



# GGFOA

April 2005

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## *Message from the President*

Spring has sprung! And, like all of you, GGFOA is entering into a very busy spring, with many programs and activities blooming like the dogwoods that adorn our great state this time of year.

We are in the process of updating our strategic plan. Mark Barber, the chair of our Past Presidents Committee, has graciously agreed to head up this project. Much has changed at GGFOA since the strategic plan was adopted in 1999, and Mark is working with all of our committees to revisit our goals and objectives. Please let Mark know if there are any issues you think we should consider.

The new GGFOA Membership Guide is about to be released. You will notice that it comes in a much smaller package this year. That's because it is being released on CD. This will allow us to achieve significant cost savings on printing and postage. It will have all the same information; it will just take up less space on your bookshelf.

As I hope you noticed, the new GGFOA logo selected by the membership at our last annual conference has been finalized. Many thanks to Bob Harshbarger and his team at Douglas County for the winning design. You should start to see the new logo popping up all over GGFOA "stuff." We are beginning to re-brand all our letterhead, envelopes, newsletters, documents, pamphlets, and the web site. Hopefully this process will be completed before our next annual conference.

Speaking of the annual conference, did you know that this year will mark our 20<sup>th</sup> anniversary? The Annual Conference Committee is hard at work planning our best conference ever to celebrate the occasion. Be sure to mark October 2-5 on your calendar because we want to see everyone at the conference in Savannah this year.

As stated in the last newsletter, the Communications Committee continues to work toward the goal of publishing the newsletter only in an electronic format in order to save on the costs of printing and postage. This change will make us better stewards of your dues while still providing you all the GGFOA news. In order to make this transition to a paperless newsletter, we need everyone's email address. Please be sure we get yours! Instructions on how to give GGFOA your e-mail address are included in this newsletter. In addition, as always, the newsletter is archived and available on our website at [www.ggfoa.org](http://www.ggfoa.org).

Michael Plant

Promoting Excellence in Governmental Accounting

## WELCOME NEW GGFOA MEMBERS

Jerri Allen, South Georgia RDC  
Denise Brown, City of Roswell  
Paul Burke, Ga. Banking Company  
Ty E. Carlos, J.P. Morgan Trust Company  
Alissa Curry, SunTrust Bank  
Douglas Eaves, Johnson County  
Carol Ellerbee, City of Fairburn  
Mike Erwin, City of Roswell  
Doug Forister, Creekside Financial Group,  
LLC  
Stacey Inglis, City of Jonesboro  
Erica Kirwan, Information Management  
Network, LLC  
Robert Kissell, ACCG

Lynn Meares, City of Roswell  
John Moffatt, Ga. Dept. of Economic  
Development  
Scott Moye, City of Blackshear  
Julia Rodgers, Chatham County  
Monique Simmons, Ga. Dept. of Economic  
Development  
David Uhlman, ACCG  
Wesley Vickers, Coffee County Board of  
Commissioners  
Beth Williams, Cherokee County Water  
Authority  
Matthew Yoakum, Savannah-Chatham  
County Board of Education

## **WELCOME NEW MEMBERS**

Visit our website at [www.GGFOA.org](http://www.GGFOA.org) to find out how you can become involved with GGFOA. Your participation would be appreciated on any of the committees. If you need Membership Applications for your friends who may want to join GGFOA, contact Barbara Marable at 706-542-8162. I know that you will enjoy being a member of GGFOA.

**CVIOG NOW OFFERS ONLINE****INTRODUCTORY GOVERNMENTAL ACCOUNTING**

The University of Georgia's Carl Vinson Institute of Government (CVIOG) is now offering Introductory Governmental Accounting, Parts I and II, as online courses. Traditionally, these courses have only been offered through a four-day, face-to-face classroom experience. The new online courses in Introductory Governmental Accounting will offer to state and local employees an option in completing the required courses in the Financial Management Training Program series.

