NASACT-NAST LGIP WORKGROUP SENDS LETTER TO GASB: ASKS GASB TO NOT DEFINE STANDARDS ON LIQUIDITY GATES & FEES

The NASACT-NAST LGIP Workgroup recently sent a letter to the Governmental Accounting Standards Board providing input on state laws or statutes that prevent a local government investment pool (LGIP) from imposing a liquidity fee or redemption gate on pool participants.

At GASB’s request, NASACT surveyed a number of states to determine the existence of statutes that prevent fees or gates. The survey found that while most states do not have specific statutory prohibitions, several states do have statutes that require the principal and accrued income of each account that is maintained for a participant in the investment pool be subject to payment from the pool at any time upon request. Conceptually, the imposition of a gate would be in conflict with this statutory provision.

A number of states also mentioned that general investment statutes and LGIP policies state that two primary objectives are preservation of principal and maintenance of liquidity. Again, imposing a gate would run contrary to this policy.

Several states reported that the state treasurer, with approval of a funding board (or other similar entity), has the statutory authority to enact measures to protect the fund from a run or other catastrophic event.

One state pointed out that many local governments invest bond proceeds into LGIPs. It is common for the indentures governing bond issuances to set parameters for investing the bond proceeds, and these parameters can include liquidity requirements. Accordingly, it is possible that gates and fees may run against these contractual provisions.

In the letter, the workgroup pointed out that GASB defines cash and cash equivalents as short-term, highly liquid investments that are both (a) readily convertible to known amounts of cash (emphasis added) and (b) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. In addition, as cited in the GASB standards:

“...consistent with common usage, cash includes not only currency on hand, but also demand deposits with banks or other financial institutions. Cash includes deposits in other kinds of accounts or cash management pools that have the general characteristics of demand deposit accounts in that the governmental enterprise may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty” (emphasis added).

Again, the imposition of a gate or fee would create an issue with the current GASB definition of cash.

The workgroup has requested that GASB not define conditions or standards regarding gates or fees but rather allow each LGIP to follow the direction of its governing board or authority because there are already appropriate safeguards in place in the states to prevent a run on the fund. The letter may be viewed at www.nasact.org.

BACKGROUND – NASACT and the National Association of State Treasurers created the LGIP Workgroup last fall to examine amendments to Rule 2a-7 approved last summer by the U.S. Securities and Exchange Commission. The amendments impact money market mutual funds (MMFs), specifically requiring, among other things, that MMFs adopt a floating net asset value (NAV) instead of the traditional stable NAV. The workgroup has focused primarily on the impacts the amendments will have on local government investment pools (LGIPs), which are in many instances operated by state governments. In October the workgroup submitted a letter to the GASB requesting that the issue be added to the GASB’s technical agenda and that the GASB consider options that will allow LGIPs to continue using amortized costs (i.e., a stable NAV). The GASB added this issue to its technical agenda in December 2014.
The sessions presented during the 2015 NASACT Middle Management Conference are listed below. To download conference materials, visit www.nasact.org/2015_nasc_materials.

**GROOMING MANAGERS INTO LEADERS**
- Bud Wrenn, Consulting Partner, Table Group, Pinnacle Consulting & Coaching

**GASB UPDATE**
- David Bean, Director of Research and Technical Services, GASB

**PERFORMANCE AUDIT ROUNDTABLE**
- Moderator: Bill Styres, Audit Manager, Financial Related and Performance Audit Divisions, Office of the State Auditor (NC)

**THE SUPER CIRCULAR – WILL IT BE A GAME CHANGER?**
- Beth Wood, State Auditor (NC)

**MANAGING A MULTI-GENERATIONAL WORKFORCE**
- Willow Jacobson, Association Professor, UNC School of Government

**BUSINESS COMMUNICATIONS**
- Carole Buncher, Owner, Carole Buncher and Associates

**STATE OF THE STATES**
- Scott Pattison, Executive Director, National Association of State Budget Officers

**FINANCIAL CRIMES**
- Michael East, Special Agent in Charge-Financial Crimes, NC State Bureau of Investigation

**BIG DATA ANALYTICS**
- Eric Hunley, Senior Manager, State and Local Government Practice, SAS Institute, Inc.

**SINGLE AUDIT ISSUES**
- Beth Wood, State Auditor (NC)

**FINANCE ROUNDTABLE**
- Moderator: Jay Cleveland, Division Administrator, State Accounting Enterprise (IA)

**TRAINING ISSUES ROUNDTABLE**
- Moderator: Lizzie Scott, Professional Development Manager, Office of the Legislative Auditor (LA)

