



December 2005

Volume 28, Number 4

**President's Message,
Dianne Mitchell McKay, CGFM, CPA**

I hope everyone enjoyed the November meeting as much as I did. Our speaker, Rebecca Paul, had an interesting message judging by the number of questions you asked. Our first joint meeting with the Nashville Chapter of the Association of Certified Fraud Examiners produced a record turnout. I believe we should have another joint meeting next year.

Congratulations to the winners of the CGFM exam subsidy and best of luck on passing the exams! The CGFM exam subsidy is only one of the efforts the CGFM Committee under Ron Queen's direction uses to encourage members to become CGFMs.

Many of you noticed that last month's newsletter was late. Technology is to blame for the delay. Nichole Curtiss, our newsletter editor, received a new computer and software upgrade but our newsletter software and files were not compatible with the upgrade. We plan to purchase more compatible software to mitigate future problems and to make our editor's work easier.

Our CEC has made some exciting changes regarding inviting guests to our luncheon meetings. Look for our Membership Chair Brian Derrick's notice in this newsletter explaining the changes. We encourage you to read the notice and invite guests to the December meeting.

This month, I would like to focus on our Community Service Committee. A sign of every successful professional organization is its efforts to give back to the community a measure of its members' re-

sources—financial contributions or time and labor. At each meeting, Chair Ray Register, or one of his committee members, announces the charity for which we are collecting funds or items. Our monthly newsletter also contains an article about the charity. The committee has been very flexible—changing direction to collect and encourage contributions for the victims of the hurricanes this year. Last year, the committee mounted a relief effort for the tsunami disaster in Asia.

Each year, the committee meets to evaluate which charities to support. Given the many worthy charitable organizations in this country and worldwide, it is indeed a tribute to our members that, time after time, they respond with their hearts and their checkbooks to help those less fortunate.

Continued on Page 2

**Chapter Recognition Points YTD
(through November 4, 2005)**

Leadership	3,750
Education	2,025
Certification	1,825
Communication	3,750
Membership	700
Community Service	1200
Awards	900
Total Points YTD	14,150
Chapter Goal	10,000

CHAPTER MEETING

Thursday, December 1, 2005

11:30 a.m.

Speaker

Hazel R. O'Leary

COST: \$10.00 per member

Make your luncheon reservation online at <http://www.nashvilleaga.org>.

If necessary you may call
(615) 401-7843
by 6:00 p.m. Monday,
November 28, 2005

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December Speaker Hazel R. O'Leary

The Honorable Hazel R. O'Leary was named the 14th President of Fisk University on August 16, 2004. She is a former cabinet member, businesswoman, lawyer, and community leader dedicated to practical solutions in energy policy, national security, science and technology, economic productivity and sustainable development. Her bold leadership and prudent risk taking has led to action and positive change in each challenge she has undertaken during her professional career.

She was the first Energy Secretary to oppose nuclear testing. Through her leadership in the face of strong criticism from the military-industrial establishment, she broadened the debate on testing within DOE, the national laboratory system and the national security community, and thereby provided the technical basis for President Clinton's decision to end nuclear testing in the United States. That decision led to the agreement on the language of the Comprehensive Test Ban Treaty that was signed by 126 nations at the United Nations in September 1996.

Mrs. O'Leary is the first African American, the first woman, and the first energy executive to hold the Cabinet post of Energy Secretary. She was named "Person of the Week" by the ABC television network for her courageous decision to lift the veil of secrecy from decades-old information detailing government sponsored radiation experiments on human subjects. In addition, she was the recipient of the Averell Harriman Award and named as one of 100 fearless women in the United States by *Mirabella* magazine for her principled stand to end nuclear testing and secure nuclear materials globally.

Before accepting the challenge of heading an agency with 120 thousand employees and an annual budget of nearly \$21 billion, Mrs. O'Leary had proven management skills, garnered through 25 years of experience in energy and environmental policy and large project development.

Mrs. O'Leary currently serves on the Board of Directors of the UAL Corporation, the parent company of United Airlines, Scottish Re, Ltd. (a financial services and reinsurance company), AlChemix. She also serves on the non-profit boards of the World Wildlife Fund, and the Arms Control Association. She is a member of The Executive Committee (TEC) in Nashville, Tennessee, the world's largest chief executive leadership organization.

A small liberal arts university, Fisk offers a strong science program. In proportion to enrollment, a greater percentage of Fisk graduates achieve the Ph.D. degree than the minority graduates of any other U.S. college or university. According to a survey of 100,000 students, Fisk University is among *The Best 357 Colleges* in the nation; The Black Enterprise Magazine ranks Fisk as one of the top twenty universities for African Americans in the nation. Fisk University houses an art collection of over 4,000 pieces. The Carl Van Vechten and Aaron Douglas Galleries include originals by Aaron Douglas, Georgia O'Keefe, Demuth, David Driscoll, Winold Reiss, Diego Rivera, Renoir, Jacob Lawrence and many, many others. Fisk's students represent 43 states within the US and over 10 countries including alumni such as Congressman John Lewis and Alcee Hasting, Hazel R. O'Leary, John Hope Franklin and Nikki Giovanni.

President's Message Continued

Listed below are many of the things we do:

- Support our Project PENCIL partner, Alex Green Elementary School by making contributions to the school and purchasing Citipass books
- Participate in the food drive for Second Harvest to help feed the many families in need
- Volunteer to answer phones so that Channel 8 can continue with its extraordinary programming
- Purchase holiday presents for the children of Fort Campbell soldiers in Iraq
- Collect coats, hats, and gloves to help children and adults brave the cold January and February weather
- Collect funds to spay or neuter pets to reduce the population of unwanted puppies and kittens
- Volunteer for the Country Music Marathon to benefit the Leukemia and Lymphoma Society
- Participate in Metro's Homeland Security exercise

I hope that I didn't miss anything. As I look at this list of charitable events that we sponsor, I realize that a small donation from each of us can collectively amount to a lot. Few things are more personally rewarding than helping others in our community.