The State Financial Management Training program was developed ten years ago by University of Georgia's Carl Vinson Institute of Government (CVIOG) to specifically aid accounting personnel in the State in the transition to Generally Accepted Accounting Principles (GAAP) and to bring the accounting personnel to a nationally recognized standard of accounting as promulgated by the Governmental Accounting Standards Board (GASB).

The Financial Management Training Program for local governments was originally developed by CVIOG and the Georgia Center for Continuing Education in the early 1970s to aid city and county officials in developing a sound program of financial management and in offering training as a valuable resource for job performance. Today the Financial Management Training Program benefits from the support of many sponsors including the Georgia Municipal Association, Association County Commissioners of Georgia, Georgia Government Finance Officers Association, Georgia Department of Audits, Community Affairs, and Education, and the University of Georgia.

Introductory Governmental Accounting, Parts I and II, are the first of four required accounting courses in the Financial Management Training Program. Traditionally, these courses have only been offered in a four-day, face-to-face classroom setting. The online courses will offer state and local employees an option in selecting the method of completing these courses. Plans to offer the final two accounting courses in this series, Intermediate Governmental I and Intermediate Governmental II, in an online format will be announced later this year.

The online courses are offered through the University of Georgia Center for Continuing Education. Introductory Governmental Accounting, Part I, went online July 1, 2003. The second course in the series, Introductory Governmental Accounting, Part II, will be offered online effective October 1, 2003. The courses will be primarily delivered online, with the final section of the course – including a review and proctored exam – delivered face-to-face.

The same concepts are presented in the traditional and online courses. Introductory Governmental Accounting, Part I, familiarizes participants with the basic accounting equation, double-entry bookkeeping, journal entry and ledger posting of financial transactions, use of the modified accrual basis of accounting to record simplified transactions, and elements of financial statements using generally accepted accounting principles (GAAP). Introductory Governmental Accounting, Part II, presents the characteristics of fund types and associated measurement focus, interrelationships of general and subsidiary journals with accounting systems and subsystems, how and when to use accrual and modified accrual bases to record financial transactions, along with an introduction to encumbrance and budgetary GAAP accounting.

The online Introductory Governmental Accounting, Parts I and II, will be instructed by Myra Byrd, CPA. Ms. Byrd is a financial management associate with CVIOG. She teaches state and local governmental accounting classes in the financial management certificate program. Ms. Byrd holds a Masters of Accountancy degree from the University of Mississippi and has governmental auditing experience with the Mississippi State Auditor's Office. She holds licenses to practice public accounting in both Georgia and Mississippi. "The participant will gain knowledge in governmental accounting without having to miss four consecutive days from work. This course is designed to be completed in your own place at your own pace. The increase in knowledge should increase both job performance and job satisfaction."

According to Sabrina Wiley Cape, the Program Manager for the Financial Management Certificate Program at CVIOG, the courses are important for the development of professional accounting skills at the state and local level. Cape states "employees with government have often had exposure to accounting but rarely are they exposed to governmental accounting needed to fully succeed in their jobs. This introductory class gives them a jump start on what is needed to succeed in government finance departments".

The new online courses are an alternative to the regularly scheduled four day training seminars and enables participants to learn at your own pace – and in your own place. Course work will be done through a convenient online interactive format. The final day of course review and testing will be conducted in a traditional classroom setting.

For more information or to register for the online or traditional courses, visit the web site at [www.cviog.uga.edu](http://www.cviog.uga.edu) or contact Lisa Kesler at [kesler@cviog.uga.edu](mailto:kesler@cviog.uga.edu).

## ***GASB ISSUES EXPOSURE DRAFT ON ACCOUNTING FOR TERMINATION BENEFITS***

***Submitted by  
Myra L. Byrd, CPA  
Carl Vinson Institute of Government  
University of Georgia***

The Governmental Accounting Standards Board (GASB) is responsible for developing standards of state and local governmental accounting and financial reporting. These standards should (1) result in useful information for users of financial reports and (2) guide and educate the public, including auditors, issuers and users of financial reports. As part of the due process in the standard setting process, the GASB issues Exposure Drafts to encourage broad public participation. The Exposure Draft discussed in this article is a proposed Statement on accounting for termination benefits. The requirements of this Statement apply to the financial statements of all state and local governmental employers that provide termination benefits.