**THE ART OF TELLING**
- Gary Tomlinson, Strategy & Execution Expert, Tomlinson & Associates

**EMOTIONAL INTELLIGENCE**
- Lizzie Scott, Professional Development Manager, Office of the Legislative Auditor (LA)

**THE CHANGE CYCLE™**
- Dave Minionis, Organizational Effectiveness Consultant, Humanetrics

**GREEN BOOK**
- Grant Simmons, Senior, Financial Management and Assurance Team, U.S. Government Accountability Office
- Jo Kane, Internal Control Specialist, Internal Control & Accountability, Office of Management and Budget (MN)
Bill Styres (NC, center) led the Performance Audit Roundtable.

Left: Jo Kane (MN) and Grant Simmons from GAO spoke to the group about the Green Book.

Right: Michael East, from the North Carolina State Bureau of Investigation, provided real-life examples of financial crimes committed in North Carolina.

Left: David Bean provided attendees with an update on recent activities of the Governmental Accounting Standards Board.

Right: Lizzie Scott (LA) spoke to attendees about the importance of emotional intelligence.
Right: There were 114 in attendance at this year’s conference.

Left: Dave Minions spoke about becoming change resistant.

Right: Carol Buncher spoke to the group about business communications.

Left: Willow Jacobson gave a timely presentation about multiple generations in the work force.
GAO RELEASES 2015 REPORT ON FRAGMENTATION, OVERLAP AND DUPLICATION

U.S. Comptroller General Gene Dodaro testified before the Senate Homeland Security and Government Affairs Committee this month regarding the release of the Government Accountability Office’s report on “Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits.” The report provides an annual update on GAO’s recommended actions to reduce duplication and overlap. This report identifies 66 new actions that the executive branch and Congress could take to cut down on duplication, fragmentation and inefficiencies in 24 areas across the federal government.

GAO is required by statute to annually review federal programs, agencies, offices and initiatives that are fragmented, overlapping or duplicative. GAO notes that many of the problems over the years have resulted from the lack of reliable budget or performance information. GAO’s 2015 report identified 12 new areas with evidence of fragmentation, overlap or duplication in agriculture, defense, general government, health, homeland security and law enforcement, information technology, international affairs, and science and the environment. GAO defines fragmentation when one or more federal agency (or more than one organization within the agency) is involved in the same broad area of need. An example is consumer product safety which involves at least 20 federal agencies leading to fragmented oversight. Overlap occurs when multiple agencies or programs have similar goals or engage in similar activities. An example of overlap can be found in non-emergency medical transportation, which GAO found in 42 programs across six federal departments. GAO found that while challenges to coordination were an issue, better interagency collaboration could enhance services and reduce costs. Duplication occurs when two or more agencies are providing the same services to the same beneficiaries or the agencies are engaging in the same activities. GAO found duplication in the Department of Defense’s Military Health System and TRICARE Prime, which provides the same health benefits to military beneficiaries.

In addition to looking at programs with fragmentation, overlap or duplication, GAO also provides information cost savings and revenue enhancement opportunities. Of note are GAO’s recommendations on cost savings under Medicare and Medicaid services. GAO recommends that the agencies ensure that states report accurate and complete state Medicaid data so that better oversight of states’ financing arrangement can be achieved. GAO also recommends that states use data to better focus investigative efforts on high-risk households to more effectively fight fraud among beneficiaries of the Supplemental Nutrition Assistance Program.