I look forward to seeing you at the December 1 meeting when our speaker will be Ms Hazel O'Leary, President of Fisk University.

"The future is purchased by the present."
Samuel Johnson

News From National

Ethical Lapses Go Unreported

Nearly a third of U.S. workers have witnessed co-workers engage in ethical misconduct, according to a Hudson survey on workplace ethics. However, only half (52 percent) of those witnessing unethical or illegal acts reported it to anyone in authority. The survey said government workers are more likely than their entrepreneurial and private enterprise counterparts to report that they have seen coworkers engage in unethical or illegal behavior (38 percent compared to 29 percent and 31 percent, respectively). When it comes to their own day-to-day jobs, the survey said, 53 percent say they rarely or never encounter ethical gray areas, although 14 percent of workers do at least once a month and 28 percent do occasionally. The survey indicated that senior leaders of companies generally behave with honesty and integrity, with 74 percent expressing confidence in their leadership. However, among those who have witnessed their colleagues' transgressions, the percentage of those believing that their leaders are honest drops to 61 percent. In addition, 78 percent state that their companies clearly communicate what they consider unethical and ethical behavior in the workplace. —*SmartPros*. Visit <http://accounting.smartpros.com/x50270.xml> for more.

FASAB Publishes ED on Consolidated Financial Report

The Federal Accounting Standards Advisory Board (FASAB) has issued an Exposure Draft (ED) called, Consolidated Financial Report of the United States Government Requirements: Implementing Statement of Federal Financial Accounting Concepts 4 'Intended Audience and Qualitative Characteristics for the Consolidated Financial Report of the United States Government.' The proposal would add requirements related to assets such as inventory and related property, direct loans, and property, plant and equipment and liabilities such as loan guarantees, liabilities covered by budgetary resources, cleanup costs and liabilities related to whole life insurance. In addition, certain disclosure requirements, such as those relating to pricing policies, would be rescinded. The changes relate primarily to standards issued prior to the January 2003 issuance of SFFAC 4. One FASAB member, Robert Dacey, opposes the proposed standards. FASAB is soliciting general comments and answers to specific questions by March 1, 2006. To read the *Exposure Draft*, visit <http://www.fasab.gov/exposure.htm> —FASAB.



CGFM Application Discount

Thinking about applying for the CGFM or know someone who is?

AGA national wants to help. From September 1 until November 30, 2005 AGA will give a discount of \$20 to CGFM applications received with the assistance of AGA chapters.

In order to receive a \$20 discount,

1. The AGA Office of Professional Certification must receive the complete CGFM application (application form, \$85 application fee and proof of a bachelor's degree) during the period of September 1 through November 30, 2005.
2. The CGFM application form must have the promotional phrase: "CGFM chapter promotion – Nashville Chapter" written at the bottom of the form (under the source code). If the application is submitted online, you must put this phrase in the last question: "How did you learn about the CGFM Program?:".

Important notes:

- You do not have to be a Nashville Chapter or AGA member in order to receive the discount.
- You must pay the full application fee of \$85 at the time of application. You will receive the \$20 discount check by mail in January.
- You must put the words "CGFM chapter promotion" AND the name of the Nashville Chapter on the application form in order to receive the discount.

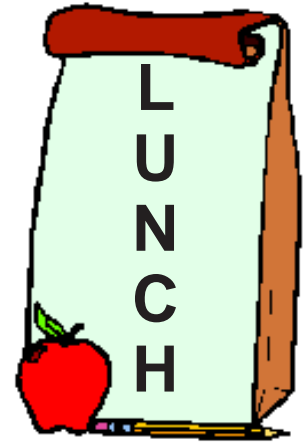
That is not all...

By applying during the promotional period and receiving your \$20 discount, you can help the Nashville Chapter. If the Nashville Chapter encourages the most applications submitted in the three-month period of September-November 2005, the Nashville Chapter will receive \$20 X the number of applications that quoted the Chapter! PLUS on every application, listing the Nashville Chapter (in the promotional phrase as described above) the Chapter will receive 50 BONUS CREDITS (Chapter Recognition Program) per application!

You can get the CGFM application at <http://www.agacgfm.org/cgfm/downloads/CGFMapplicationform.pdf>. Please contact Ron Queen, CGFM Committee Chair (ron.queen@state.tn.us) if you have any questions.

There IS such
a Thing as a

FREE →



Beginning with our December 1, 2005 chapter meeting, any AGA Nashville Chapter member will be able to bring guests to our chapter luncheon without any cost to the guest. This is to encourage non-members to experience the wonderful events and activities of AGA.

Every guest will be exempt from the luncheon fee for the monthly meeting for which they are registered. This will be a one time exemption from the luncheon fee. One person cannot be a guest multiple times, even in subsequent years. Guests will be required to sign in at the payment table.

You can register a guest by any of the 3 methods detailed below in the Chapter Newsletter. The methods are the same just make a notation of 'Guest' in the comments section. Members will still receive points for bringing a guest, so now it's easier to earn points than ever.

We encourage you to reach out to those around you and tell them what AGA is all about. Invite a colleague to lunch, show the new hire around, or bring an old friend to meet with new friends.

We'll see you there!

3 Ways to Make a Luncheon Reservation

1. **Standing Reservation** (automatic reservation each month, will still need to cancel if unable to attend) To update or make a standing reservation or to see if you have a standing reservation, go to <http://www.nashvilleaga.org/reserv.html>
2. For **Reservation On-line** go to the Nashville Area Chapter website at <http://www.nashvilleaga.org/reserv.html>.

PLEASE NOTE: Any on-line reservation made after the deadline, 6 pm the Monday before the meeting, will NOT be accepted.

