



GGFOA

January 2006

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Message from the President

Happy New Year!

I hope January finds each of you healthy and ready to begin yet another great year!

Once again, Kelly Belcastro did an excellent job planning the annual conference in Savannah! Not only did we have a wonderful time on the golf course, tennis courts and dance floor, but the speakers were exceptional and networking opportunities unbeaten. Of course, this event cannot be planned and hosted alone, therefore, we need to also thank the entire Annual Conference Committee for their hard work and service to the organization.

While the Annual Conference Committee is a very hard working committee – and a fun one to be on – there are many opportunities in the organization to serve. There are seven committees with GGFOA which function to serve the members and to add purpose and value to this organization. I urge each of you to find your niche in one of these committees and get involved! The largest return on your investment as a member of GGFOA will only be realized with your personal involvement. If you need additional information on a committee, the Chair for each committee is listed at the back of this newsletter along with their phone number and email address. Each and every one of them would be thrilled to have another member on their committee!

Amy Davis

Promoting Excellence in Governmental Accounting

WELCOME NEW GGFOA MEMBERS

Shena A. Angel	City of Ball Ground
Jason Brown	Gordon County
Ann Crim	City of Atlanta
Jan Fox	City of Tybee Island
Peter Frank	Gwinnett County Government
Frances K. Hatcher	City of Milledgeville
Lydia Humphrey	City of Warner Robins
Sharon Jones	Middle Georgia Regional Educational Service Agency
Nina Maria Mallard	City of College Park
Lindy Monroe	Moore & Cubbedge, LLP
Dorothy C. Moore	Wachovia Bank, NA
Robin M. Parks	Union County Board of Commissioners
David Richardson	Moore & Cubbedge, LLP
Tom Steinmetz	GEFA
Eric Taylor	City of Avondale Estates
Deborah Upshaw	Butts County Board of Commissioners
Myrtle Sue Walker	City of Gainesville Public Utilities
Michelle Werner	City of Port Wentworth
Walter West	Crocker Securities, LLC
Valerie Zackery	GEFA

Carl Vinson Institute of Government
Financial Management Training
Local Finance Officer Certification Program

Available Course Offerings: January – June 2006

Level I:**Introductory Governmental Accounting Part II**

(Part IIA and Part IIB must be taken at same location)

Gainesville – Part IIA April 19-20, 2006

Part IIB April 26-27, 2006

Macon – Part IIA February 27-28, 2006

Part IIB March 6-7, 2006

Level II:**Intermediate Governmental Accounting**

(Parts A, B, and C must be taken at the same location)

Gainesville – May 23-24 (Part A)

June 6-7 (Part B)

June 13-14 (Part C)

Macon – April 19-20 (Part A)

April 26-27 (Part B)

May 17-18 (Part C)

Debt Administration

Valdosta – April 24-25, 2006

Purchasing

Tifton – April 6-7, 2006

Electives:**Establishing an Antifraud Program**

Athens – January 26, 2006

Macon – March 9, 2006

Understanding the Uniform Chart of Accounts

Macon – May 5, 2006

Using EXCEL as a Comprehensive Annual Financial Report (CAFR) Tool

Macon – May 12, 2006

Payroll Administration

Macon – June 1-2, 2006

Using EXCEL to Prepare an Indirect Cost Plan

Macon – June 9, 2006

Level II:**Revenue Administration**

Macon – April 6-7, 2006

REGISTRATION INFORMATION
CAN BE FOUND AT

<http://www.cviog.uga.edu/training/financial/local.pdf>

ACCOUNTING FOR REIMBURSEMENTS

Myra L. Byrd, CPA

Car Vinson Institute of Government

Governments receive many types of reimbursements. These reimbursements include, but are not limited to:

- Reimbursements due to an overpayment to a vendor.
- Reimbursements of an expenditure-driven grant.
- Reimbursements that arise from the payment of expenses/expenditures for another fund within the same reporting entity, defined by GASB 34 as interfund reimbursements.
- Reimbursements that arise from the payment of expenses/expenditures for discretely presented component units, known as intra-entity activity.

This article discusses the accounting treatment of reimbursements that result from the payment of invoices by the primary government for other funds within the same reporting entity and its component units.

INTERFUND REIMBURSEMENTS

Interfund activity is a resource flow within and among the three fund categories—governmental, proprietary, and fiduciary—and includes resource flows between a primary government and its blended component units. Therefore, interfund reimbursements include reimbursements that arise from the payment of expenses/expenditures for another fund within the same reporting entity. Interfund reimbursements should reduce the expenditures or expenses in the funds that originally paid them and increase expenditures or expenses in the funds responsible for them. Consequently, reimbursements are not displayed as interfund activity in the financial statements. Transactions between a primary government and a blended component unit follow these same rules.