In concluding, GAO provided that there are several existing and new tools that can assist in identifying, evaluating and addressing fragmentation, overlap or duplication. GAO believes that the GPRA Modernization Act of 2010 (GPRAMA) and the Digital Accountability and Transparency (DATA) Act of 2014 could provide better budget and performance information if fully and effectively implemented. Additionally, GAO has issued an evaluation and management guide that provides steps for analysts to identify and evaluate instances of fragmentation, overlap and duplication and also guidance to help policy makers better manage identified areas where fragmentation and overlap may occur. The guide further provides recommendations for Congress and the executive branch to consider including items such as reorganization, temporary commissions, interagency groups and performance-based budgeting. GAO also identifies existing tools as such as the power of the purse and program oversight that Congress could better utilize in reviewing areas that have waste, fraud, abuse or duplication.

A copy of the report can be found at gao.gov/products/GAO-15-404SP.

Find news from Washington at www.nasact.org! Current news relevant to NASACT members can be found under the Federal Relations tab on our website. Read the Washington Update or NASACT’s latest Congressional or regulatory comment letters. Questions about NASACT’s federal-related activities may be directed to the Washington office at (202) 624-5451.
NOTES FROM WASHINGTON

TREASURY UNVEILS NEW USASPENDING.GOV WEBSITE

This month the U.S. Treasury Department unveiled the refreshed version of USAspending.gov to capture some of the best characteristics of recovery.gov. USA Spending is the publicly accessible, searchable website mandated by the Federal Funding Accountability and Transparency Act and is the website that will meet the requirements of the 2014 Digital Accountability and Transparency Act.

In 2014, Treasury took over management of USAspending.gov anticipating some of the data requirements of the DATA Act. The refreshed website is much more user-friendly and the overall look more in line with Recovery.gov. The site now contains agency profiles and state-by-state summaries of federal funds received—a feature welcomed by states wanting to see the funds coming to their state.

However, some of the old functionality in data downloads and searches are missing and data analysts have been critical of the refreshed site. Treasury, however, is striving for a good user-friendly site and is working to restore some of the former functions. It should be noted that data quality remains questionable. Some agencies do a good job of reporting while others do not.

View the refreshed version at www.usaspending.gov. Treasury is eager for feedback, good or bad. Comments may be forwarded to Cornelia Chebinou cchebinou@nasact.org in NASACT’s Washington office.

GAO RELEASES TWO CHIP REPORTS, CONGRESS PASSES EXTENSION

The U.S. Government Accountability Office recently released two reports examining the operations and efficacy of the State Children’s Health Insurance Program (CHIP). Earlier this month, Congress voted to extend CHIP funding for another two years. CHIP currently finances health insurance for over eight million children whose household incomes are too high for Medicaid eligibility but may be too low to afford private insurance. Beginning in October 2015, any state with insufficient CHIP funding must establish procedures to ensure that children who are not covered by CHIP are screened for Medicaid eligibility. If ineligible, children may be enrolled into a private qualified health plan (QHP) that has been certified by the secretary of Health and Human Services as comparable to CHIP, if such a plan is available.

In the first report, “Coverage of Services and Costs to Consumers in Selected CHIP and Private Health Plans in Five States,” GAO was asked to examine coverage and costs to consumers in selected CHIP plans and private QHPs in selected states. GAO reviewed coverage and costs to consumers for one CHIP plan and one QHP in five states—Colorado, Illinois, Kansas, New York and Utah. In these five states, GAO determined that coverage of services in the CHIP plans were generally comparable to those of the selected QHPs. GAO also found:

- All selected CHIP plans and QHPs limited the total potential costs to consumers by imposing out-of-pocket maximum costs, and these maximum costs were typically less in the CHIP plans we reviewed. For example, all five states applied the limit a family could pay in CHIP plans as established under federal law—including deductibles, copayments, coinsurance, and premiums—at 5 percent of a family’s income during the child’s (or children’s) eligibility for CHIP.

In the second report, GAO was asked to provide information on the actual effects of CHIP on children’s health coverage and what key issues may be considered in determining the ongoing need for CHIP. In this report GAO looked at what the assessments of CHIP suggest about its effect on children’s health care coverage and access and what key issues Congress may wish to consider in determining whether to extend CHIP funding. Congress apparently took the report seriously, as the vote to extend CHIP for two more years passed the House in late March in a 392-37 vote and the Senate with a 92-8 margin on April 14. President Obama is expected to sign the legislation soon.

NASACT’s 100th Anniversary: Don’t Miss It!