3. For **Reservations** or **Cancellations** by Phone or E-mail contact Kevin Huffman at (615) 401-7843 or Kevin.Huffman@state.tn.us.

Cancellations – Made NO LATER than 6 pm on the Monday before the luncheon. A member may send someone in their place to the luncheon. If none of the above occurs, then the member must pay \$10.

October CEC Meeting

Submitted by Nathan Abbott, Chapter Secretary



The Nashville Chapter's Executive Committee met on Thursday, October 27, 2005, in the 14th floor conference room of the Snodgrass Building. President Dianne McKay called the meeting to order. Chapter Executive Committee (CEC) members present were Melinda Parton, Chuck Holland, Susan Irby, Kathy Anderson, Kevin Huffman, Georganne Martin, Nathan Abbott, Brian Derrick, Donna Duarte, Randy Kinnersley, Dan Willis, Ray Register, and Nichole Curtiss. Committee chairs or their representatives present were Glen McKay and Beth Pendergrass.

Welcome

Dianne McKay welcomed everyone to the meeting.

October CEC Minutes

A motion was made by Brian Derrick to approve the minutes. The motion was seconded by Georganne Martin and the minutes were passed as published.

Committee Reports

Treasurer

Chuck Holland handed out the October balance sheet and statement of activities.

Program

Glen McKay announced the date for the Nashville AGA spring social event. It will be a Nashville Kats game on Saturday, February 18, 2006, at 7:00 PM. The game will be the Colorado Crush vs. Nashville Kats. Cost of the spring social will be \$14 per ticket with a maximum of 2 tickets per member. This cost will include food before and during the game. A maximum of 100 people will be subsidized by the Nashville AGA Chapter. If you would like to bring more than 1 guest, the cost of the ticket and food will be \$34 per person.

Finance

Georganne Martin reported that she has mailed the IRS return by certified mail two weeks before the deadline. She also stated that Suzanne Smotherman is working on the history report.

Education

Kathy Anderson reported that 55 people have signed up for the Nashville Business Tax Seminar and 26 people have signed up for the Business Tax seminar in Memphis. She also reported that fliers for the winter seminar will be available at the November 3 luncheon.

Early Careers

Randy Kinnersley distributed a proposed agenda for a government career day. Tentative date and time will be Monday, February 27, 2006, from 5:00–7:30 PM. The target audience for the career day will be juniors and seniors majoring in accounting, information systems, or public administration. As an incentive to attend the career day, \$100 scholarships will be awarded to one student from each of the four schools with the most participating students, with a minimum of five participants. One scholarship of \$100 will be awarded to one student from all the remaining participating schools. Juniors and seniors will only be eligible to win the scholarships.

Randy also proposed revising the Mentoring program. Since we do not have any volunteers to become a mentee, the program will be revised to assign a mentor to all new AGA members. The mentor only will contact the new member through e-mail and invite the new member to join them at a chapter luncheon. The mentor will be available to answer questions or offer advice.

Awards

Donna Duarte announced that Rebecca Paul has agreed to be submitted for the Snodgrass Award. John Dhulos, City Manager of Germantown, has agreed to be submitted for the Distinguished Local Government Leadership Award. Donna also stated that she is waiting on a response from the Mayor's office to see if Mayor Bill Purcell has agreed to be submitted for the National Leadership Award. The deadline to submit awards to National is October 28, 2005.

Membership

Brian Derrick reported that we have one new member for the month of October. Dianne McKay started a discussion on being able to offer a one time free lunch to first time guests.

A motion was made by Kathy Anderson to offer a free lunch for first time guests, keep track of first time guests, and to do away with

giving a free lunch to new members. This was seconded by Donna Duarte. The motion passed by 11 **Yes** votes and 0 **No** votes. This will be effective at the December luncheon. A voucher will be printed in the Newsletter and on the Internet for the member who is bringing the guest to complete and bring with them to the luncheon. A discussion will be held at the next CEC meeting to amend the budget for this change.

Newsletter

Nichole Curtiss reported that submissions for the November newsletter are due Wednesday, November 9, 2005.

Community Service

Ray Register reported that the November luncheon will be the last time to purchase your city pass books for this year. Ray also reported that the Food drive will end on November 4, 2005. The next community service project will be the soldier tree. Ray stated that he will try to have the tree available at the November luncheon.

Ray announced that the date to volunteer for the Nashville Public Television (Channel 8) pledge drive is November 29, 2005; December 1, 12, or 13, 2005, will also be possible dates to volunteer. If you would like to volunteer for the drive, please contact Ray.

CGFM

Georganne Martin reported for Ron Queen that 5 people are eligible for the 3 CGFM subsidies. The drawing for the subsidies will be at the November luncheon. New study guides have been ordered for the CGFM exam.

Meetings and Attendance

Kevin Huffman reported that Melvin Jones will be giving the invocation at the November luncheon. Kevin also discussed the possibility of changing locations for the May meeting. Kevin will look into other options that are available. One door prize of \$25 will be given away at the luncheon.

Internet

Dan Willis reported that we are having trouble sending and receiving e-mail through GroupWise. The state system is blocking all e-mail from the Nashville AGA's website. This is causing problems with Kevin Huffman receiving reservations in a timely manner. Melinda Parton volunteered to talk to OIR and see if we can correct the problem. Dan also mentioned that the majority of the e-mails that are on the website have been set up to be forwarded to a personal account. This is to keep people from harvesting e-mail addresses and sending out spam. He also mentioned that you could get spam during your term on the CEC Committee.

Chapter Recognition

Dianne McKay reported for Gerry Boaz that suggestions are welcomed on how to improve the calculation of points for National. Gerry also wanted to announce to please let him know about any activities that are not mentioned in the newsletter so he can submit those points to National.

Regional PDC

Dianne McKay reported the planning committee met on October 27, 2005, to discuss the possibility of looking at different hotels to host the conference. Right now the Doubletree hotel is going to charge too large of a fee for the use of the conference rooms. She also stated that the dates for the PDC will not change and they will be March 16-17, 2006.

