



**April 19, 2012**

**Training**

Check calendar and register on-line.

**Employment Opportunities**

See openings or add an announcement.

**VGFOA Certificate Program**

Course content & requirements.

**Membership Directory**

Contact someone, or update your information online.

**VGFOA Board**

Meet your Board, see committee assignments, and make contact.

**Do you have a story to share?** Submit an article to the **Editor** for a future newsletter.

**VGFOA's Strategic Plan**

Directions for the future.

**Renew Membership**

Renew your membership today.

**President's Message**

The program for the Spring Conference really looks fantastic. I am most excited to hear our keynote speaker, Michelle Braden, on leadership. We hope to see all of you in Virginia Beach May 23rd – 25th.

The responses to the Phil Grant Challenge continue to come to my email. At the Spring Conference we are planning to recognize those who have completed the Challenge. The Challenge continues through October, so you still have time.

**The Phil Grant Challenge:**

**This year**

- **Ask someone to join VGFOA**
- **Ask someone who have never taught before to teach a class or suggest they volunteer to teach.**
- **Volunteer to teach a class**
- **Ask someone to be on a committee**
- **Volunteer to be on a committee**
- **Nominate someone to the Executive Board.**

Please see the article in this newsletter on nominations for the Executive Board.

**It is going to be a great year!**

Pat

**Time is running out! Register today for May 23<sup>rd</sup> - 25<sup>th</sup> VGFOA Spring Conference**

The weather is getting warmer, the day is getting longer. What can be better than the beach, friends and great CPE? Join us in Virginia Beach at the Hilton Oceanfront for the annual VGFOA Spring Conference May 23rd to 25th.

**VGFOA**  
**Announcements &**  
**News**

See the latest updates and news.

**National GFOA on the**  
**Web**

Visit now.

**Communication &**  
**Technology Committee**  
**Greg Akers– Chair**  
**Nancy Tracy**

There are sessions for everyone! Sessions start on Wednesday, May 23rd, at 1:00pm and there are two registration options:

	<b>Member Fee</b>	<b>Non-Member Fee</b>
<i>Full Conference Registration, up to 16 CPE's</i>		
Early / Regular	\$ 195	\$ 245
Late*	\$ 225	\$ 275
<i>Thursday-Only Registration, up to 8 CPE's</i>		
Early / Regular	\$ 95	\$ 145
Late*	\$ 100	\$ 150

\*Late registration begins April 23, 2012. [Click here to register now.](#)

Ethics is offered for an additional \$60 with the full conference registration.



Our Keynote Speaker will be Michelle Braden, the CEO of MSBCoach.

**Keynote Session: Manager to Leader – The Characteristics of Great Leadership**

It can be challenging to wear the many "hats" of today's leaders. This session will explore two of those "hats" - the hat of leadership and the hat of manager. Both roles are vital to an organization's success. Participants will:

- Learn the characteristics of great leaders
- Probe into what makes leaders derail
- Analyze the importance of your leadership legacy
- Distinguish the difference between management and leadership
- Write your own leadership credo.

Planned conference sessions and speakers include:

- Counting on Culture, Judith Brooks, PBGH LLP
- ERP Lessons Learned from Fairfax, Deidre Finneran, Fairfax County
- Economic Recovery? The Outlook for the US and Virginia Economies in 2012, Lisa Sturtevant, George Mason University
- It is Not Free Money! Complications with Federal Funds on Construction Projects; Yousr Khalil and David Kirschbaum, Baker Tilly LLP; and Brian Vella, Smith Pachter McWhorter PLC
- Advocacy for Change, Eldon James and Sue Rowland, Eldon James &