Join NASACT President and Illinois Auditor General William G. Holland in Chicago this August as the association celebrates its 100th anniversary conference. Special activities for this milestone conference will include:

- Two and one-half days of general and concurrent sessions, roundtables and networking opportunities customized to meet the executive-level training needs of NASACT’s principal members and management. Confirmed general session speakers include:
  - Dr. Al Gini, Professor of Business Ethics and Chair of the Department of Management in the School of Business Administration at Loyola University Chicago
  - Ron Elving, Senior Washington Editor and Correspondent, NPR News
  - U.S. Comptroller General Gene Dodaro
  - Cynthia Storer, featured analyst in the HBO documentary “Manhunt: The Inside Store of the Hunt for Bin Ladin”
- A commemorative book celebrating NASACT’s 100 years.
- Tuesday State Night Event at the Marriott with a retrospective of NASACT’s past, the unveiling of NASACT’s inaugural Hall of Fame, and other special commemorative activities.
- Monday Cruise on Lake Michigan aboard the Spirit of Chicago.
- Sunday Gospel Brunch at the House of Blues and Reception at the John Hancock Tower.
- 5K Fun Run/Walk in Lincoln Park.

Stay tuned for additional details in coming weeks at www.nasact.org!
RECAP OF THE MARCH 2015 NASC BUSINESS MEETING
BY KIM O’RYAN, ASSOCIATION DIRECTOR

The National Association of State Comptrollers held a business meeting on March 12 in Richmond, Virginia, in conjunction with the 2015 NASC Annual Conference. President David Von Moll, state comptroller of Virginia, welcomed everyone.

COMMITTEE REPORTS

- Steve Funck, deputy state comptroller of Oklahoma and member of the Advisory Committee for State Comptrollers: Technical Activities and Functions, reported that the committee will begin reviewing the questions for both the short- and long-term portions of the book, and the survey will be made available at the end of January 2016. There will be an effort to get several people to serve on the committee to revise the questions.

- Anna Maria Kiehl, state comptroller of Pennsylvania and chair of the Committee on the Financial Plan, reported that the 2016 NASC financial plan shows a positive projection. Much of this is due to the NASC annual conference. The middle management conference projects a loss; however, NASC wants to continue to hold this conference because it provides good training and networking among peers.

- Cynthia Cloud, state auditor of Wyoming and chair of the Committee on Outreach, reported that since the August 2014 meeting, NASC has the following new members:
  1. Larry Walther, director of the Arkansas Department of Finance and Administration (mentor – Tom White).
  2. Andrea Lea, state auditor of Arkansas (mentor – Cynthia Cloud).
  5. Leslie Munger, state Comptroller of Illinois (mentor – Kristopher Knight).
  7. Ron Knecht, state controller of Nevada (mentor – Brandon Woolf).

Ron Knecht and Mike Corricelli were in attendance at the conference.

- Ed Ross, state controller of Kentucky and chair of the Resolutions Committee, put forth the following resolutions for consideration and approval by NASC’s members:
  - Thanking Jan Sylvis for her role in state government and service on the Governmental Accounting Standards Board.
  - Thanking Mr. Von Moll for his leadership during his year as NASC’s president and for his service in the association.

Both resolutions were unanimously approved by NASC’s members.

- Brandon Woolf, state controller of Idaho and chair of the Site Committee, reported that the incoming NASC president has agreed to host the 2016 conference in Salt Lake City, Utah. The conference will be held on March 15-18. Anna Maria Kiehl hopes to host the conference in March 2017.

- Alan Skelton, state accounting officer of Georgia and chair of the Committee on Accounting and Financial Reporting, reported that NASACT will participate in the public hearing process in April on the preliminary views documents on Leases and Financial Reporting for Fiduciary Responsibilities, with Mr. Skelton providing the testimony.

- John Reidhead, director of Utah’s Division of Finance and chair of the Program Committee, thanked the members of the committee. He reported that there 135 attendees at the conference, with state attendees from 30 different states.

- Lynne Bajema, state comptroller of Oklahoma and chair of the Middle Management Conference Committee, reported that the conference will be held in Raleigh, North Carolina, on April 14-16. She mentioned some of the topics for the conference and encouraged members to send staff.