GASB Donation

A discussion was held on increasing the GASB donation from \$500 to \$1,000. A motion was made by Brian Derrick to amend the budget for the GASB donation. It was seconded by Melinda Parton. A vote was held; 9 **Yes** votes and 2 **No** votes; the motion passed.

Hurricane Katrina Donation

A clarification was reported on how AGA National is collecting and distributing hurricane donations. National is accepting donations through their website for AGA members in the gulf coast region who have been affected by the hurricanes. This money is intended to help only AGA members. National is listing on the website other chapters and individuals who have donated.

An announcement will be made at the November luncheon to let our membership know that they can still donate to help hurricane victims. Those who intend to donate may do so through National's website or through the Nashville Chapter

President

Dianne McKay announced that the CEC meeting scheduled for January 2, 2006, is a holiday and the new date for the meeting is January 3, 2006. Dianne McKay adjourned the meeting.

November Chapter Meeting

Submitted by Nathan Abbott, Chapter Secretary



The Nashville Area Chapter held its November monthly meeting at the Nashville City Club on Thursday, November 3, 2005. President Dianne McKay called the meeting to order and welcomed everyone in attendance. A moment of silence was observed in memory of Rosa Parks. Melvin Jones offered the invocation. The minutes of the October Chapter meeting were approved as printed in the October newsletter. Guests were introduced and welcomed.

Steve Adams introduced the guest speaker, Rebecca Paul, President and CEO of the Tennessee Education Lottery Corp. Ms. Paul spoke on how the Tennessee Lottery came into existence and its current state of growth. The Chapter donated \$35 to Ms. Paul's charity of choice.

Kathy Anderson announced several opportunities for CPE starting with an Audio Conference on December 7, 2005. She also reminded everyone about the business tax seminars being held in Memphis on November 17, 2005, and in Nashville on November 29, 2005. In addition, dates have been set for the winter seminar for January 23-24, 2006.

Ray Register announced the Community Service opportunities that are available in the upcoming months. The Citi-Passbooks are still available for purchase. The Second Harvest Food Bank Drive will be ending this Friday, November 4, 2005. Please make your donation at the appropriate drop-off point if you have not already done so. The Little Soldier program will be starting up soon and the gift tree should be available at the December meeting.

Announcement that the dates to volunteer for the Nashville Public Television (Channel 8) pledge drive is November 29, 2005; December 1, 12, or 13, 2005, will also be possible dates to volunteer. If you would like to volunteer for the drive, please contact Ray Register.

Ray also made a clarification on how AGA National is collecting and distributing hurricane donations. National is accepting donations through their website for AGA members in the gulf coast region who have been affected by the hurricanes. This money is intended to help only AGA members. National is listing on the website other chapters and individuals who have donated. Ray clarified that AGA members may donate individually on National's website or provide donations to him to donate as a chapter.

Glen McKay announced the date for the Nashville AGA spring social event. It will be a Nashville Kats game on Saturday, February 18, 2006, at 7:00 PM. The game will be the Colorado Crush vs. Nashville Kats. Cost of the spring social will be \$14 per ticket with a maximum of 2 tickets per member. This cost will include food before and during the game. A maximum of 100 people will be subsidized by the Nashville AGA Chapter. If you would like to bring more than 1 guest, the cost of the ticket and food will be \$34 per person.

Ron Queen held a drawing for three CGFM subsidies; the winners were Nichole Curtiss, KaKhada Norm, and Paul Fimano.

One door prize of \$25 was awarded to Tammy Thompson and Ron Anderson provided the answer to the monthly puzzle. The meeting was adjourned.



Interested in the CGFM certification?

Sign up for AGA's special Intensive Review Course and take the CGFM Examinations this February in Washington, D.C. Don't miss this opportunity to earn your CGFM!

The Intensive Review Course will take place from 8 a.m. - 4 p.m. on February 1-2, 2006. The CGFM Examinations will be offered by appointment only on February 3-4, 2006.

The cost of the course is only \$195 for qualified participants, and it offers 16 CPE hours. Special Bonus: the CGFM Examinations taken during this event are free of charge!

This is a special limited enrollment offer for those individuals who have already been studying for the CGFM Examinations and need extra reinforcement of the material. Only the individuals who register and attend the Intensive Review Course will have the opportunity to take the CGFM Examinations on February 3-4, 2006.

The Intensive Review Course is not a substitute for the three instructor-led training courses. On the contrary, it is designed as a supplement to previous preparation for the CGFM Examinations. Attending previous courses or studying using CGFM Study Guides before participating in this event is strongly encouraged.

For registration, eligibility and examination information please visit http://www.agacgfm.org/nlc_2006/cgfm_exam.htm.

NOTICE

State of Tennessee CGFM Optional Salary Incentive

The Department of Personnel includes the CGFM certification in the list of certifications eligible for a one-step salary increase. A salary increase **may** be granted to employees of the State of Tennessee if the certification is obtained by passing the exams. To be certain that you qualify for the salary increase, obtain approval from your supervisor and the Department of Personnel **before** sitting for the exams. For specific details see the Department of Personnel Policy #90-031 (10/10/90) amended March 23, 1999.



WINTER

January 23 and 24

SEMINAR



The education committee of the Nashville Chapter of AGA invites you to attend another outstanding educational event. Attend the winter seminar for 16 hours of continuing professional education on important issues and challenges in government.

This seminar will include a large array of topics that affect the government manager and the government auditor. **Stephen J. Gauthier**, Director, Technical Services Center, Government Finance Officers Association will start with "What's Up with GASB and GFOA?" This session will examine recent guidance from both the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA). GASB topics will include termination benefits; pollution remediation obligations; and sales and pledges of receivables and future revenues. GFOA topics will include recommended practices on accounting, auditing, and financial reporting, as well as the avoidance of common reporting deficiencies identified in the Certificate of Achievement for Excellence in Financial Reporting Program.

