



TRANSFORMERS AND TRANSLATORS

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PRESENTERS

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TRANSFORMATION = BUDGET ANALYSTS + ACCOUNTANTS

Speaking the same language

- Appropriation Law
- U.S. Standard General Ledger



Legislation changes financial management requirements, e.g.,

- Chief Financial Officers Act of 1990
- Federal Managers' Financial Integrity Act of 1982
- Federal Financial Management Improvement Act of 1996



BUDGET EXECUTION

\$ THE BUDGET SIDE

- Enters funding sources
 - √ Appropriations, apportionment, warrants, transfers. Reimbursable, etc.
- Authorized users create transactions
 - √ Commitments and obligations
- Budget tables balance funding versus transactions

\$ THE ACCOUNTING SIDE

- Transactions create debit and credits to proprietary & budgetary side of ledger
- Everything must balance or adjustments are created
- Budgetary accounting makes little sense in the accounting world
- General ledger entries produce the quarterly SF-133 and the corresponding consolidated Statement of Budgetary Resources

BUDGET EXECUTION REPORTING

\$ THE BUDGET SIDE

- Certifies the SF-133 but typically doesn't understand the US Standard General Ledger or how the data is produced.
 - √ The SF-133 fulfills 31 USC 1511-1514 that the President review Federal expenditures at least quarterly
 - In the old days, the budget staff made pen and ink changes to the SF-133 and shipped off to OMB.
 - FACTS II reporting created transparency and virtually eliminated budget opportunity to correct reports
- Budget completes MAX reporting based on budget data, not USSGL

\$ THE ACCOUNTING SIDE

- Produces the SF-133 as download of general ledger, but typically doesn't have the information to recognize if there are obvious errors in data, e.g. budgetary resources or status of resources

TRANSFORM FINANCIAL MANAGEMENT

TRANSLATE!

\$ BUDGET \$

- Understand budgetary USSGL
- Understand FACTS II reporting
 - Reconcile SF-132 and SF-133
- Approve adjustments to the budgetary USSGL accounts

\$ ACCOUNTING \$

- Understanding of budgetary accounts and relationship to proprietary
- Adjustments are supportable on budget side



EARLY OBSERVATION: BUDGET AND ACCOUNTING SPEAKING THE SAME LANGUAGE? **NOT!**

- Budget and Accounting Language Barriers
- Lacked working relationships
- Knowledge and Skill levels differed
- Relationship between business practices and accounting practices were not in sync
- Systems and technology challenges



DECISION: IMPROVE QUALITY IN FINANCIAL AND BUDGET INFORMATION

- Recognized the need for financial improvement
- Committed to reporting efficiencies
- Established external and internal on-the-job training for accountants and budget staff
- Opened the door for better communication and interpretations of financial and budget data



ESTABLISHED AGENCY IMPROVEMENTS FOR BUDGET STAFF

- Recently changed Individual development plans for budget staff
- Works closely with finance and accounting staff in interpreting financial reporting, system changes, and year end closings
- Developed Agency wide budget training
- Developing subject matter experts (SMEs) that translate programmatic needs with accounting practices
- Review performance budget with budget requests and financial reporting

BENEFITS IN SPEAKING BOTH LANGUAGES

- Making a difference in the agency-eliminate stove pipes
- Improve workflow and productivity; builds credibility internal and external
- Understanding the universe leads to better decision making
- Being a critical link helps meet challenges that prepare agencies for the future
- Employment and recruitment-allows performance edge



HOW CAN I BECOME A TRANSLATOR?

- Like UN translators, it is important to understand what the various parties are talking about.

