members

**PLACE:** Dayton Street Café (Inside the Concourse  
Hotel, 1 West Dayton Street)

**MENU:** Meals include soda, coffee, or tea

- **Salad Bar** - variety of salads, toppings, soups
- **Grilled Chicken** – grilled chicken, pesto mayo, mozzarella cheese, roasted tomatoes, lettuce on toasted ciabatta bread, with penne pasta salad
- **Traditional Burger** – dry-aged highland beef served with fries

### RESERVATIONS

Please contact Sherri Voigt **by 10 a.m. on Monday, September 20, 2010** with your name, membership status, and meal choice at [sherri.voigt@wisconsin.gov](mailto:sherri.voigt@wisconsin.gov) or (608) 267-9818. If you need help getting a ride to lunch, please contact Sherri for car-pooling information.

## **NEW MEMBERS FIRST LUNCHEON MEETING**

If you are a new member and this is your first luncheon, please note that when calling in your reservation. Your first chapter luncheon meeting is FREE!

## **BRING YOUR SUPERVISOR TO LUNCH ON AGA**

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



## **PRESIDENTS MESSAGE**

Sherri Voigt, CGFM, CPA

We are starting the new program year with a topic we have wanted to offer ever since the agency was set up: Role of the Government Accountability Board. Our speaker will address many issues, including: how funding was set up, why they were set up, what they do, what they monitor, what issues they are encountering. I hope you will be able to join us on September 23.

Our website was down for a bit over the summer. We are now up and running again (thanks much to webmaster Scott Thornton!) Please be sure to take a look at the August newsletter posted there (<http://www.aga-wis.org/footnotes.asp>)

since it shows some picture highlights from the last program year (training and events.)

This is also a good time to glance at our Calendar of Events on page 10. Why not take a moment to pencil in the lunch meetings and Symposium on your calendar?

Feel free to send in any suggestions you have for the website, newsletter, or training topics. We want to make this a great program year for the membership.

*Sherri V.* 🍷

## Chapter Board Meeting Minutes August 31, 2010

**In Attendance:** Roger Birkett, Sherri Voigt, Mary Laufenberg, David Mellem, Lily Radivojevich, Dolly O'Laughlin

**Treasurer's Report:** \$21,578.38 at 7/31/10. This does not include PDC reimbursements.

**Membership:** We have 79 members. Membership is down 13% nation-wide. We received a scholarship from national office and Dave will work on a recruitment plan. We will offer a drawing to suspended members who re-join this fall.

**CGFM:** We still have people studying for the exam. National will be offering a discount on the application fee. The chapter should run the CGFM exam scholarship information in next newsletters.

**Community Service:** Plans for year include food drive, Passionately Pink for the Cure, MS Walk. Other ideas are welcome.

**Chapter Recognition Program:** The Chapter ended last year at Gold level. The first report for this year is due 9/30, so get any activity reported to Dolly.

**Newsletter:** Discussed new guidelines for newsletters and what we may want to change.

**Education:** Brainstormed for fall lunch meetings. We discussed holding a cd audio conference.

**Other:**  
Board Meetings: Change the normal 11/2 meeting to 11/16 and cancel the December board meeting. This prevents any conflict for people who want to get out and vote.



## 2011 Southern Wisconsin Chapter Officers and Directors

Pictured (left to right): front: Tom Scheidegger, Mary Laufenberg, Sherri Voigt, Dolly O'Laughlin; back: Roger Birkett, David Mellem, Lily Radivojevich, Carrie Ferguson



# National News



**National President  
Lisa Casias, CPA**

## **Members Are Invited to Accept the Challenge of AGA National and Regional Leadership**

AGA's National Nominating Committee is currently seeking members for volunteer leadership positions as:

- National President-Elect
- National Treasurer-Elect
- Senior Vice President for Regional Services - Section III
- Senior Vice President At-Large
- Fifteen Regional Vice Presidents (RVP)-Elect

### **Term**

The three-year terms begin July 1, 2011.

### **Qualification and Eligibility**

To serve in any of these positions, candidates must be AGA members in good standing and have professional backgrounds for each position. Persons serving as National President, National President-Elect, National Treasurer, National Treasurer-Elect, Senior Vice President, and Regional Vice President may not serve concurrently in any other elective Association office, except the National Executive Committee. Other qualifications apply.