- Clark Partridge, state comptroller of Arizona and member of the Nominating Committee, bought forth the following slate of Executive Committee members for 2015-16 for vote by NASC’s members:

Continued, next page.
ASSOCIATION NOTES

NASC BUSINESS MEETING RECAP
Continued from previous page

- **President**: John Reidhead, director – division of finance, Utah
- **Vice president**: Anna Maria Kiehl, state comptroller, Pennsylvania
- **Secretary/treasurer**: Tom White, state comptroller, Alabama
- **Immediate past president**: David Von Moll, state comptroller, Virginia
- Cynthia Cloud, state auditor, Wyoming
- Diane Langham, fiscal management director, Mississippi
- Alan Skelton, state accounting officer, Georgia
- Steve Barnett, state auditor, South Dakota

The new committee was unanimously approved.

INFORMATION SHARING GROUPS

Reports were also provided on activities of the following NASC groups:

2. Travel & P-card (Tom White, state comptroller of Alabama).
3. Electronic Payments (Lynne Bajema, state comptroller of Oklahoma and committee chair).

OTHER TOPICS

- Kinney Poynter invited everyone to NASACT’s 100th anniversary conference to be held in Chicago in August. The conference will include the inaugural class of the NASACT Hall of Fame. He also provided a brief update regarding NASACT’s Executive Committee meeting, which was held earlier in the week.
- Cornelia Chebinou provided a Washington update including information on the DATA Act, the Office of Management and Budget’s grant reform initiatives, municipal bond tax exemption and NASACT’s ACA reporting group.

NEXT MEETING OR MORE INFORMATION

The next scheduled NASC business meeting will occur in conjunction with the 2015 NASACT Annual conference in Chicago, Illinois. Questions may be directed to Kim O’Ryan at koryan@nasact.org or (859) 276-1147.

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NASC Names Committee Chairs for 2015-16

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<th>Committee</th>
<th>Chair</th>
<th>Vice-chair</th>
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<tr>
<td><strong>Executive Committee</strong></td>
<td>President: John Reidhead (UT)</td>
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<td><strong>Advisory Committee for State Comptrollers</strong></td>
<td>Chair: Robert Hamilton (OR)</td>
<td>Merideth Hackney (ID)</td>
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<td><strong>Committee on the Financial Plan</strong></td>
<td>Chair: Thomas White (AL)</td>
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<td><strong>Committee on Outreach</strong></td>
<td>Chair: Diane Langham (MS)</td>
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<td><strong>Constitution and Bylaws Committee</strong></td>
<td>Chair: Calvin McKelvogue (IA)</td>
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<th>Committee</th>
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<tr>
<td><strong>Middle Management Conference Committee</strong></td>
<td>Rob Coleman (TX)</td>
<td>Mike Corricelli (TN)</td>
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<td><strong>Nominating Committee</strong></td>
<td>David Von Moll (VA)</td>
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<tr>
<td><strong>Program Committee</strong></td>
<td>Anna Maria Kiehl (PA)</td>
<td>Thomas White (AL)</td>
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<td><strong>Resolutions Committee</strong></td>
<td>Ed Ross (KY)</td>
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<td><strong>Site Committee</strong></td>
<td>Brandon Woolf (ID)</td>
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<tr>
<td><strong>Committee on Accounting and Financial Reporting</strong></td>
<td>Kristopher Knight (DE)</td>
<td>Stacy Neal (MO)</td>
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<td><strong>State Government Payroll Information Sharing Group</strong></td>
<td>Steve Nielson (WA)</td>
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<tr>
<td><strong>Travel and Purchase Card Information Sharing Group</strong></td>
<td>Patti Everill (ID)</td>
<td>Michelle Oliver (FL)</td>
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<tr>
<td><strong>Electronic Payments: Payment Methodology, Vendor Setup and Security Issues Information Sharing Group</strong></td>
<td>Lynne Bajema (OK)</td>
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ASSOCIATION NOTES: UPCOMING CONFERENCES

AUDITORS TO MEET IN LITTLE ROCK FOR NSAA ANNUAL

The 2015 NSAA Annual Conference is scheduled for June 9-12 in Little Rock, Arkansas, at the Little Rock Marriott Hotel. The conference will be hosted by NSAA President and Arkansas Legislative Auditor Roger Norman.

