



Topeka Register

Association of Government Accountants
PO Box 206, Topeka, KS 66601-0206

April 2013



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Bylaws—Vacant

President's Message

Have you renewed your membership dues yet? Annual dues for National membership in AGA are due at the end of March. (The Topeka Chapter does not charge any dues). If you haven't had an opportunity to renew yet, please do so as soon as possible. If you do not have Agency/Employer sponsorship, you will have an opportunity to receive a membership scholarship if you attend the May Professional Development Seminar on May 9th in Topeka. (See details later in the newsletter).

What benefits are provided by membership in AGA? Each year a National Professional Development Conference is held. This year it will be held in Dallas, TX on July 14-17th. In addition, if you serve on specific local Chapter or Regional Boards, you will have the opportunity to attend a Sectional Leadership Meeting (SLM). This year's SLM is being held in Los Angeles, CA on April 19-20th.

If you haven't had an opportunity to visit the chapter website (<http://www.agaks.org/>) or National website (www.agacgfm.org) please take a moment to see the information that is offered. Both provide an abundance of information. On the National website, you will find a number of Toolkits (Fraud Prevention, Risk Assessment Monitoring, Financial & Administrative Monitoring) as well as How-to-Guides, Career Resources (job search, resume database, CGFM designation, education, etc.), and Professional Development (audio conferences and webinars, onsite and online training).

The Topeka Chapter has been very fortunate this year in hosting several National speakers. In January at the Regional Sectional Leadership Meeting (SLM-R) held in Kansas City, we had the pleasure of hosting Evie Barry, AGA's National Director of Performance Reporting. In March, the National AGA President Elect, Mary Peterman, joined us for the City of Topeka Proclamation signing, as well as served as the speaker at the Professional Lecture Series. The following week in March, Pete Rose was the instructor of the CGFM Review Course #2.

Join more than 15,000 government accountability professionals, and find out first hand all of the benefits that AGA has to offer.

If you have any questions, please don't hesitate to ask one of our board members listed to the right.

Best wishes,

Paula Hinman

Topeka Chapter President



Training Calendar

April 10, 2013 – Professional lecture series at Jayhawk Tower.

Speaker: Dr. Dan Deines—Kansas State University Professor, Department of Accounting

May 8, 2013 – Professional lecture series TBD at Jayhawk Tower—cancelled

**May 9, 2013— 8 Hour PDC event in Topeka, Kansas featuring Paul Koehler, CPA.
See attached flier announcement for details.**

June 12, 2013 – Professional lecture series at Jayhawk Tower.

Speaker: Dr. David Sollars, Washburn University Dean, School of Business and Professor of Economics

[See website \(www.agaks.org\)](http://www.agaks.org) to register for CPE events.

AGA, Topeka Chapter Board Meetings

The Board meets monthly and we invite you to attend our meetings if you are interested in joining the Board, interested in the Board or AGA activities or if you are just bored for an hour or so in the evenings. Please contact Russell at rshipley@btandcocpa.com, Melinda at Melinda.Richter@kbi.state.ks.us, or Paula at Phinman@ku.edu.

We also invite you to check us out on LinkedIn, Facebook and of course our website!

AGA Membership Renewal Time

How to Renew Your Membership or Certification:

- [Renew online at www.agacgfm.org](http://www.agacgfm.org)
- Enter your AGA ID number to the login field.
- Your password is your first initial immediately followed by your last name.
- Upon logging in, press the gray “billing” tab at the right hand corner of the screen to renew with a credit card.
- **Note: Paper invoices are mailed in February, but online renewals are preferred for speed and convenience.**

Perspectives: Is Your Capitalization Threshold Consistent with Other Agencies?

From the National AGA Topics Newsletter, dated April 1, 2013.

Observations of Capitalization Thresholds Among the 24 CFO Act Agencies

By: Andrew C. Lewis, CGFM, CPA, CIPP/G, Partner, KPMG LLP

In order to balance the costs and the benefits of capturing all costs associated with the purchase or construction of assets, many organizations have instituted a threshold for purchases that are not capitalized when those purchases are deemed to be too small, individually or in aggregate, to materially misstate the agency’s financial position (i.e., Balance Sheet) or financial results (i.e., Statement of Net Cost). This is commonly referred to as an organization’s *capitalization threshold*.