Anne D. Smith, Ph.D. from the University of Tennessee will discuss management issues in her session entitled "Decision-Making Under Stress: Learning from some Classic Dilemmas."

Stephanie Richardson, Tennessee's ERP project manager, will round out the afternoon with a discussion about Project Edison, the project to bring an ERP system to the State of Tennessee, entitled "The State of Tennessee's Enterprise Resource Planning Journey." The session will discuss the status of the program and the plans for moving forward with implementation.

On day 2, the morning will include information on frauds, forensic accounting, and risk assessments. The first speaker will be **Jim C. Wilson, Jr., CPA**, who will discuss interesting fraud schemes. Following, **Stan Wilson** and **Jeff Tuley** with NetEvidence, Inc., will join together to present information on forensic audits. Their must-see presentation is called "What You Need to Know about Electronic Investigations and Why."

Then, **Art Hayes**, Director of Tennessee's Division of State Audit, will discuss risk assessments. Although the concepts of risk assessment and internal controls have been around for many years, there is a new urgency to addressing these issues. The AICPA is poised to roll out a new set of "expectation gap" Standards which focus on risk assessments by auditors and by management. And, although Sarbanes-Oxley does not apply to governments and not-for-profits, the State of Tennessee has enacted a law requiring audit committees for certain entities. These actions, coupled with the latest auditing standard on fraud, SAS No. 99, make it essential that the accountability professional understand and effectively execute these key activities. This session will present a practical approach to performing and documenting risk assessment and to designing and implementing mitigating internal controls.

In the afternoon, **R. Kinney Poynter**, the Executive Director of NASACT will join with **Jan Sylvis**, the Chief of Accounts for the State of Tennessee, to discuss benchmarking in the public sector. NASACT has launched a benchmarking program to allow efficiency comparisons with each state and between the states, and the State of Tennessee is participating in this exciting program. Kinney Poynter will discuss the project itself and Jan Sylvis will discuss Tennessee's role in this session called "Benchmarking in the Public Sector: In Tennessee and Across the U.S."

And more is yet to be announced! A federal government upper-level executive is in the process of committing to speaking in the final session of day two. Make plans to attend this exciting event!

Register soon! As a Nashville chapter member, we are concentrating our notifications to you first. But registration is on a first-come, first-serve basis, and we will be marketing to individuals outside the chapter soon. There is limited seating to this valuable seminar!

For more information, please contact Kathy Anderson at (615) 747-5241 or kathy.anderson@state.tn.us, or any of the other education committee members that were involved with the planning of this event including Ike Boone, Ann Collett, Bertha DeWeese, Teresa Kennedy, and Patricia Wakefield.

Community Service Committee



Second Harvest Food Bank of Middle Tennessee

*Fighting Hunger
Feeding Hope
Feeding the hungry in
Middle Tennessee
since 1978*

Thanks to the generosity of AGA members and our co-workers, the chapter donated **250 pounds** of non-perishable food items for the Emergency Food Box Program. Special thanks to those who hosted a donation box in their work areas.



Alex Green Elementary School – Citipass

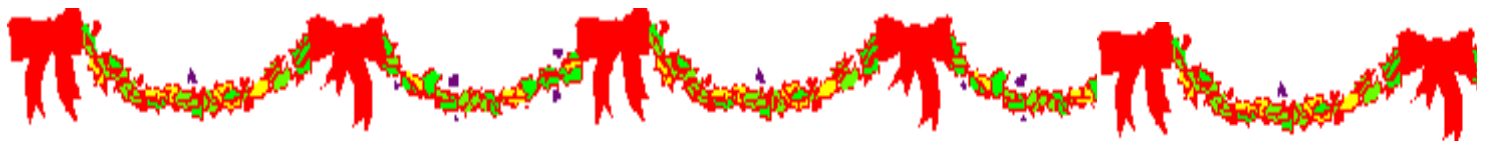
There are still a few of the Citipass coupon books available. These coupon books are a GREAT deal if you like to save money, and you dine out, shop, bowl or participate in any number of activities. Visit www.nashvillecitipass.com/merchants for a complete list of participating merchants. The cost is \$20, with \$7 going directly to our PENCIL Partner, Alex

Green Elementary School. There's over \$6,000 in discounts available, so it's easy to make your \$20 back in savings with just a few coupons. Books will be available at the December meeting. Or contact Tammy Fruscione (Tammy.Fruscione@state.tn.us) to purchase one.



Nashville Public Television

AGA is helping Nashville Public Television (WNPT – Channel 8) in its December Membership Drive so it can continue to provide high-quality programming and services for the people of Middle Tennessee and southern Kentucky. We're providing a phone bank to answer calls and take member pledges. Tune in on Monday, December 12, during "Antiques Roadshow" and "All Star Bluegrass II" to see your friends and fellow AGA members on TV!



Little Soldier Tree

Help make Christmas special for the child of a soldier serving our country. The Little Soldier Tree program, based at Ft. Campbell, provides gifts of toys and clothes to children who may not otherwise receive presents. Now, while many Ft. Campbell soldiers are deployed in support of Operation Iraqi Freedom, this program is more vital than ever. We didn't receive the wish lists in time for the November chapter meeting, so it's important that you contact Clare Tucker (Clare.Tucker@state.tn.us) or Tammy Fruscione (Tammy.Fruscione@state.tn.us) and let them know that you are willing to adopt a little Soldier for Christmas. Tell them whether you want to help a little boy or a little girl, and they'll send you a wish list as soon as possible.