#### Associates

- Are Your Utility Rates Defendable? Establishing Cost-Based Utility Rates, Tom Gould, HDR Engineering, Inc.
- The Results are In! 2011 Government Benchmark Study, John Gilberto, Cherry, Bekaert & Holland
- Retirement and OPEB Plans – What’s Changing Here and There, Barry Faison, VRS, and David Boomershine, Boomershine Consulting Group LLC
- OMB A-133 Reforms and Auditing Standards Clarity Project, Jack Reagan, KPMG LLP
- What a Week for Bedford Falls – Five Events That Caused the Finance Officer to Take Early Retirement!, Jeff Cole, McNeary Insurance Strategy & Solutions
- Legislative Oversight and Virginia Localities, Walter Smiley, JLARC
- Local Government Compensation Trends and Current Issues, Stephanie Davis and John Anzivino, Springsted Incorporated
- Way to Play – Wellness, Fun, and Impact to Your Bottom Line, Nelia Larson-Mann, Loudoun County
- But I’m Finance: What Does Contract Administration Have to do with ME?? Susan Monaco, Fauquier County
- VSCPA Ethics 2012 – Your License Depends On It! Stephanie Saunders, Saunders & Saunders PC
- GASB Update, Rob Churchman, KPMG LLP
- Looking Forward: Private Placements in the Post Credit Crisis World, Courtney Rogers, Davenport & Company; Bruce Serchuk, Nixon Peabody; and Charles Maguire, Bank of America
- Bond Rating...A Look Behind the Curtain, Danielle Leonardis and Nicole Ridberg, Standard & Poors; Susan Kendall, Moody’s; and Evette Caze, Fitch Ratings
- Legislative Updates – What Happened in Richmond, Eldon James and Sue Rowland, Eldon James & Associates; R. Ronald Jordan, Advantus Strategies; and Jim Regimbal, Fiscal Analytics Ltd
- Virginia’s Performance Management Journey, John Wheatley, International Consulting Services, LLC; Raphael Gabay, Performa Solutions Ltd

[Click Here](#) to view the latest details including hotel information, conference program, sponsors, exhibitors and registration!

**Nominations Sought for Election of VGFOA’s Executive Board**

At the Fall Conference each year is the election of the VGFOA Executive Board. The process begins with the President appointing a Nominating Committee consisting of at least three but not more than five past presidents. The Nominating Committee is chaired by the Past President. The Nominating Committee selects at least one name from the Full Membership for each open position on the Board. The Nominating Committee presents its recommended slate to the Executive Board and then at the Annual Business Meeting on October 18th (lunch on Thursday).

At the Spring Conference, Pat Weiler will announce the Nominating Committee and Vivian McGettigan, Past President, will begin accepting recommendations for candidates. Members are asked to use the VGFOA Executive Board Nomination Form to submit names to the Nominating Committee for consideration. The form will be posted on the VGFOA website by May 23rd and will also be available at the Spring Conference. Your completed forms should be submitted to Vivian by August 1st.

The three open positions are for:

- President Elect with term expiring October 2013
- Board Member with term expiring October 2015 (replacing Vivian McGettigan)
- Board Member with term expiring October 2015 (replacing Tanya Burrell)

Anyone with questions may contact Vivian at (703) 791-8991 or [mcgettigan@pwcs.edu](mailto:mcgettigan@pwcs.edu).



**GFOA Annual Conference  
Chicago, Illinois – June 10-13, 2012**

The GFOA Annual Conference is scheduled for June 10-13, 2012, in Chicago, Illinois. The Chicago Cubs are playing the Detroit Tigers at 7:05pm at Wrigley Field on Tuesday, June 12th.

If you are attending the conference and have an interest in attending the game with other VGFOA members, please contact Mike Garber, PBGH, at [mgarber@PBGH.com](mailto:mgarber@PBGH.com).

## **Annual VGFOA Breakfast at GFOA Conference**

The VGFOA would like to thank BB&T Capital Markets for once again hosting a breakfast for all Virginia delegates at the GFOA Conference in Chicago. Please join us on Monday, June 11, 2012:

Hyatt McCormick Place  
(adjacent to the McCormick Place Convention Center)

**7:00am - 9:00am** (Coffee available at 6:30am)

Hosted by: BB&T Capital Markets

Please RSVP to Lynn Edris at:

[ledris@bbandtcm.com](mailto:ledris@bbandtcm.com) or 804-649-3982

## **Are You in Compliance if the IRS Visits?**

*By Greg Akers, Finance Director, Richmond Metropolitan Authority*

Public employers need to be aware of the rules that govern Social Security and Medicare (FICA) coverage for their employees and taxable benefit reporting. My government entity was randomly selected by the Internal Revenue Service (IRS) for an audit of our 2009 tax year compliance. The review was performed by the IRS's Federal State and Local Government group (FSLG) as part of a three-year research project that will include 500 governmental entities from 2010 to 2012. The FSLG is responsible for ensuring federal tax compliance by federal, quasi-governmental and state agencies; city, county, and other units of local government; and governmental entities. The three-year research project is intended to help design future compliance reviews and guidance for governmental entities.