Terminations of employment can be either voluntary or involuntary. Some governments provide benefits intended to encourage an acceleration of an employee's voluntary termination of employment or to provide benefits to terminated employees as a result of nonvoluntary terminations. Voluntary terminations, sometimes referred to as early-retirement incentives, can include cash payments, enhancements to defined benefit pension or other post employment benefit formulas, and healthcare coverage when none otherwise would be provided. Examples of nonvoluntary terminations, or layoffs, include severance, continued access to the employer's group insurance health insurance plan, career counseling, and outplacement services.

Prior to this proposed Statement, guidance on governmental employer accounting and reporting for termination benefits was limited to one type of voluntary termination benefits – *special termination benefits* – and was restricted to those termination benefits offered “for a short period of time”. This guidance was provided through NCGA Interpretation 8, *Certain Pension Matters* (1983) and incorporated FASB Statement No. 74, *Accounting for Special Termination Benefits Paid to Employees*, as to how special termination benefits should be measured and recognized in accrual basis financial statements. GASB Statements No. 27 and 45 amended NCGA Interpretation 8 to exclude special termination benefits offered in the form of an increase in post employment benefits provided through a defined benefit pension or other OPEB plan.

Improving financial reporting by enhancing comparability of financial statements is the objective of this proposed Statement. To accomplish this objective all governments will be required to account for similar termination benefits in the same manner. Therefore, this proposed Statement provides guidance to governmental employers for measuring, recognizing, and reporting liabilities and expenses/expenditures related to ***all*** termination benefits, which includes voluntary and involuntary termination benefits. As a result, this Statement will supersede previous guidance related to accounting for special termination benefits that is contained in National Council on Governmental Accounting Interpretation 8, *Certain Pension Matters*, as amended. However, post employment benefits that are part of the compensation that employers offer in exchange for services rendered are excluded from the scope of this Statement.

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TERMINATION BENEFITS**

**Measurement**

The measurement of the cost of termination benefits is determined by the type of termination benefit extended to the employee – healthcare-related termination benefits or nonhealthcare-related termination benefits.

If the termination benefit is healthcare-related (i.e. providing healthcare coverage when none would otherwise be provided), the cost is the discounted present value of expected future benefit payments. If the termination benefit provides for the terminated employee to continue to participate in the same healthcare plan that covers active employees, the benefits provided to terminated employees and their beneficiaries should be segregated from those provided to active employees for accounting purposes. In calculating the discounted present value of expected future benefit payments, consideration should be given to healthcare cost trend rates and determination of an applicable discount rate.

Termination benefits that are not healthcare-related fall into two types: (1) those benefit terms that establish an obligation to pay specific amounts on fixed or determinable dates; and (2) those benefit terms for which the amount or timing of benefit payments are not fixed or determinable. For those termination benefits that fall within the first category (an obligation to pay specific amounts on fixed or determinable dates), the costs are to be measured by calculating the discounted present value of expected future payments. For those termination benefits that fall within the second category (the amount or timing of benefit payments is not fixed or determinable), measurement of the costs does not require the discounting of expected future payment, but discounting is not prohibited.

**Recognition**

The costs of termination benefits require different recognition criteria due to the different bases of accounting used in the financial statements of state and local governments. In the entity-wide financial statements and in those fund financial statements prepared on the accrual basis of accounting, the liability and expense of **voluntary termination benefits** is recognized when the employee accepts the offer and the amount can be estimated. The liability and expense of **involuntary termination benefits** in financial statements prepared on the accrual basis of accounting would be recognized (1) when a plan of termination has been approved by those with the authority to commit the employer to the plan and (2) when the plan has been communicated to the employees.