### **Submissions**

All submissions will be forwarded to the National Nominating Committee, which will choose the slate of candidates. Nominations are due **Friday, Oct. 29, 2010**.

Please note that since the committee often receives more than one nomination per position, not every nominee will be selected. Candidates for elective office are reminded that the National Bylaws do not permit campaigning for elective office. Additionally, only ONE nomination per candidate is necessary and candidates should not solicit additional nominations. Also, the committee will not recognize endorsements of candidates.

If you are interested in serving or know of potential leaders, please [click here](#) for a Nominations Brochure that contains information about position terms, qualifications and eligibility, a list of Sections/Regions/Chapters, and National Officer Nomination Form. Or, contact [Louise Kapelewski](#), Nominating Committee staff liaison, at the National Office at 800.AGA.7211, ext. 321. Take advantage of this opportunity to shape the future of your Association!

## **AGA Awards Member for Sharing the Magic of Membership at the PDC**

An AGA member is celebrating after sponsoring a nonmember into AGA. AGA congratulates **Chasity Crawley, CGFM**, of AGA's Dallas Chapter for winning the drawing for an Apple iPad. Like all members who sponsor new members into AGA, Chasity earned an AGA sponsor lapel pin and is on her way to earning complimentary membership upon recruiting six members into the Association.

By recruiting during the Professional Development Conference, members were offered an additional incentive. The 2010 PDC offered members a chance to win an

Apple iPad just for recruiting nonmembers to join.

Want an opportunity to earn prizes for recruiting new members into AGA? Participate in the 2010-11 "[What Drives You](#)" [Membership Campaign](#). Incentives include AGA dollars, complimentary membership dues, conference registration a netbook and more.

AGA Membership Manager [Rodneikka Scott](#) said: "Member Get a Member Campaigns and conference incentives are a key part of the AGA recruitment program, where we encourage our members to introduce their friends and colleagues to AGA."

## CGFM Corner



### AGA 2010 Compensation Survey Report:

#### The Value of CGFM Certification

In February 2010, Association of Government Accountants (AGA) conducted its first compensation survey. An e-mail invitation was sent to approximately 14,000 AGA members and Certified Government Financial Managers (CGFMs). In total, 3,537 completed online submissions were received by April, representing a response rate of 25 percent. Industry Insights Inc., an independent professional survey research firm, conducted the survey.

The survey highlighted the value of certification. The two most common certifications/licenses held by survey respondents were CGFM (44 percent of respondents) and CPA (38 percent of respondents); one-quarter of the

respondents had no certifications or licenses.

Those who had earned a CGFM certification reported a higher average salary than those who do not: \$105,815 compared to \$78,905, a difference of 34 percent. When compared to the average salary of individuals with no designations—\$68,416—the average salary of CGFMs was 55 percent higher.

The difference is not coincidental. While many factors can affect an individual's salary, after examining correlation statistics on numerous variables, the CGFM designation had a statistically significant correlation to compensation—higher than education, age, number of years in current position, number of supervised employees or holding a CPA license. Only the number of years in government financial management field had a higher correlation.

A similar difference in salary was seen in individual titles. The two most common job titles were accountant (14 percent) and auditor (12 percent). The average salary of an accountant was \$71,028. The average salary of an accountant with a CGFM was \$89,769 and without CGFM was \$64,548—a difference of 39 percent. The average salary of an auditor was \$75,348; the average salary of an auditor with a CGFM was \$88,792 and without CGFM was \$68,729—a difference of 29 percent. As with the overall salary numbers, the difference was even greater when the salary of CGFMs was compared to individuals without any designations—47 percent for accountants and 41 percent for auditors.

When asked, "How important do you think holding a certification or license has been in helping you get raises or promotions?" 51 percent felt that a certification or license has been very important or somewhat important to obtaining raises or promotions. In looking

at specific tangible benefits for CGFMs, 12 percent of respondents indicated that they have received special consideration for hiring as a result of their CGFM credential; 3 percent indicated that they received a promotion as a direct result of their CGFM credential; 4 percent indicated that they received a pay raise as a direct result of their CGFM credential (with 5 percent as the average raise); and 3 percent indicated that they received a bonus as a direct result of their CGFM credential (with 4 percent as the average bonus).