The review had one immediate and unsettling "surprise." No, it was not the random selection to be one of the 500 government entities nationwide to be reviewed. As a former auditor, you come to appreciate that some days your turn just comes up. However, the IRS agent scheduling the on-site review dates asked about our government agency's Section 218 status, and if we participated in Social Security. I previously "assumed" every employer participates in Social Security. However, I was informed that state and local government employers with pension plans must have a "section 218" agreement with the

Federal government for their employees to participate in Social Security. The original Social Security Act of 1935 **excluded** employees of state and local governments due to unresolved legal issues concerning the Federal government's authority to tax state and local governments. Starting in 1951, **states** were allowed to enter into voluntary Section 218 agreements, authorized under the Social Security Act, to provide coverage for public employees. All 50 states have Section 218 agreements, with varied coverage for their public employees. The IRS estimates approximately "one-fourth of the nation's 23 million public employees are not covered by Social Security." Local governments must coordinate their participation in a Section 218 agreement through their state's administrator.

After recovering from the initial shock that we may not be a Social Security participating employer (although we withhold and pay the tax), I was pleased to hear a familiar name for Virginia's designated Social Security Official; Barry Faison, chief financial officer with the Virginia Retirement System. A brief call eased my fear when Barry confirmed Virginia entered a Section 218 agreement effective January 1, 1951 for employees of specified political subdivisions, and our Authority at its inception in 1967 joined Virginia's Section 218 agreement. The copy of our signed Section 218 agreement may have been my favorite email of 2011 (thanks again Barry for the prompt reply). If you don't already know and have documentation for your public entity's Section 218 status, I encourage you to contact your State Administrator to obtain. The designated state administrators and their contact information are listed by the National Conference of State Social Security Administrators at <http://ncssa.org/statessadminmenu.html>.

After confirming our Social Security participation, the actual audit process went very smoothly. Our assigned agent, James Driver, had a knack for explaining their audit process and provided good planning lists and reference information. The review was scheduled over a month in advance, providing sufficient time to accumulate the requested documents prior to his arrival. The IRS review included the expected evaluation of tax reporting for payroll (i.e. salary and withholding through Quarterly forms 941, and annual W-2's and W-3) and payables (i.e. forms 1099, W-9). The primary compliance item we learned about was that certain uniforms and clothing provided and required to be worn by employees qualify as a taxable benefit to the employee based on also being "suitable for personal wear." The IRS definition of "suitable for personal wear" is broader than many may initially suspect, and includes what most people would consider a "work uniform" (shirts, pants, hats, and even polo shirts with locality logos).

However, safety associated items can qualify as tax-exempt (i.e. steel toed boots or high-visibility clothing). When internally evaluating your tax compliance, consider articles provided or reimbursed for your employees against the IRS's guidance ([http://www.irs.gov/pub/irs-tege/public\\_employers\\_outreach\\_guide.pdf](http://www.irs.gov/pub/irs-tege/public_employers_outreach_guide.pdf)). We have settled on the additional taxes related to uniforms we provided employees, and have taken steps to ensure future employer-provided clothing items will be high visibility. The increased visibility will improve safety for our employees and disqualify the items as being "suitable for personal wear" and subject to reporting as taxable benefit.

Additional information and training for Section 218 agreements is available through Social Security Online at <http://www.ssa.gov/section218training/>. The IRS also has guidance at <http://www.irs.gov/govt/fslg/article/0,,id=96062,00.html>.

### **Congratulations to new CPFO's from Virginia**

The Certified Public Finance Officers Program of the GFOA is a broad educational self-study program designed to verify knowledge in the disciplines of government finance and better prepare individuals for financial leadership positions in local and state government. Attaining Certification is the mark of excellence in government finance.

There are 478 CPFO's with ten individuals achieving the CPFO designation in fall 2011. These most recent CPFO's include two VGFOA members: Michael Cosby, Public Works Director for Buena Vista, and Donna Witt, Director of Financial Services for Lynchburg. ***Congratulations Michael and Donna!*** For more information on the CPFO program, visit the GFOA website (<http://www.gfoa.org/>) and select the Certification (CPFO) link.

