



**July 1, 2009**

**Training**

Check calendar and register on-line.

**Employment Opportunities**

See openings or add an announcement.

**VGFOA Certification 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!**

Direction for the future

**NEW VGFOA CLASS**

**Multi-Year Financial Planning and Economic Forecasting During Recessionary Times to Ensure Financial Sustainability**

The VGFOA Education Certification Committee and the Legislative Subcommittee are pleased to announce a new elective class for the VGFOA Certificate program that will provide 8 CPE credits.

*Course Description:* As resources become scarcer and demands for governmental services continue to grow, developing a financial roadmap is extremely important. Understanding fiscal opportunities and challenges and how they will likely impact operations now and in the future are key elements of a sound financial plan.

This course is being designed to present tools and techniques that government finance professionals and policy makers may use to develop multi-year financial forecasts and strategies to help ensure financial sustainability. It will include an overview of revenue and expenditure forecasting models and how to gather and analyze information needed to develop and maintain a multi-year financial plan. The course will also cover how to use the long-term financial plan to demonstrate to citizens, creditors and bond rating agencies that there is a commitment to the consistent delivery of core governmental services in a fiscally responsible manner over a multi-year period.

*Location:* The one-day class will be held in a Charlottesville on Monday, September 21, 2009 from 9:00 a.m. to 4:00 p.m. Cost for the class is \$100. [Click here](#) for registration.

*Speakers:* The following speakers will provide information on the current economic environment and how to develop and analyze information to help ensure financial sustainability:

*Hear from [Nelson Bush](#) from PFM Asset Management* an overview of the current economic conditions and how expected trends may affect future local government financial operations. *Learn from [Mike Edwards](#) from VACO* about the upcoming State budget process and issues that may impact local government revenues and expenditures in Fiscal Year 2010 and beyond. *Explore with [Vivian McGettigan](#) who is the Director of Finance for Hanover County and a member of GFOA's Fiscal First Aid Review Team* the tools being developed by GFOA to assist members with financial health not only during recessionary times but on a long-term basis. In addition, Vivian will share practical information and models developed specifically to address revenue streams for Virginia local governments

**Renew Membership**  
Dues overdue? Renew your membership today.

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**Announcements & News**

See the latest updates and news

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from Hanover County's County Administrator's Fiscal Reality Initiative including Finance Committee presentations, dashboard reports, and creation of monthly revenue teams to analyze and project major revenue sources. *Learn from [John Wallingford](#) who is the Finance Director for the 2<sup>nd</sup> largest School Division in the State, Prince William County*, information on school revenue forecasting challenges for the next 1-5 years and specifically address composite index calculations related to assessment changes and the long-term impact of Federal Stimulus Funds. *Gain insight from [James McReynolds](#) who is the County Administrator for York County* into additional information that County Administrators and City Managers may request of their Finance professionals to assist Boards and Councils in understanding how budgetary and financial decisions will likely impact current and future operations.

*Roundtable and Panel Q&A:* Discuss with your colleagues the tools and techniques they are using to react to the global recession and how they are developing current and long-range financial plans.

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## IRS to Revamp Rules for Cell Phones

On June 8<sup>th</sup>, 2009 the Internal Revenue Service released Internal Revenue Bulletin (IRB) 2009-23 *Substantiating Business Use of Employer-Provided Cell Phones*. As a result of this release there has been much speculation about the IRS's intentions regarding the enforcement of a law that was originally passed in 1989. Some are concerned that this law, which is seldom enforced, will be more aggressively enforced after the potential changes. The 1989 law allows an employer, who provides a cell phone to an employee, the opportunity to deduct the fair value of the business usage of that phone and requires that the employee will have included in her gross wages the fair market value of the personal use of the phone.

This creates several recordkeeping and audit issues. First, the employer and employee should keep records of the:

“ (A) amount of such expense or other item, (B) the use of the property, (C) the business purpose of the expense or other item, and (D) the business relationship to the taxpayer of persons using the property”.

In addition to these recordkeeping requirements the actual cost incurred by the employer is not determinative as to the fair market value of the device and service. Employers may be left trying to determine fair market values of cell phones and cell services. If, for example, an entity obtains handheld devices and service at a two thirds reduction for the first year the entity would find itself trying to determine the fair value of the device and service so the *fair value* could be added to the employee wages instead of adding the employer's actual cost.