NSAA’s committees will meet on June 9 and conference sessions will follow on the next three days.

CPE and Technical Agenda: The conference agenda is available at www.nasact.org. The committee meeting schedule will be posted soon. Conference topics will include:

- Leadership, with Walt Coleman, a former football official with the NFL
- “State of the States” with Scott Pattison from the National Association of State Budget Officers
- GASB, GAO and OPB Updates
- Ethics in Politics and Public Life
- Various Roundtable Sessions & More!

Sixteen credits of continuing professional education credit will be offered for the conference.

Getting There: The Little Rock Marriott Hotel is located seven miles from the Bill and Hillary Clinton National Airport. Taxi service is approximately $17.

Cost: Registration fees for the conference are:

- Member or member staff: $575
- Other governmental personnel: $650
- Non-governmental personnel: $725
- Guest: $150

Registration & Additional Information: Registration is now available at www.nasact.org!

Questions about the conference program may be addressed to Sherri Rowland at srowland@nasact.org. Questions about the hotel or registration may be addressed to Donna Maloy at dmaloy@nasact.org.

CONFERENCE HOTEL – The 2015 NSAA Annual Conference will be held at The Little Rock Marriott Hotel. The room rate will be the prevailing government rate (currently $89/night) plus applicable taxes. To book your room, contact the hotel by calling (501) 906-4000 and indicating that you are with the National State Auditors Association. To get this special rate, you must call before the cut-off date of May 9, 2015. After this date, rooms will be offered on a space and rate available basis. The room block often sells out, so we recommend you make your reservations early!

NASACT ANNOUNCES WEBINAR ON GASB 68

NASACT’s next webinar will address key provisions for Statement 68 from the Governmental Accounting Standards Board that financial statement preparers should review one final time, including key issues seen by GASB. Also covered will be the matters on which GASB is receiving frequent questions.

This webinar will also address various audit issues, including approaches that are being implemented by two states with different scenarios.

Cost: $299 for groups (unlimited attendance) and $50 for individuals.

CPE: 2 credits will be available.

MORE INFORMATION
Questions about NASACT’s webinars may be directed to Anna Peniston (apeniston@nasact.org) or Pat Hackney (phackney@nasact.org). Anna and Pat may also be reached at (859) 276-1147.

Registration is available now at www.nasact.org.
ASSOCIATION NOTES

WHAT’S NEW AT www.nasact.org?
The following new items have been posted on NASACT’s website:

- A letter from NASACT and others to the Senate Finance Community Development and Infrastructure Working Group on the importance of the tax exemption for municipal bonds at www.nasact.org/congress_reg_comments.

- The following technical inquiries from state comptrollers (members only content at www.nasact.org/member_content):
  - GASB 68 Attestation Costs
  - TIN Matching
  - Accrued Leave
  - Internal Control Framework

- The Muni Bond Coalition focused on preservation of the municipal bond tax exemption recently sent letters to Congressional leaders and the Obama administration urging retention of the exemption and explaining the importance municipal bonds play in building and maintaining infrastructure. The letters can be found at www.nasact.org/congress_reg_comments.

NSAA FINALIZES CHANGES TO THE PEER REVIEW MANUAL
The NSAA Peer Review Committee has finalized revisions to Section VII – Reporting Examples. These revisions were made to conform to the new reporting format approved by the membership in May 2013.

The revised file has been added to the zip file of the Peer Review Manual on our website at http://www.nasact.org/peer_review (you must be logged into the website as a member to see the content on this page).

CONGRATULATIONS TO THE WINNER OF A FREE CONFERENCE REGISTRATION!
Participants in NASACT’s annual conference topics survey were registered into a drawing to win a free registration to the 2015 Annual Conference this summer in Chicago. Congratulations to Patrick Dendy from Mississippi, this year’s winner!

UPCOMING INFORMATION SHARING CALLS

MAY
- NASACT Pension Issues Workgroup – May 12
- NASC Payroll Info Sharing – May 13
  Expanding call, includes the IRS.
- NSAA Banner Audit Group – May 19
- NASC Travel & P-Card Info Sharing – May 20
  Expanding call, includes Visa and MasterCard.