In addition to pay raises and bonuses, employers recognize the CGFM certification in a number of ways. When asked about the benefits that their employer offered to CGFMs in general and for their position, the most common benefits selected were being a preferred credential or reimbursement of fees.

### ***Did you know? CGFM for Free***

The AGA Southern Wisconsin Chapter offers CGFM scholarships to the first 4 people to pass the exams in a program year. **Upon successful completion of all 3 parts of the exam, members can be reimbursed for the full cost of the application and exam fees!**

The chapter also maintains a library of the study guides that may be checked out to use in preparing for the exam.

We have a few people actively studying for the exam at this time. If you would like to join them in a study group, contact us!

## **Articles**

### ***Federal News***

#### **Federal Agencies Could be Passing Over Good Job Candidates**

Federal agencies have room for improvement when it comes to assessing

applicants for federal jobs, according to a new survey of government officials and observers.

[The report](#), released Thursday from the nonprofit Partnership for Public Service and PDRI, a human resources consulting firm, found government does a poor job of evaluating applicants for federal positions. Representatives from veterans groups, labor unions, the Office of Personnel Management and agency HR staffs, along with federal hiring managers, said a lack of collaboration between stakeholders is a key barrier to an effective assessment process.

Respondents reported insufficient guidance from OPM, limited resources for training hiring managers and a narrow focus on the formal assessment process also get in the way of hiring good candidates to federal jobs. Concentrating on writing clear position requirements, conducting reference checks and using internship programs effectively would improve applicant assessment, they said. —Emily Long, *Government Executive*.

[Read more.](#)

#### **Future of Federal Rule-making: Pilot Project Aims to Increase Public Participation**

For decades, the basic mechanics of federal rule making have changed little: First comes the Notice of Proposed Rulemaking in the Federal Register, then a public comment period, followed by the final rule. Although agencies now put rule-making materials online, the system is still largely the province of major stakeholders, lawyers and advocacy groups. An experimental website known as [www.regulationroom.org](http://www.regulationroom.org) offers a far more inclusive experience. In the place of a proposed Transportation Department rule on airline passenger rights that ran some 24 triple-column pages in the Federal Register in June, the unofficial site offers a

one-paragraph overview, accompanied by brief explanations of the major issues in play. An online moderator fields comments; there's even a Facebook page. "What we're trying to do there is make a government process that is supposed to be broadly participatory, but is in fact very intimidating to people, and make it a more accessible process," said Cynthia Farina, a Cornell University law professor working on the pilot project in partnership with the Transportation Department. As of late last week, the site had attracted almost 16,000 unique visitors and yielded about 1,100 comments, she said. By contrast, a study earlier this decade found that the average Transportation Department rule making received fewer than 50 comments, Farina said. —Sean Reilly, *Federal Times*. [Read more.](#)

### *State and Local News*

#### **Billions on State Ballots**

Washington State is one of nine states without a state income tax. Bill Gates Sr., the father of the Microsoft founder, wants to change that. Gates is lending his high-profile name and influence to a ballot measure that would tax the income of individuals who earn more than \$200,000 and couples who earn more than \$400,000. His son — the world's second-richest person — definitely falls into that category.

The elder Gates, who also co-chairs the Bill and Melinda Gates Foundation, says Initiative 1098 would generate \$1 billion a year in new revenue dedicated to education and health care. He also says it would put an end to Washington being "the most regressively taxed state in the country." Washington is one of several states where voters this fall will weigh in on ballot measures that, if passed, would

have enormous fiscal consequences. Voters in California, Colorado and Massachusetts will take up tax questions that could expand or shrink the foundations on which future budgets are built. —Pamela M. Prah, *Stateline.org*. [Read more.](#)

#### **Mortgage Fraud Thrives in Good and Bad Times**

The house on the 53rd block of South Wood Street in Chicago's Back of the Yards doesn't look like a \$355,000 home. There is no front door and most of the windows are boarded up.