The IRS has stated that they are attempting, with the issuance of the IRB, to make the issues related to recordkeeping and deduction simpler and clearer. The IRS suggests three different options in their IRB;

◆Minimal personal use method – Under this method the employee would be responsible for maintaining records proving that there was “minimal personal use” of the provided cell phone. Given good substantiation the total amount would be deemed business use. Another alternative would be to identify the minimal amount beyond which there was no longer

minimal use.

◆Safe harbor substantiation method – This is the method that has gotten press recently. Using this method 75% of the phone would automatically be deemed business use and the remaining 25% would be deemed personal

◆Statistical sampling method– Using the statistical sampling method would require the employer to use a sampling method to determine the percent of use that is personal and the percent that is business.

In a change of direction the week of June 16<sup>th</sup>, IRS commissioner Doug Shulman suggested that the congress scrap the 1989 law entirely. Legislation has been introduced in the 111<sup>th</sup> congress in both the Senate and House that would repeal this legislation all together. The same legislation was introduced in the 110<sup>th</sup> congress and it died in committee.

If the IRS follows through with its intention of “simplifying” the law, businesses, other employers, and individuals may be left with a situation in which there is an onerous recordkeeping burden.

After some discussions with the author of the IRB, Jeffrey T. Rodrick of the Office of Associate Chief Counsel, the Legislative and Standards Setting Committee of the VGFOA believes that it should take a position on this tax issue and will therefore respond to this IRS bulletin in the next few weeks. The deadline for responses to this IRB is September 4<sup>th</sup>, 2009.

If you have any questions or comments contact John Wallingford ([walling@pwcs.edu](mailto:walling@pwcs.edu)) or James McReynolds at ([mcreynoj@yorkcounty.gov](mailto:mcreynoj@yorkcounty.gov)).

**See these links for information from the IRS website:**

[Comments Requested](#)  
[Employee Cell Phones](#)  
[IRB 2009-23](#)

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## Upcoming VGFOA Classes

Online registration is available for the following courses by [clicking here](#).

Date	Event	Locations
Aug 6-7	Issuing Debt and Debt Management	Richmond
Aug 10-11	Intermediate Governmental Accounting	Charlottesville
Sept 10-11	Internal Controls, Auditing and Fraud	Fairfax
Sept 21	Multi-Year Financial Planning	Charlottesville
Sept 24-25	Virginia Government and Law	Chesapeake
Oct 5-6	Human Resources	Fairfax
Nov 15-16	Advanced Governmental Accounting	Roanoke

If you have any questions or comments about these classes please contact Vivian McGettigan at [vamcgettigan@co.hanover.va.us](mailto:vamcgettigan@co.hanover.va.us).

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## Share Your Innovations - Win an Award!

Take a minute and think about the work you do every day. Is there something that your locality has done that has created efficiencies, made a difference in providing service to your customers, or improved any aspect of government finance? If so, the VGFOA Memberships and Awards Committee invite you to share your locality's progress and success by applying for one of the coveted Awards for Innovations in Government Finance. In this time of cost cutting and attempting to maintain service levels with fewer resources, we all need to hear about and share good ideas that have been successful. Maybe it's your locality's time to shine!

Up to four awards will be given, based on the population size of the locality. Award categories include accounting, auditing and financial reporting; policies and procedures; cash management and investing; and e-government and technology. The on-line application, as well as complete details including all award categories, is available by [clicking here](#). The application deadline is July 15<sup>th</sup>, 2009. Winners will be notified by September 1<sup>st</sup> and awards will be presented at the fall VGFOA conference to be held October 21 through 23 in Charlottesville.



## Accounting for Capital Assets Internet Training July 15, 2009

Virtually all state and local governments use capital assets, some of which are essentially unique to the public section. Properly accounting for these different assets can pose a real ongoing challenge for accounting and auditing professionals. [Click here](#) for further information on this training event.



## Mark Your Calendars Fall VGFOA Conference October 21-23, 2009 Charlottesville, Virginia

VGFOA's Fall Conference will be held in beautiful Charlottesville at the Omni Hotel. There are a limited number of sponsorships and exhibitor spaces, so reserve your sponsorship or exhibitor spot early.

[Click here](#) for Sponsor/Exhibitor application.

## VGFOA Regional Events

The **Hampton Roads Regional Group** has the following CPE event planned with a very reasonable price of \$20 per person. The event will be held at the City of Virginia Beach Municipal Center from 1:00 p.m. to 5:00 p.m. Register by [clicking here](#).