JUNE
- NASACT Committee on Accounting, Reporting and Auditing – June 16
- NASACT Pension Issues Workgroup – June 17

JULY
- NASC Electronic Payments Information Sharing Group – July 21
- NSAA HR Information Sharing – July 29

GET INVOLVED!
For information on participating in any of these calls, contact NASACT’s headquarters office at (659) 276-1147.
NEWS FROM AROUND THE NATION

FAF NAMES CAPUTO TO GASB

The Financial Accounting Foundation recently announced the appointment of Brian W. Caputo, chief financial officer and city treasurer of the city of Aurora, Illinois, to the Governmental Accounting Standards Board.

Mr. Caputo’s term commences July 1, 2015 and will extend through June 30, 2019. He will be eligible for reappointment to an additional term of five years at that time. Mr. Caputo replaces GASB member Marcia L. Taylor, whose 10 years of service on the GASB concludes June 30.

“The Board of Trustees is pleased to welcome Brian to the GASB,” said FAF Chairman Jeffrey J. Diermeier. “His experience and perspective as a preparer of government financial statements will add significant value to the Board as it addresses a wide range of key issues going forward.”

GASB ADDS PRE-AGENDA RESEARCH ON GOING CONCERN, DEBT; REMOVES PROJECT ON FINANCIAL PROJECTIONS

The Governmental Accounting Standards Board voted on April 23 to initiate pre-agenda research on improvements to going concern and debt disclosure guidance. In a related action, the Board also decided to remove the project on economic condition reporting from the current technical agenda.

The Board decided to initiate research on going concern disclosures based on feedback from stakeholders, who suggested that the GASB should examine the relevance of the “going concern” concept as it applies to governments and government organizations. Stakeholders noted that governments rarely go out of business.

The going concern research will focus on whether existing GAAP standards provide state and local government financial statement preparers with sufficient guidance about management’s responsibilities for evaluating and disclosing uncertainties associated with severe financial stress.

The economic condition project—which contemplated financial reporting requirements related to financial projections—was put on hold in 2012 and has not been subject to deliberations since that time.

“The input and feedback we received from stakeholders on the preliminary views on economic condition reporting was highly valuable and will likely serve to inform our work in the future—including the research the Board has called for regarding going concern disclosures,” said GASB Chair David A. Vaudt.

The GASB also approved research on potential improvements to debt disclosure guidance. With state and local governments diversifying their debt-issuance practices—increasingly seeking direct bank loans rather than issuing municipal bonds—disclosures in this area have been inconsistent.

The research will focus on whether notes to the financial statements currently provide sufficient debt information to financial statement users for decision making and assessments of accountability.

Both going concern and debt disclosure guidance were identified as high priorities by the members of the Governmental Accounting Standards Advisory Council at their March 2015 meeting. Based on the outcomes of the research and feedback from stakeholders, including the GASAC, the Board will decide whether to add projects to the current technical agenda to consider amending the existing standards.

View NASACT’s positions on GASB due process documents at www.nasact.org/gasb.
NEWS FROM AROUND THE NATION

MEMBER NEWS

MASSACHUSETTS

After 30 years with the commonwealth of Massachusetts, 16 of those serving as comptroller, Martin J. Benison, will leave the public sector. Effective at the beginning of May, Mr. Benison will be joining Accenture as a director in the State and Local Government Practice. A successor has not yet been named.

Mr. Benison is a past president of NASACT and the National Association of State Comptrollers. He has been active in the association’s activities for many years and has chaired numerous committees.

He is a recipient of NASACT’s President’s Award (2006) and the Special Recognition Award (2012) as well as NASC’s President’s Award (2007) and NASC’s Distinguished Service Award (2012). He has served as NASACT’s representative and as chair of the Governmental Accounting Standards Advisory Council.

He is a certified government financial manager, a member of the Government Finance Officers Association and the Association of Government Accountants.

Mr. Benison holds a B.A. in economics from Boston College and a master’s degree in public administration from Harvard University’s John F. Kennedy School of Government.

MISSOURI

Nicole R. Galloway took the oath of office on Monday, April 27 to become Missouri’s 38th state auditor.