Public records show it was sold in foreclosure for \$25,500 in January 2009, then resold for \$355,000 in October. In between, a \$110,000 mortgage was taken out on the home, supposedly for renovations. This June, the property went back into foreclosure.

To Emilio Carrasquillo, head of the local office of non-profit lender Neighborhood Housing Services of Chicago (NHS), the numbers don't add up. He believes this is a case of mortgage fraud.

Mortgage fraud is a crime that cost an estimated \$14 billion in 2009 and could be hampering an already fragile recovery in the housing market. The FBI has been fighting back, assembling its largest ever team to fight the scams. They have their work cut out for them, though, as a tsunami of foreclosures is making classic scams easier and spawning new ones to boot. —*Reuters*. [Read more.](#)

Hear about trends in mortgage fraud at [AGA's Fifth Annual Internal Control & Fraud Conference](#) from Joyce Branda, Director, Commercial Litigation Branch - Civil Fraud, U.S. Department of Justice.

## *Federal Accounting Corner*

### **History of the Merged Account**

My column last month caused quite a stir in some circles, and I feel a need to set the record straight. From an accounting or practical standpoint, Treasury's proposed "C" Account is analogous to the old "M" Account, but from a legal standpoint, they are nothing alike. To understand why, we need to examine the history of the "M" (Merged) Account.

### **Start of the Merged Account**

In 1956, Congress passed Public Law 84-798, which was incorporated in United States Code Title 31 Section 701(a). It required that, after June 30 when a fund expired, any unobligated amounts would be withdrawn into a "surplus" fund, while the cash to fund obligations would remain in the original symbol. Two full fiscal years after the appropriation expired, both the original and surplus fund balances were transferred to their respective successor merged accounts. Obligations could continue to be liquidated in the merged obligation account. Agencies could transfer funds from the merged surplus account to the merged obligation account to cover upward adjustments (called a restoration), and any money freed up by deobligation was withdrawn to the surplus account. Withdrawals were reported in column 3 of the TFS-2108 Year-End Closing Statement. In 1974, Public Law 93-344 amended this section to end the year on September 30 and not June 30. In 1982, Public Law 97-258 rearranged Title 31 so the old section 701(a) became the current section 1152. —Simcha Kuritzky, CGFM, CPA. [Read the entire column.](#)

## Private Sector News

### **Despite Reform, Banks Have Room for Risky Deals**

When Congress passed a new financial regulation bill last month, it sought to prevent federally insured banks from making speculative bets using their own money. But that will not stop banks from making bets that some critics deem risky, even as the rules go into effect over the next few years. That is because many such bets — on the direction of the stock market or the price of coal, for example — are done on behalf of clients. So, the banks say, they will continue to be allowable despite the new restrictions. Indeed, several trades that were made on behalf of clients went bad for the banks even as the new rules were being debated in Washington this year. JPMorgan Chase and Goldman Sachs, for example, each lost more than \$100 million on transactions handled for customers in the period from April to July. Blowups like these, only larger, contributed to the financial crisis and forced the federal government to spend billions of dollars to bail out financial institutions. —Nelson D. Schwartz and Eric Dash, *The New York Times*. [Read more.](#)

## *Accounting Standards News*

### **AGA's FMSB Comments on GASB Exposure Draft**

AGA's Financial Management Standards Board (FMSB) sent a comment letter to the Governmental Accounting Standards Board (GASB) on its revised Exposure Draft of a proposed Statement on Service Concession Arrangements. The FMSB generally agreed with the provisions in the revised exposure draft, and responded to the questions posed by GASB in the draft. [Read more.](#)



## FASAB Issues Standard on Subsequent Events

Federal Accounting Standards Advisory Board (FASAB) issued Statement of Federal Financial Accounting Standards (SFFAS) 39, *Subsequent Events: Codification of Accounting and Financial Reporting Standards Contained in the AICPA Statements on Auditing Standards*. The American Institute of Certified Public Accountants' (AICPA) Statements on Auditing Standards (SAS) AU section 560, Subsequent Events, includes accounting and financial reporting guidance that is not discussed in the authoritative literature that establishes accounting principles. The objective of SFFAS 39 is to incorporate that guidance into the authoritative literature of the FASAB. [Read more.](#)