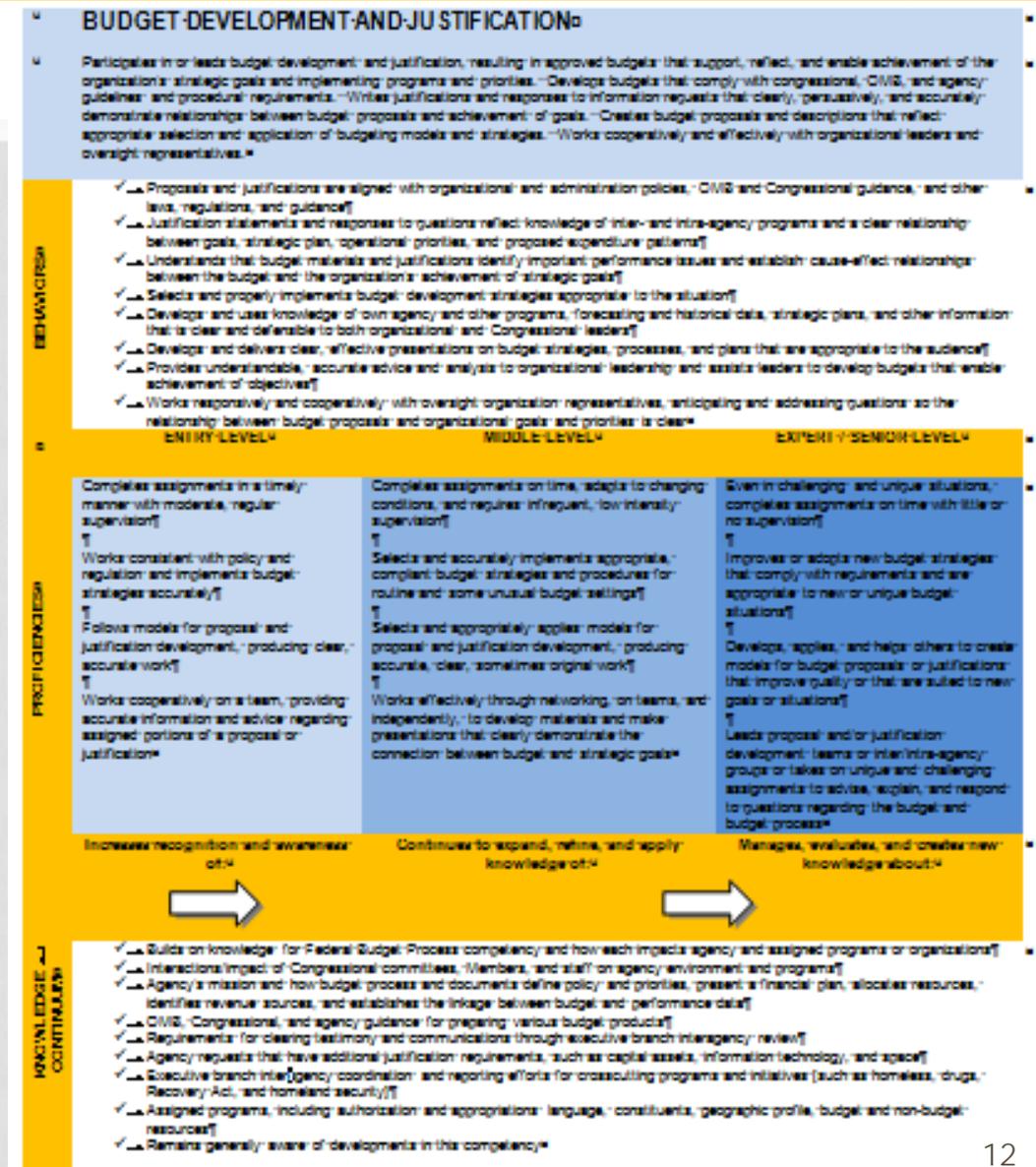


United Nations

Federal Budget Community Career Road Map: Technical Core Competencies, Key Behaviors, Proficiencies, and Knowledge

The six technical core competencies are:

- ✓ The Federal Budget Process
- ✓ Budgetary Accounting and Control
- ✓ Federal Legislation, Regulations, and Guidance
- ✓ Budget Development and Justification
- ✓ Planning and Performance Evaluation
- ✓ Financial Analysis, Forecasting, and Modeling



CERTIFIED GOVERNMENT FINANCIAL MANAGER (CGFM) EXAM OUTLINE (ABRIDGED)

[HTTP://WWW.AGACGFM.ORG/CGFM-CERTIFICATION/CERTIFICATION-PROCESS/EXAMINATIONS-REQUIREMENT.ASPX](http://www.agacgfm.org/cgfm-certification/certification-process/examinations-requirement.aspx)