CGFM – Exam 1 – Governmental Environment

“Cliff Notes”

by Georganne Martin CGFM, CPA

Notes for Exam 1

When you were in school, did you ever purchase Cliff Notes to gain an understanding of an assigned book? Maybe sometimes, you relied on the Cliff Notes instead of reading the book. The following information is like Cliff Notes. It only briefs you on the high points of the study manual for Exam 1 – Governmental Environment.

The AGA – CGFM Committee has purchased all 3 study manuals for interested parties to check out free of charge. The CGFM committee also has 3 subsidy drawings for exam fees, and offers a one day review course for each of the 3 parts in the spring, free of charge.

Therefore, it is recommended that you check out the first study guide (Governmental Environment) and add to the “Cliff Notes” below. Conclude your study by attending the spring one day review course. You do not have to be an accountant to understand what government is or what it does or what management should mean to employees, the public or the other interested parties.

Governments are Sovereign – the final authority (possessed of supreme power.)

Sovereignty Implication:

1. Federal and State constitution and local charters permit taxation.
2. Federal and State constitutions and local charters permit borrowing.
3. Federal can create money.

Budget:

1. Most important financial statement.
2. One of the most important activities.
3. Focal point for key resource decisions.
4. Involves executive and legislative branches.
5. Major control device.

Objectives of a Budget:

1. Identify – policies, goals and priorities
2. Guide – operations
3. Provide – financial planning
4. Facilitate – public study

Budget is Law:

1. Local level by an ordinance
2. State and Federal by Statute
3. Some state Governors have veto power

Appropriation – is the legal authority to expend government money.

Authority – The obligation / encumbrance of the government money.

Conditions for obligation:

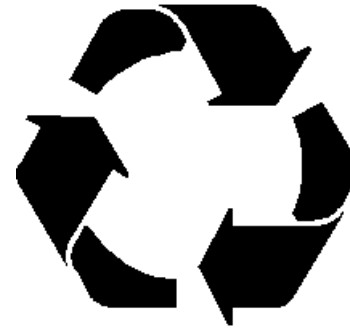
1. Purpose is authorized.
2. Within time limits off appropriation
3. Within amounts authorized
4. Must be necessary



Exam 1 Cliffs Notes Continued from Page 10

Management Cycle:

1. Planning
 - a. Keystone - continuous and requires creativity.
 - b. Based on the mission of the government entity
2. Programming
 - a. Specific objective and actions to implement a plan
 - b. Institutionalized and dead line driven
3. Budgeting
 - a. Capital Budget
 - b. Cash Budget
 - c. Operation Budget
4. Operations
 - a. Financial Controls
 - b. Performance controls
5. Accounting
 - a. Encumbrances + Obligations = Expenses
 - b. Encompasses program and financial inputs and outputs
6. Reporting
 - a. Supporting the management of the entity
 - b. Demonstrating accountability to resource providers
7. Auditing
 - a. An independent review and verification of an entity's operation or representation (reports)



Five Elements of Fraud:

1. Opportunity
2. Motive
3. Perpetrator
4. Victim
5. Scenario

Operating (Performance) Plan should define:

1. Measurable objective for the entity
2. Specific tasks for achieving those objectives
3. Persons or groups responsible for each task
4. Timelines for completing the tasks and resources needed.

Forecasts

1. Starts with current level of activity
2. Adjustments are then made for unusual conditions
3. Assume changes in future levels

Service Efforts Classified as:

1. Financial (dollars)
2. Non-Financial (work hours)
3. Inputs
4. Processes

Services Measured by:

1. Outputs are quantity of services provided
2. Outcomes are results
3. Efficiency – outputs obtained for inputs
4. Cost Effectiveness – relates outcomes to inputs



Exam 1 Cliffs Notes Continued from Page 11

Government Financing

1. Taxation

- a. Horizontal Equity – Different taxpayers with same income level would pay the same tax. (example in TN is sales tax)
- b. Vertical Equity – Different taxpayers with different levels of income pay different tax. (example: income tax)
- c. Progressive – Wealthier persons pay less. (example: Social Security Tax)
- d. Proportional Tax – No regard to tax. (example: property tax)
- e. Real Property Tax – Value of property (land, building, etc.)
- f. Personal Property Tax – Value of movable owned property (cars, boats, etc.)
- g. Intangibles – Value of securities / investments (stocks, bonds, etc.)



2. Intergovernmental Grants and Shared Revenues

- a. Contract – arrangement between 1 party is seeking services or goods from another party and willing to pay for them.
- b. Grant – Arrangement between 1 party wishes to encourage or support activity of another party.
 - i. Discretionary Grant – competition based on submission of plan
 - ii. Formula Grant – Assistance provided to defined program areas
- c. Shared Revenues – Arrangement whereby 1 party provides funds to another with no “strings attached”.

3. Other forms of Revenue

- a. User Fees (example: swimming pool admission fee)
- b. License and Permits (example: Building permit for house expansion)
- c. Lotteries
- d. Dedicated Taxes (example: gasoline tax for roads)



4. Debt

- a. **Federal** government may issue debt for current operations
- b. Debt may be limited by:
 - i. Dollar Amount
 - ii. Percentage of tax base
 - iii. Percentage of Spending Plan
- c. Issued by government for 3 reasons:
 - i. To permit the construction or acquisition of major, long life assets as needed
 - ii. To enable services to be provided prior to the receipt of major tax or other revenue flows
 - iii. To enable the government to begin financing a capital project before the full costs are known.
- d. Debt Issued:
 - i. Equitable (cost of debt should be born by those benefiting from the service)
 - ii. Effective (provides sufficient funds)
 - iii. Efficient (the lowest costs relative to the risk)

5. Special Purpose Governments

- a. Mostly rely on user fees, special taxes and revenue bonds.

Bonds:

1. General Obligation (GO) Bond – legal contract to repay the face value of the security
2. Revenue Bond – legal contract to repay the face value of security that is secured by a dedicated revenue stream.
3. Certificate of Participation – Shares in a lease purchase agreement
4. Serial Bonds – Paid off over a period of years
5. Term Bonds – Paid off all at once. Funding is accumulated in a sinking fund until day of pay off.