Ms. Galloway is a CPA and certified fraud examiner. She previously served as Boone County treasurer where she managed a $100 million investment portfolio and protected the county’s leading bond rating. She served as secretary/treasurer of the County Employment Retirement Fund and secretary/treasurer of the Missouri Technology Corporation.

While in the private sector, she audited Fortune 500 companies domestically and internationally.

Ms. Galloway holds a master of business administration degree from the University of Missouri, and degrees in applied mathematics and economics from the Missouri University of Science and Technology. She is a member of the Association of Certified Fraud Examiners.

At the swearing in ceremony, Ms. Galloway shared her gratitude with John Watson for his work following the tragic death of Auditor Tom Schweich.

OTHER MEMBER NEWS

Changes in a few more offices have occurred recently. More information about these changes will be printed in the newsletter as it becomes available.

- **Louisiana:** John McLean is the interim director of the Louisiana Office of Statewide Reporting and Accounting Policy. He replaces Afranie Adomako, who is now assistant commissioner of Management & Finance.

- **Montana:** Effective May 4, Julie Feldman will step down from her role as state accountant to take a position with the Montana Board of Investments. A replacement has not yet been named.

- **Nebraska:** Wes Mohling has been named acting administrator of the Nebraska State Accounting Division. He replaces Hari Kadavath.

- **New Hampshire:** Gerard J. Murphy was confirmed on March 25 as the new state comptroller. He replaces Karen Benincasa. Mr. Murphy has held previous State positions as the Governors’ budget director and budget officer in the Office of the Legislative Budget Assistant.

- **Northern Mariana Islands:** Larrisa Larson replaces Connie Agulto as controller and Mark Rabauliman replaces Sixto Igisomar as treasurer.

- **Pennsylvania:** Gov. Tom Wolf has nominated Timothy Reese to succeed former Treasurer Rob McCord.

- **Puerto Rico:** Juan C. Zaragosa replaces Melba Acosta Febo as the treasurer.

- **West Virginia:** Ross Taylor, who previously served as director of the Department of Finance, is back in this role. He replaces Dave Mullins, who now serves as deputy director of finance.

CHANGES IN YOUR OFFICE?

Personnel changes in your offices affecting your NASACT membership may be send at any time to Pat Hackney at phackney@nasact.org.
CALENDAR

2015

May 27  |  Webinar: GASB 68 Accounting and Auditing Issues – Implementation is Coming Soon … Are You Ready?
June 9-12  |  NSAA Annual Conference, Little Rock, AR
July 8  |  Webinar: GASB Review 2015
August 23  |  NASACT Executive Committee Meeting, Chicago, IL
August 22-26  |  NASACT Annual Conference, Chicago, IL
September 22-25  |  NSAA IT Workshop & Conference, Hartford, CT

2016

March 16-18  |  NASC Annual Conference, Salt Lake City, UT
August 13-17  |  NASACT Annual Conference, Indianapolis, IN

PREVIOUS NASACT WEBINARS AVAILABLE FREE TO MEMBERS

BY DONNA MALOY, CONFERENCE MANAGER

Did you know that NASACT webinars held more than 180 days ago are available free to members? To access the recordings, go to www.nasact.org/webinar_recordings. You must be logged in to the NASACT website as a member to view the free content.

TOPICS AVAILABLE

- ERP eProcurement and Vendor Self-Service
- Pension Issues: Remaining Implementation Challenges and New Audit Guidance
- Treasury Offset Program: How Federal and State Partnerships Can Cost Effectively Maximize Debt Recoveries
- GASB Review: 2013
- The Pension Challenge: Critical Issues to Implementing the New GASB Pension Standards
- GASB’s Pension Accounting and Financial Reporting Standards: A Focus on Statement No. 68
- Public Private Partnerships: From Accounting to Implementation

Please NOTE: No CPE will be granted for listening to previously recorded webinars.

DO YOU HAVE A TOPIC IDEA FOR A WEBINAR?

Let us know about it! We are always looking for topics of interest to member offices to feature in a two-hour webinar! Information about NASACT’s webinars, including links to past webinar recordings, can be found at www.nasact.org/webinars.

Ideas for future webinars may be sent to Anna Peniston (apeniston@nasact.org).