## AAPC Issues Technical Release on Accrual Estimates for Grant Programs

The Accounting and Auditing Policy Committee (AAPC) has issued Statement of Federal Financial Accounting Technical

Release (TR) 12, *Accrual Estimates for Grant Programs*. The purpose of TR 12 is to provide a cost-effective framework for developing reasonable estimates of accrued grant liabilities. TR 12 addresses materiality considerations, risk assessment, and procedures for estimating accruals for grant programs, including acceptable procedures until sufficient relevant and reliable historical data is available for new grant programs or changes to existing programs. TR 12 also provides guidance on acceptable sources of documentation for grant accrual estimates; internal controls, including monitoring of internal controls and validation of grant accrual estimates; training of grantees; and monitoring of grantee reporting. The TR is effective for periods beginning after **Sept. 30, 2010**, with earlier implementation encouraged. [Read more.](#)

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### ARE YOU MOVING?

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



### SHARE YOUR NEWS

Do you have some interesting news that your fellow chapter members may be

interested in? If so, you are welcome (and encouraged) to submit an article to the NewsletterEditoratradiojevich@co.dane.wi.us. Deadline for submission of articles is the 25th of the month. Feel to send in topic suggestions or features to include.

### COMMENTS

We would love to hear feedback on newsletter changes. Let us know what you like, what you hate, what we can do better! Contact the Newsletter Editor at radiojevich@co.dane.wi.us or the Chapter President at sherri.voigt@wisconsin.gov

# Southern Wisconsin Chapter Calendar of Events for 2010-2011

August 31, 2010 – Board Meeting, Old Country Buffet, Madison

**September 23, 2010 – Lunch Meeting – Tom Winkler, WI Government  
Accountability Board (Dayton Street Café at the Concourse)**

October 5, 2010 – Board Meeting, Old Country Buffet, Madison

October 21, 2010 – Luncheon topic and location to be determined

November 16, 2010 – Board Meeting, Old Country Buffet, Madison

November 18, 2010 – Luncheon topic and location to be determined

December, 2010 – no Board Meeting or Lunch Meeting

January 4, 2011 – Board Meeting, Old Country Buffet, Madison

January 27, 2011 – Annual Tax Update

February 1, 2011 – Board Meeting, Old Country Buffet, Madison, WI

February 24, 2011 – Luncheon topic and location to be determined

March 1, 2011 – Board Meeting, Old Country Buffet, Madison

March 24, 2011 – Luncheon topic and location to be determined

April 5, 2011 – Board Meeting, Old Country Buffet, Madison

April 28, 2011 – Luncheon topic and location to be determined

May 1, 2011 – MS Walk 2011 (community service event)

May 3, 2011 – Board Meeting, Old Country Buffet, Madison

May 10, 2011 – *Annual Spring Symposium*

June 7, 2011 – Board Meeting, Old Country Buffet, Madison

June 9, 2011 – Luncheon topic and location to be determined

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

## AGA Southern Wisconsin Chapter 2010-2011 Officers and Directors

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

**President Elect** – Vacant

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

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

**Secretary** – Vacant

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

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

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

**Newsletter Editor** – Lillian Radivojevich, [radivojevich@co.dane.wi.us](mailto:radivojevich@co.dane.wi.us), 608-284-4801

**Education Co-Chairs** –

Mary Laufenberg, CGFM, CPA, DOR, [mary.laufenberg@revenue.wi.gov](mailto:mary.laufenberg@revenue.wi.gov), 608-266-1670

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

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

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

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

**CGFM Chair** – Appointment in Process

**Awards Chair** – Vacant

**Early Careers Chair** – Vacant

**Directors -**

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

Julie Gordon, CPA, UW System, [jgordon@uwsa.edu](mailto:jgordon@uwsa.edu), 608-263-4395

Thomas A. Scheidegger, CPA, [thomas.scheidegger@bakertilly.com](mailto:thomas.scheidegger@bakertilly.com)

**Chapter Website** – [www.aga-wis.org](http://www.aga-wis.org)

**Chapter Address** – PO Box 1454; Madison, WI 53701-1454



SOUTHERN WISCONSIN CHAPTER