Examination One—Governmental Environment

- I. Organization, Structure, and Authority of Government (15%)
- II. Legal and Other Aspects of the Government Environment (25%)
 - A. Demonstrate an understanding of the implications of sovereignty in the levels of government
 - B. Demonstrate an understanding of the budget process
 1. The role and significance of the budget in government
 2. The objectives of the budget process (for example, define priorities, debate policy, allocate resources, identify revenue sources)
 3. The objectives of the budget (for example, policy document, operations guide, financial plan, communications device)
 4. The legal aspects of the government budget (for example, control levels, spending limits)
 5. The principles of legislative control over governmental finance (for example, appropriate funds, establish spending levels, establish spending conditions)
 6. How the executive branch controls spending (for example, monitoring budget execution, planning for allocation of resources over time and between programs)
 7. How judicial decisions affect government spending
 8. Other budget control devices (for example, fund, function, department, activity, object, subject)
 - C. Demonstrate an understanding of how establishing special funds or earmarking funds helps fulfill legal requirements
- III. Demonstrate an understanding of the Government Management System including the Interrelationships among Planning, Programming, Budgeting, Operations, Accounting, Reporting and Auditing (15%)
 - A. Strategic planning and its relationship to other elements in the system (for example, setting, mission, vision, long-range goals and objectives)
 - B. Programming and its relationship to other elements in the system (for example, how, when, and where activities will be executed)
 - C. Budgeting and its relationship to other elements in the system
 - D. Operations and its relationship to other elements in the system
 - E. Accounting and its relationship to other elements in the system
 - F. Reporting and its relationship to other elements in the system
 - G. Auditing and its relationship to other elements in the system
- IV. Governmental Financing Process (25%)
- V. Identify the concepts, definitions, and notions of public accountability (5%)
- VI. Demonstrate an understanding of the role of ethics in government and ethical practice as a government financial manager (5%)
- VII. Demonstrate an understanding of financial management responsibilities and skills (10%)

CERTIFIED GOVERNMENT FINANCIAL MANAGER (CGFM) EXAM OUTLINE (ABRIDGED)

Examination Two—Governmental Accounting, Financial Reporting and Budgeting

- I. Governmental Financial Accounting, Reporting, and Budgeting: General Knowledge (40%)
 - A. Demonstrate an understanding of the influences, objectives and role of standards
 - B. Demonstrate an understanding of the general principles of governmental financial accounting
 - C. Demonstrate an understanding of the concepts of managerial cost accounting
 - D. Demonstrate an understanding of the concepts of budgeting
 - 1. The structure of the budget (for example, organizational unit, program, function, category, character, fund, line item, object)
 - 2. The features of various budgetary approaches (for example, baseline, line item, program, zero-base, performance)
 - 3. The various means of financing capital needs for capital budgeting purposes
 - 4. The methods of forecasting revenues and expenditures
 - 5. The key elements of the budget process, from provision of initial guidance through preparation, review, adoption, execution, and accounting
 - 6. The various means of budgetary control (for example, revenue monitoring, encumbrance/obligation control, vacancy controls, allotment and apportionment)
- II. Demonstrate an Understanding of State and Local Financial Accounting and Reporting (30%)
- III. Demonstrate an Understanding of Federal Financial Accounting and Reporting (30%)
 - A. The role and relationships of the OMB, Treasury, and GAO to the FASAB
 - B. Key budgetary terms (e.g., appropriations, budget authority, budgetary resources, outlays, receipts, offsetting, collections, deficit)
 - C. The components of the budgetary equation
 - D. The relationship and differences between budgetary and proprietary accounting
 - E. Types of Treasury funds (for example, general, trust and revolving funds)
 - F. The components and use of the U.S. Standard General Ledger
 - G. Transactions used for recording budgetary entries within the US SGL (for example, appropriation, apportionment, allotment, commitment, obligation, expenditure)
 - H. Transactions used for recording proprietary entries within the US SGL (for example, warrants, accruals, accounts payable, payroll, accounts receivable, disbursements, depreciation)
 - I. The purposes, form and content of the basic financial statements
 - J. The purposes and form of the notes to the financial statements
 - K. The concept of fund balance with the Treasury and its related reconciliation requirements
 - L. The form and content of the Performance and Accountability Report (PAR)
 - M. The concepts behind accounting for loans and loan guarantees (Credit Reform Act)
 - N. Stewardship reporting requirements
 - O. The concepts of consolidation and intragovernmental transactions
 - P. The basic requirements for the compilation of the U.S. Consolidated Financial Report

CERTIFIED GOVERNMENT FINANCIAL MANAGER (CGFM) EXAM OUTLINE (ABRIDGED)