Accountability – Keystone of government

Type of Accountability:

1. Financial Resources
2. Adherence to legal and policy requirements
3. Efficiency and Economy in Operations
4. Results of Programs

Exam 1 Cliffs Notes Continued from Page 12

Federal Accounting Standards Advisory Boards (FASAB) defines accountability as:

1. Budgetary Integrity
2. Operating Performance
3. Stewardship
4. Systems and Controls

Other Types of Accountability

1. Probity/Legality Accountability
2. Process Accountability
3. Performance Accountability
4. Program Accountability
5. Policy Accountability



Citizenry – The group to whom accountability is due.

Accountability Approaches

1. Reactive Approach – (wait and see)
2. Adaptive Approach – (assessing emerging situations and taking anticipated actions)
3. Strategic Approach – (direct and shape emerging situations)

Ethics – Public Service is a public trust

AGA – Code of Ethics involves:

1. Integrity
2. Objectivity
3. Professional Competence and Due Care
4. Confidentiality
5. Professional Behavior
6. Technical Standard

Professional Integrity is exercising diligence and honesty in the conduct of professional duties.

The perception of personal gain compromises independence and objectivity.

Due Care – Having the education, knowledge, skills and experience to perform your function and doing so with the highest degree of professional care and diligence.

AGA – Code of Professional Conduct

1. Personal Behavior
2. Professional Competence and Performance
3. Responsibilities to Others

Financial Management involves:

1. Chief Financial Officer
2. Control – The ability to direct organizational behavior to conform to the organizations mission and values

People are government's most critical resource so management must:

1. Motivate
2. Show Appreciation
3. Team Building
4. Group Dynamics
5. Managers should monitor employee skills and workload of employees
6. Be aware that employees comprehend information differently and may mean different things
7. Limit confidential information
8. Keep levels of communication open between higher and lower levels of organization

CGFM Committee News

Committee Report

CGFM Committee Members: Rebecca Barr (Co Chair), Gerry Boaz, CGFM, Tammy Fruscione, CGFM, Georganne Martin, CGFM, Mary Ann Queen, CGFM, Ron Queen, CGFM (Chair)

Training Opportunities Relevant to the CGFM

CGFM Exam 1 Study Course – online

<http://www.agacgfm.org/cgfm/prepare/onlinecourses.aspx>
anytime

The Department of Personnel includes the CGFM certification in the list of certifications eligible for a one-step salary increase. A salary increase *may* be granted to employees of the State of Tennessee if the certification is obtained by passing the exams. To be certain that you qualify for the salary increase, obtain approval from your supervisor and the Department of Personnel *before* sitting for the exams. For specific details see the Department of Personnel Policy #90-031 (10/10/90) amended March 23, 1999.



Free Lunch for Those Passing the CGFM

The CGFM Committee is continuing its program to congratulate those individuals passing the CGFM exams by offering lunch certificates that are good for a free lunch at any AGA luncheon meeting. If you passed the CGFM exams during September 2004 and August 2005 and have not received a lunch certificate, please contact

Ron Queen at Ron.Queen@state.tn.us

or

Rebecca Barr Rebecca.Barr@state.tn.us.

WHAT IS THE BEST WAY TO SAVE MONEY AND SUPPORT ALEX GREEN?



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Christmas Brain Teaser

How Well Do You Know Christmas Carols?
Test your wits by matching the song to its description.

Example: Oh, member of the round table with missing areas = Oh Holy Night

- | | |
|---|--------------------------------------|
| 1. Boulder of the tinkling metal spheres | |
| 2. Vehicular homicide was committed on Dad's mom by a precipitous darling | a. Away in a Manger |
| 3. The apartment of two psychiatrists | b. Carol of the Bells |
| 4. Duodecimal enumeration of the passage of the yuletide season | c. Deck the Halls |
| 5. Leave and broadcast from an elevation | d. Do You Hear What I Hear? |
| 6. Our fervent hope is that you thoroughly enjoy your yuletide season | e. Go Tell it on the Mountain |
| 7. Jubilation to the entire terrestrial globe | f. Grandma Got Runover by a Reindeer |
| 8. Do you perceive the same vibrations which stimulate my auditory sense organ? | g. I Saw Mommy Kissing Santa Claus |
| 9. A joyful song of reverence relative to hollow metallic vessels which vibrate and bring forth a ringing sound when struck | h. Jingle Bell Rock |
| 10. Parent was observed osculating a red-coated unshaven teamster | i. Joy to the World |
| 11. Rose-colored uncouth dolf is aware of the nature of precipitation darling. | j. Rudolph the Red-Nosed Reindeer |
| 12. Sir Lancelot with laryngitis | k. Silent Night |
| 13. Decorate the entryways | l. The Nutcracker Suite |
| 14. Far off in the haybin | m. The Twelve Days of Christmas |
| 15. We are King, Lear, and Nat Cole | n. We Three Kings |
| | o. We Wish You a Merry Christmas |

Source: Brain Candy -
www.corsinet.com

Answers 1. h 2. f 3. l 4. m 5. e 6. o 7. i 8. d 9. b
 10. g 11. j 12. k 13. c 14. a 15. n





Photo by
Jennifer McClendon CGFM

Meet Your Chapter Leadership

Nichole Curtiss

CEC 2-year Director

Newsletter Chair

Nichole Curtiss was born and raised in White County Tennessee, a small county of about 26,000 people approximately 75 miles East of Nashville. She graduated from White County High School in 1994 and went on to attend Tennessee Technological University where she majored in Accounting. She graduated with her accounting degree in 1999 and continued directly into the MBA program at Tennessee Tech. Upon graduation from the master's program in 2001, Nichole joined the Performance Audit section of State Audit. She has been with the Comptroller's office since June 2001 and has earned the title of Legislative Performance Auditor III. With the success and stability she has found at State Audit she is in the process of buying her first home. Nichole is excited and apprehensive about her move and her mortgage.