•**July 13, 2009 – GASB and ARRA Update**

Jack Reagan and Rob Churchman, both partners at KPMG, LLP, will be discussing the impact of current and impending GASB standards as well as the latest guidance on accounting for and reporting on stimulus monies received under the American Recovery and Reinvestment Act of 2009. Registration deadline: July 9, 2009.

The **Central Region Group** has the following events planned:

•**September 14, 2009 – GASB and ARRA Update**

Various instructors will provide valuable and timely information on GASB and ARRA. The cost for 7 hours of CPE is \$25, which will include lunch. Please [click here](#) for additional information or to register for the event.

•**September 26, 2009 – Atlanta Braves vs. Washington Nationals Baseball Game**

The game starts at 1:05 p.m. and will be a fun networking opportunity for all. The cost is \$18 per individual and space is limited. Please register by [clicking here](#).

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## Congratulations!

The VGFOA Memberships and Awards Committee is pleased to announce the following scholarship award winners:

***GFOA Advanced Government Finance Institute***

- Diane Bergeron, City of Manassas

***VGFOA Certificate Scholarships***

- Adora Ramos, Fairfax County Redevelopment and Housing Authority
  - Andy Scales, Gloucester County
  - Katherine Fox, City of Roanoke
- Wai Levy, Virginia Department of Transportation
  - Corrine Loudon, Virginia State Police

***Edward T Pettigrew College Scholarship***

- Abby Gayle L. Brooks – Christopher Newport University
  - Lorey Ann Spade- Bluefield College
  - Sydney Stronko – Virginia Tech

***Special Recognition of Regional Organization Coordinators***

- Tonya Burrell- Northern Virginia Region
  - Donna Hildebrand- Hampton Roads Region
    - Charles Ramsey- Central Region
    - Ann Shawver- Southwest Region
  - Rebecca Owens- Southwest Region
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## Save money on VSCPA CPE when you register before September 7, 2009!

Register before September 7, 2009, for three or more seminars (must register at the same time for all courses), and receive \$25 off each seminar. Plus, register before the early bird deadline and save an additional \$50 per course. Call the [Virginia Society of CPAs](#) (VSCPA) Education Team at (800) 341-8189 or register online using the hyperlinks below:

### **Accountant's Guide to Fraud and Abuse in Government and Nonprofits**

- **Date, time and location:** Tuesday, September 29, 2009, 8:30 a.m. – 4:30 p.m., Waterford at Springfield (Springfield, VA)
- [Click here](#) for online registration and details
- **Early bird deadline:** Save \$50 by registering before **August 28**

### **The Revised Yellow Book: Government Auditing Standards**

- **Date, time and location:** Monday, October 5, 2009, 8:30 a.m. – 4:30 p.m., Waterford at Springfield (Springfield, VA)
- [Click here](#) for online registration and details
- **Early bird deadline:** Save \$50 by registering before **September 4**

### **Applying A-133 to Nonprofit and Governmental Organizations**

- **Date, time and location:** Tuesday, October 6, 2009, 8:30 a.m. – 4:30 p.m., Waterford at Springfield (Springfield, VA)
- [Click here](#) for online registration and details
- **Early bird deadline:** Save \$50 by registering before **September 4**

### **Government Contractors & Indirect Cost Rates: Preparation & Surviving the Government Audit**

- **Date, time and location:** Wednesday, October 21, 2009, 8:30 a.m. – 4:30 p.m., Waterford at Springfield (Springfield, VA)
- [Click here](#) for online registration and details
- **Early bird deadline:** Save \$50 by registering before **September 21**

### **Introduction to the Accounting Requirements of Government Contracts**

- **Date, time and location:** Thursday, October 22, 2009, 8:30 a.m. – 4:30 p.m., Waterford at Springfield (Springfield, VA)
- [Click here](#) for online registration and details
- **Early bird deadline:** Save \$50 by registering before **September 22**

### **Governmental & Nonprofit Annual Update**

- **Date, time and location:** Wednesday, December 2, 2009, 8:30 a.m. – 4:30 p.m., Waterford at Springfield (Springfield, VA)
- [Click here](#) for online registration and details
- **Early bird deadline:** Save \$50 by registering before **November 2**

\*\* This discount is applicable to 8, 16 and 24 hour seminars only.



The Virginia Association of School Business Officials announced their Fall conference, which will be held October 14 - 15 in Norfolk. [Click here](#) for further VASBO information.

*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.*