Examination Three: Governmental Financial Management and Control

- I. Internal Controls (25%)
- II. Internal and External Auditing (25%)
- III. Demonstrate an Understanding of Performance Measurement Reporting (13%)
 - A. How performance measures relate to the organizational goals and objectives
 - B. The objectives of financial and non-financial performance measures
 - C. How financial and non-financial performance measures are linked
 - D. How financial and non-financial performance measures are integrated with the strategic plan and budget
 - E. The uses of performance measurement and reporting to improve internal management
 - F. The uses of performance measurement and reporting to demonstrate public accountability
 - G. The uses of performance measurement and reporting to improve oversight and allocation of resources
 - H. The types of performance measures (inputs, outputs, and outcomes)

**easy as
1 2 3**

PERSPECTIVES

One of the interesting things about OMB is that it is unexplainable to everyone who lives outside of the Beltway and misunderstood by nearly everyone who lives inside the Beltway.

Paul O'Neill, Former Treasury Secretary

WHAT IS THE CHALLENGE?

- Transform [v. trans-**fawrm**]: To change in condition, nature, or character; convert.
- Translate [v. trans-**leyt**]: To change the form, condition, nature, etc., of; transform; convert: to translate wishes into deeds.

WHY TAKE ON THE CHALLENGE?

- The challenges can be daunting:
 - Requires you to learn things not entirely within your current realm of responsibilities.
 - You run the risk of antagonizing the wrong people.
 - You won't be the most popular person — especially with the car pool set.

WHY TAKE ON THE CHALLENGE?

- Why be a change agent?
 - Survival
 - Fame and Fortune
 - Legal Compliance

GOOD NEWS: YOU CAN BE A TRANSFORMER AND TRANSLATOR

- Each one of us can become a Transformer and Translator
- It is simple—though not easy

CHARACTERISTICS OF TRANSFORMERS AND TRANSLATORS

- Team Player, not Lone Ranger
- Negative Optimism
- Ability to Recognize Ability
- Patience

WHAT *YOU* CAN DO...

- Identify the issue
- Pinpoint the actual problem
- Determine what can be done
- Establish the team
- Create an action plan
- Monitor accountability
- Make an impact

VISION AND PERSEVERANCE ARE KEY

- **Focus**
 - What are you really trying to accomplish
- **Competence**
 - You need to have/get the skills to get it done
- **Passion**
 - The mystery glue that holds it together
 - Provides the extra drive to make it real

FROM THE “ANISOTROPIC STRENGTH OF POLYCRYSTALLINE FRESHWATER ICE” TO THE USSGL CROSSWALK

There is no “Budget” major; we take all majors.

- If you can't get a job in your major or if you have hobby, a budget job can be a way to use some of that experience. For example, a biology major working as a budgeter for the Department of the Interior would get the opportunity to work with program managers who manage biology research programs.
- Really understanding your programs gives you credibility with OMB and Congress.
- Budget is a great stepping stone into management. Since “money makes the world go ‘round”, programs often like to hire staff with some budget experience.
- Budget staff work closely with accountants. Knowing the budgetary USSGL accounts, makes correcting the SF-133 so much easier.

USSGL *The cornerstone
of financial systems*
Standard General Ledger

USSGL Document Library:



FROM THE “ANISOTROPIC STRENGTH OF POLYCRYSTALLINE FRESHWATER ICE” TO THE USSGL CROSSWALK

All types of personalities can find a niche in budget

- Are you quiet, like to analyze numbers? Or are you an extrovert who likes dealing with people? Do like to write? Analysis is not your thing but you like organizing and tracking things?

Budget jobs are everywhere.

- We think of budgeters as all working in DC but budget execution jobs are all over the country.
- Although most budgeters are in DC, VA, or MD there are budget staff are in every state.



FROM THE "ANISOTROPIC STRENGTH OF POLYCRYSTALLINE FRESHWATER ICE" TO THE USSGL CROSSWALK

If you are bored, move on!

- There are so many opportunities in budget that it makes no sense to be bored. Get involved in receipts, FTE reporting, rents costs Exhibit 54, etc.
- Budget shops are all different – what they are involved in varies. Some are more execution/finance oriented and some more policy oriented.
- Programs change. A program that is stable and a low priority can become politically important the next year. Who knew Avian Flu would bring so much funding to science programs?
- Never stop learning!