### **Full Year Extension of 2% Payroll Tax Cut for 2012**

On February 17, the U.S. Senate and House of Representatives passed H.R. 3630, the Middle Class Tax Relief and Job Creation Act of 2012 (Tax Relief Act of 2012). The President signed the extension into law February 22, 2012.

The Tax Relief Act of 2012 extends until the end of 2012 the reduction in the social security tax rate paid by employees from 6.2% to 4.2% that

was first implemented for 2011 by the Tax Relief Act of 2010 (Pub. L. No. 111-312). With the reduction set to expire December 31, 2011, and the employee social security tax rate scheduled to reset to 6.2%, Congress passed the Temporary Payroll Tax Cut Continuation Act of 2011 (Pub. L. No. 112-78), which extended the reduction through the end of February 2012.

The Tax Relief Act of 2012 also repeals the 2% "recapture tax" that would have required individuals who are paid more than \$18,350 (i.e. two twelfths of annual \$110,100 wage base limit) in January and February 2012 to pay an extra 2% tax so they would not gain more of a benefit from the temporary payroll tax cut than employees who were not paid more than that amount during those two months.

### **VGFOA Hampton Roads Region Training Event Scheduled for April 26, 2012**

The VGFOA Hampton Roads Regional Organization is having a training event scheduled for Thursday, April 26, 2012, from 7:30am – 11:00am at the Quality Inn Lake Wright in Norfolk. The topic will be Post-Issuance Bond Compliance. The event is \$10 for VGFOA Members and \$15 for non-Members and includes breakfast. Online registration for this Regional Event and the full 2012 event calendar are available by [clicking here](#).

### **VGFOA Central Region Training Event Scheduled for May 4, 2012**

The VGFOA Central Regional Organization is having a training event scheduled for Friday, May 4, 2012, from 9:00am – 3:00pm at the Henrico County Training Center. Topics include an Accounting and Auditing Update, GASB Update and a Single Audit Update. The event is free and includes lunch. Online registration for this regional event and the full 2012 event calendar are available by [clicking here](#). If you have any questions regarding the training, please contact Clarence Daniel at [dan@co.henrico.va.us](mailto:dan@co.henrico.va.us)

### **Upcoming VGFOA Certificate Courses; New Elective Course for the Certificate Program Announced!**

A new elective course has been developed for the VGFOA Certificate Program. The class is titled, "Leadership", and will focus on learning skills for developing yourself as a leader. This includes personal credibility, goal setting, positive impressions, emotional intelligence, active listening skills and some time-management tips. The course is a "hands-on" workshop that encourages participation.

The course will be offered twice this calendar year:

- June 7-8, 2012 in Roanoke
- August 2-3, 2012 in Fairfax County

Certificate course fees for VGFOA 2012 Members remain at \$225 per participant (\$275 for non-Members). Online course fees will remain at \$125. Online registration and the full 2012 event calendar are available by [clicking here](#).

Date	Event	Locations
May 10-11	Operating and Capital Budgeting	Roanoke
May 23-25	VGFOA Spring Conference	Virginia Beach
June 7-8	Leadership	Roanoke
June 21-22	How to Prepare a CAFR	Chesapeake
July 12-13	Cash Management and Banking	Henrico
July 16-17	Grant Reporting & Auditing	Roanoke
August 2-3	Leadership	Fairfax
August 2-3	Issuing Debt and Debt Management	Roanoke
August 9-10	Advanced Governmental Accounting	Charlottesville

Online courses are available for:

- Introduction to Governmental Accounting
- Internal Controls, Auditing, and Fraud
- Intermediate Accounting

Also look for more online courses coming later in the year!

### Seeking Members for the Education Committee

Do you have a passion for education? Whether you like getting up in front of a group to teach or would prefer to assist in the development of new courses or the enhancement of existing courses, we would love to have you as a member of the Education Committee. Please contact Tanya Burrell ([tanya.burrell@fairfaxcounty.gov](mailto:tanya.burrell@fairfaxcounty.gov)) if you have an interest.

*The Virginia Government Finance Officers' Association shall be the premier organization in developing leaders with financial and management expertise through education, fellowship and professional development to foster excellence in government.*