**The plan of involuntary terminations (layoffs) includes:**

- A. *At a minimum, the number of employees to be terminated, the job classifications or functions that will be affected and their locations, and when the terminations are expected to occur; and*
- B. *The terms of the termination benefits in enough detail to enable employees to determine the type and amount of benefits they will receive if they are involuntarily terminated.*

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TERMINATION BENEFITS**

In governmental fund financial statements prepared on the modified accrual basis of accounting, liabilities and expenditures for termination benefits should be recognized to the extent the liabilities are normally expected to be liquidated with expendable available financial resources – normally that current portion.

**Note Disclosures**

A description of the termination benefit arrangement should be disclosed in the notes to the financial statements. In addition, and if not provided on the face of the financial statements, the cost of termination benefits should be disclosed in the notes to the financial statements in the period in which an employer becomes obligated for termination benefits.

**Effective Date and Transition**

The GASB welcomes comments on matters in this proposed Statement and provides a deadline for submitting written comments of March 11, 2005. This Statement would be effective for financial statements with periods beginning after June 15, 2005 for all termination benefits that are not provided through a defined benefit OPEB plan. For termination benefits provided through a defined benefit OPEB plan, the provisions of this Statement should be applied simultaneously with the requirements of Statement 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other Than Pensions*. Statement 45 is effective for periods beginning after December 15, 2006, for *phase 1 governments* (those with total annual revenues of \$100 million or more); after December 15, 2007, for *phase 2 governments* (those with total annual revenues of \$10 million or more but less than \$100 million); and after December 15, 2008, for *phase 3 governments* (those with total annual revenues of less than \$10 million). Earlier implementation is encouraged.

**To learn more about these and other changes in the world of government finance plan on attending a Government A&A Update offered by the University of Georgia's Carl Vinson Institute of Government. Visit our website at [www.cviog.uga.edu](http://www.cviog.uga.edu) to obtain a listing of courses currently available.**



***Myra L. Byrd, CPA***, is an instructor in the state and local government financial management certificate program at the University of Georgia's Carl Vinson Institute of Government. Ms. Byrd holds a master's degree of accountancy from the University of Mississippi. She has governmental auditing experience with the Mississippi State Auditor's Office and private sector auditing experience with BDO Seidman, LLP, an international public accounting firm. Ms. Byrd received the Silas M. Simmons Bronze Medal in May, 1992, which is awarded for achieving the third highest score on the uniform CPA exam in the State of Mississippi.

## *NEWS ON THE GGFOA'S WEBSITE*

GGFOA's website allows to message boards. All GGFOA members are able to post questions or topics of interest and reply to others.

Listed on the website is information on the GGFOA Committees, the name of each Committee Chairperson and their contact information. The Committees are:

- *Annual Conference*
- *Career Development*
- *Communications*
- *Governmental Relations/Strategic Planning*
- *Scholarship/Awards*
- *Technical Resources*

Please take a moment and review information on the GGFOA website ([www.ggfoa.org](http://www.ggfoa.org)) about the Committees. Select one that peaks your interest, contact the chairperson and offer your help. It is important that all GGFOA's members work together to promote excellence in governmental financial management.

### *Newsletter Delivery*

GGFOA would like to take advantage of technology by sending their members who have e-mail capabilities an announcement via e-mail when the GGFOA newsletter is available. Receiving your newsletter by e-mail would benefit you and GGFOA. If you are receiving a paper copy of this newsletter then GGFOA does not have an e-mail address on file for you or the e-mail address that is on file is incorrect, please contact Barbara Marable at [marable@cviog.uga.edu](mailto:marable@cviog.uga.edu) to provide your e-mail address.