Nichole, an only child, grew up with all boy cousins who turned her on to sports and action movies (but she does enjoy comedies and most chick flicks). She enjoys reading and music, plays the clarinet, and has been attempting to teach herself to play the piano. She loves to cook and has taken several classes at the Viking Culinary Arts Center in Franklin. In her spare time, Nichole would love to join a martial arts class, begin taking Spanish classes, and attend law school. We did say her spare time!!!

Nichole began serving the AGA Nashville Chapter in 2001 and hopes to continue her service with the chapter. She currently serves as a two-year director on the Chapter Executive Committee, chairs the Newsletter Committee, is the editor of Nashville Notes, and serves as a Host Committee Co-Chair for the Southeastern Regional Professional Development Conference being hosted by the Nashville Chapter in March 2006.



Promoting Awareness of CGFM CPE Requirements

Chapter members who hold professional certification must comply with CPE requirements. Your chapter can serve these members by providing quality education. Typically a CPE hour may be granted for each 50 minutes of participation in programs and activities that qualify. At conferences and conventions where individual presentations are less than and/or more than 50 minutes, the sum of the presentations should be considered as one total program.

The chapter's CPE records should include the following information for each CPE program or activity.

1. Sponsoring organization (your AGA chapter)
2. Name(s) of the instructor(s)
3. List of attendees
4. The location at which the program was given
5. The title of the program and a brief description of its contents (i.e., subject/topics covered)
6. The dates and length of the program
7. The number of CPE hours granted
8. Retain all CPE records for a minimum of three years
9. Evaluations of the program from instructor(s) and participants
10. The program's learning objectives and any prerequisites

Typically these requirements can be met with a signed CPE form that delineates the topics and times, and a sign-in list for attendees. Additional information regarding CPE requirements for the CGFM is available on the website at www.agacgfm.org/cgfm/.



Mark Your Calendars



Meeting Dates

AGA Nashville Chapter

(All Chapter meetings will be held the First Thursday of the Month, except as noted below)

December 1, 2005

January 5, 2006

February 2, 2006

March 2, 2006

April 6, 2006

May 4, 2006



Chapter Executive Committee

All CEC meetings will be held on the Monday before the chapter meeting, except as noted below)

November 28, 2005

January 2, 2006

January 30, 2006

February 27, 2006

April 3, 2006

May 1, 2006

Last Chance for Chapter Sponsored Training in 2005

November 17, 2005

Business Tax Seminar (8 CPEs, 6.75 CLEs)

Current topics – taxes/state revenue

Department of Revenue speakers and others

Bartlett Performing Arts and Conference Center

3663 Appling Road

Bartlett (Memphis), Tennessee

November 29, 2005

Business Tax Seminar (8CPEs, 6.75 CLEs)

Current topics – taxes/state revenue

Department of Revenue speakers and others

Willis Conference Center

26 Century Boulevard

Nashville, Tennessee

December 7, 2005

Audio Conference (2 CPEs)

Identity Theft

Suite 1500 James K. Polk Building

Nashville, Tennessee

See page 18 for all 2005-06 training opportunities.

Food for Thought

Our hearts grow tender with childhood memories and love of kindred, and we are better throughout the year for having, in spirit, become a child again at Christmas-time.

~Laura Ingalls Wilder

The best of all gifts around any Christmas tree: the presence of a happy family all wrapped up in each other. ~Burton Hillis

It is Christmas in the heart that puts Christmas in the air. ~W.T. Ellis

EDUCATION AND TRAINING PLAN

November 2005 through May 2006
Nashville Area Chapter
Association of Governmental Accountants

2005

November 17, 2005

Business Tax Seminar (8 CPEs, 6.75 CLEs)
Current topics – taxes/state revenue
Department of Revenue speakers and others
Bartlett Performing Arts and Conference
Center 3663 Appling Road
Bartlett (Memphis), Tennessee

November 29, 2005

Business Tax Seminar (8CPEs, 6.75 CLEs)
Current topics – taxes/state revenue
Department of Revenue speakers and others
Willis Conference Center
26 Century Boulevard
Nashville, Tennessee

December 7, 2005

Audio Conference (2 CPEs)
Identity Theft
Suite 1500 James K. Polk Building
Nashville, Tennessee

2006

January 23-24, 2006

AGA Winter Seminar (16 CPEs)
(dates are tentative)
Various speakers
Human capital and management topics
Lipscomb University
Nashville, Tennessee

February 2006

Breakfast CPE at the Hard Rock (2 CPEs)
Speaker to be announced
100 Broadway
Nashville, Tennessee

March 1, 2006

Audio Conference (2 CPEs)
Implications of Sarbanes-Oxley
Suite 1500 James K. Polk Building
Nashville, Tennessee

March 2006

Southeastern Professional Development
Conference (16 CPEs)
Speakers and topics coordinated by Jim
Arnette, Regional Vice President
Nashville, Tennessee

Numerous dates

Lunch meeting speakers (1 CPE)
Various
Nashville City Club
201 4th Avenue North
Nashville, Tennessee

Print and post this listing by your calendar so you don't miss any of these worthwhile training opportunities!

2005-2006 Nashville Chapter Leadership

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Visit the Nashville Area Chapter's web site at <http://www.nashvilleaga.org>.

Also, visit these other AGA sites:

AGA National Site	www.agacgfm.org
Southeastern Region Site	agaservp.tripod.com
Atlanta Chapter	www.mindspring.com/~agaatl/agaga.htm
Central Kentucky Chapter	www.ckyaga.com
Chattanooga Chapter	www.aga.taxpro.net
Columbia Chapter	www.columbiaaga.com
East Tennessee Chapter	www.kornet.org/etaga/