For example, Fund A pays the telephone bill in error for Fund B. Fund A records the expenditure that should have been recorded as an expenditure by Fund B. When Fund B reimburses Fund A, Fund A should recognize the reimbursement as a reduction of its Expenditures account, not as an item of revenue. Fund B should debit Expenditures and credit Cash, as should have been done when the transactions initially occurred. This type of reimbursements are not reported in the financial statements, except for reporting expenditures/expenses in the correct fund.

INTRA-ENTITY REIMBURSEMENTS

Activity between primary governments and their discretely presented component units is known as intra-entity activity. Because of the separate nature of discretely presented component units, GASB Statement No. 34, paragraph 61, requires that activity between a primary government and its discretely presented component units be reported as if it relates to external transactions. Consequently, loans and repayments between the primary government and its discretely presented component units should affect only the statement of net assets. All other intra-entity activity should be reported as revenues and expenses, including reimbursements.

ACCOUNTING FOR REIMBURSEMENTS *cont.*

In other words, certain activities of a component unit might be financed by payments from the primary government's general fund. If the component unit is discretely presented, these should be reported as if they were external transactions, expenditures/expenses in the primary government and revenues in the component unit. However, if the primary government is paying an invoice for the discretely presented component unit and expects reimbursement for that invoice, the primary government should establish a receivable resulting from that activity.

One of the foundations of accounting is that the expenditures/expenses of a government just include their own expenditures/expenses. Therefore, if the primary government expects to receive a reimbursement from a discretely presented component unit, this is, in effect, a loan from the primary government to the discretely presented component unit. The resulting transaction should have no effect on the revenues and expenditures/expenses of the primary government. The debit should be to a receivable account and the credit to cash. The discretely presented component unit should ultimately debit their expenditure/expense account and credit their cash. Upon receipt of the reimbursement from the discretely presented component unit, the primary government debits their cash and credits the receivable account.

CONCLUSION

Governmental entities often record transactions between the three categories of funds of the primary government. In addition, governments frequently record transactions between the primary government and their component units, whether blended or discretely presented. The rule of thumb is that if between the primary government and a blended component unit, the transaction is recorded as interfund activity. If the transaction is between a primary government and a discretely presented component, it is recorded as an external transaction.



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 of accountancy degree 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.

WELCOME NEW MEMBERS

Visit our website at 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.

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 postcard notification about the availability of the current 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 to provide your e-mail address.

THANK YOU!!

NEWS ON THE GGFOA'S WEBSITE

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

In addition to message board there is a list of 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) 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.

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

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

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.

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



GGFOA

**We are on the Web at
ggfoa.org**

GGFOA Helpful Contacts

NAME	POSITION	PHONE	FAX	EMAIL
Amy Davis	President	678-493-6025	678-493-6013	adavis@cherokeega.com
Paul Salvatore	1st Vice President	770-487-7657	770-631-2505	psalvatore@peachtree-city.org
Angela Cole	2nd Vice President	706-653-4085	706-653-4086	acole@columbusga.org
Brad Bowers	Secretary Treasurer	770-528-1503	770-528-1501	bbowers@cobbcounty.org
Amy Burch	Director	229-259-3516	229-333-1858	aburch@valdostacity.com
Larry Johnson	Director	229-432-8191	229-438-3982	ljohnson@dougherty.ga.us
Stephanie Black	Director	229-671-2525	229-671-2596	sblack@lowndescounty.com
Bill Epps	Director			wilame@bellsouth.net
Mike Plant	Director - Past President			michael.planr@comcast.net
Kelly Belcastro	Committee - Annual Conference	770-954-2415	770-898-7697	kbelcastro@co.henry.ga.us
Diane McNabb	Committee - Career Development	678-493-6028	678-493-6013	dmcnabb@cherokeega.com
Wendy Johnson	Committee-Communications	770-641-3738	770-641-3739	wjohnson@ci.roswell.ga.us
Mike Bush	Committee - Govt. Relations	404-679-3132	404-679-0572	mbush@dca.state.ga.us
Arlene Durrah	Committee-Membership	404-656-0958	404-656-7970	arlene@gefa.ga.gov
Linda Zarkowsky	Committee-Scholarship Awards	478-445-4791	478-445-6320	lzarko1@alltel.net
Linda Cramer	Committee-Technical Resources	912-652-7900		lbcramer@chathamcounty.org
Mark Barber	Committee-Past President	229-259-3518	229-333-1858	mbarber@valdostacity.com
Michael Plant	Committee - Nominating			michael.planr@comcast.net