#### ***GGFOA Newsletter & Website***

Please send any information for GGFOA website updates and ideas to:

Amy Burch Communications Committee

Phone: (229) 259-3516 Fax: (229) 333-1858

Email: [aburch@valdostacity.com](mailto:aburch@valdostacity.com)

Please send any information for GGFOA newsletter updates, articles and/or ideas to:

Wendy Johnson Communications Committee

Phone: (770) 641-3738 Fax: (770) 641-3739

Email: [wjohnson@ci.roswell.ga.us](mailto:wjohnson@ci.roswell.ga.us)

#### ***Useful Resources at the GGFOA Website***

- Listing of all scheduled meetings and training opportunities.
- Members can share ideas by posting in the message boards. If you haven't signed up yet, please register now.
- GGFOA awards up to two scholarships each year to students who are pursuing studies in a public finance area, public administration, or a career in government finance. Information can be obtained on the website.
- Each year GGFOA recognizes outstanding members of the organization. You can see the most recent award winners on the website.
- A calendar that shows upcoming important events in the area of governmental financial management.
- Important information regarding GGFOA's Committees and contact information.

**GEORGIA GOVERNMENT FINANCE OFFICERS  
ASSOCIATION**

For more information on GGFOA organization, please contact our central office as listed below, or visit our website at [www.ggfoa.org](http://www.ggfoa.org).

Georgia GFOA  
P. O. Box 6473  
Athens, Georgia 30604-6473  
Phone (706) 542-8162  
Fax (706) 542-9856  
Email: [kesler@cviog.uga.edu](mailto:kesler@cviog.uga.edu)



**GGFOA**

**We are on the Web at  
[ggfoa.org](http://ggfoa.org)**

## GGFOA Helpful Contacts

NAME	POSITION	EMAIL
Mike Plant	President	<a href="mailto:michael.plant@comcast.net">michael.plant@comcast.net</a>
Amy Davis	1st Vice President	<a href="mailto:adavis@cherokeega.com">adavis@cherokeega.com</a>
Paul Salvatore	2nd Vice President	<a href="mailto:psalvatore@peachtree-city.org">psalvatore@peachtree-city.org</a>
Brad Bowers	Secretary Treasurer	<a href="mailto:bbowers@cobbcounty.org">bbowers@cobbcounty.org</a>
Melody Marlowe	Director	<a href="mailto:mmarlowe@gainesville.org">mmarlowe@gainesville.org</a>
Bill Epps	Director	<a href="mailto:bepps@cityoftybee.org">bepps@cityoftybee.org</a>
Ed Blaha	Director	<a href="mailto:blahaef@audits.state.ga.us">blahaef@audits.state.ga.us</a>
Angela Cole	Director	<a href="mailto:acole@columbusga.org">acole@columbusga.org</a>
Kay Love	Director - Past President	<a href="mailto:klove@ci.roswell.ga.us">klove@ci.roswell.ga.us</a>
Kelly Belcastro	Committee - Annual Conference	<a href="mailto:kbelcastro@co.henry.ga.us">kbelcastro@co.henry.ga.us</a>
Stephanie Black	Committee-Career Development	<a href="mailto:sblack@lowndescounty.com">sblack@lowndescounty.com</a>
Wendy Johnson	Committee-Communications	<a href="mailto:wjohnson@ci.roswell.ga.us">wjohnson@ci.roswell.ga.us</a>
Kirk Nylund	Committee-Government Relations	<a href="mailto:knylund@maconwater.org">knylund@maconwater.org</a>
Carmina Turner	Committee-Membership	<a href="mailto:turnercg@tifton.net">turnercg@tifton.net</a>
Kay Love	Committee - Nominating	<a href="mailto:klove@ci.roswell.ga.us">klove@ci.roswell.ga.us</a>
Linda Zarkowsky	Committee-Scholarship Awards	<a href="mailto:lzarko1@alltel.net">lzarko1@alltel.net</a>
Mike Bush	Committee-Technical Resources	<a href="mailto:mbush@dca.state.ga.us">mbush@dca.state.ga.us</a>
Mark Barber	Committee-Past President	<a href="mailto:mbarber@valdostacity.com">mbarber@valdostacity.com</a>