In recent accounting standards, the Federal Accounting Standards Advisory Board (FASAB or the Board) has expressed that the reporting needs of each Federal entity are different, and that the capitalization threshold for Federal agencies should be determined by each Federal entity. In Statement of Federal Financial Accounting Standards (SFFAS) No. 6, *Accounting for Property, Plant, and Equipment*, paragraph 13, the FASAB stated:

The Board believes that capitalization thresholds should be established by Federal entities rather than centrally by the Board. Because Federal entities are diverse in size and in uses of PP&E, entities must consider their own financial and operational conditions in establishing an appropriate capitalization threshold or thresholds. Once established, this threshold(s) should be consistently followed and disclosed in the financial reports.

The FASAB repeated this position in SFFAS No. 10, *Accounting for Internal Use Software*, paragraph 24:

Each federal entity should establish its own threshold as well as guidance on applying the threshold to bulk purchases of software programs (e.g., spreadsheets, word-processing programs, etc.) and to modules or components of a total software system. That guidance should consider whether period cost would be distorted or asset values understated by expensing the purchase of numerous copies of a software application or numerous components of a software system and, if so, provide that the collective cost should be capitalized.

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Perspectives: Is Your Capitalization Threshold Consistent with Other Agencies?

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Following SFFAS No. six and No. 10, the 24 Chief Financial Officer (CFO) Act agencies have set capitalization thresholds that meet their individual agency's needs. An analysis of these capitalization thresholds from the FY 2012 Performance and Accountability Reports or Agency Financial Reports yields some observations:

- **Personal Property Thresholds Range from \$0 to \$500,000:** The 24 CFO Act agencies report capitalization thresholds that range from as low as \$0 (capitalized all costs for a certain class of property) to as much as \$500,000. The average personal property capitalization threshold is between \$62,000 and \$79,000. The most common threshold is \$25,000 (reported by 10 agencies), and the next most common is \$50,000 and \$100,000 (reported by 4 agencies each).
- **Real Property Thresholds Range from \$0 to \$1,000,000:** Similar to the personal property capitalization thresholds, the real property capitalization threshold is as low as \$0, but is as high as \$1,000,000. The average real property capitalization threshold is between \$137,000 and \$146,000. The most common threshold is \$25,000 (reported by 7 agencies), but is followed closely by a threshold of \$100,000 (reported by six agencies).
- **Less than 20 Percent of the CFO Act Agencies Report a Bulk Purchase Capitalization Threshold:** Four of the 24 CFO Act agencies disclose in their footnotes a separate threshold for bulk purchases. The bulk purchase threshold is either 5 or 10 times the capitalization threshold for personal property. For example, two agencies have a personal property capitalization threshold of \$25,000, but a bulk purchase threshold of \$250,000.
- **Real Property Capitalization Thresholds Range from 3.4 to 40 Times Higher than the Agency's Personal Property Capitalization Threshold:** Eight of the 24 CFO Act agencies have established separate capitalization thresholds for personal and real property. The real property thresholds range from 3.4 times to 40 times higher than the agency's personal property threshold. One agency reports a personal property threshold of \$25,000 and a real property threshold of \$200,000; whereas another agency reports a personal property threshold of \$25,000 and a real property threshold of \$1,000,000.
- **Software Thresholds Range from \$25,000 to \$1,000,000:** Among the 24 CFO Act agencies, the average threshold is between \$279,000 and \$348,000. The most common threshold is \$100,000 (reported by 7 agencies), and the next most common is \$50,000 and \$500,000 (reported by 4 agencies each).
- **Software Capitalization Thresholds Range from 1.5 to 40 Times Higher than the Agency's Personal Property Capitalization Threshold:** Sixteen of the 24 CFO Act agencies have established a separate capitalization threshold for software. The software thresholds range from 1.5 times to 40 times higher than the agency's personal property threshold. At one agency, it reports a personal property threshold of \$500,000 and a software threshold of \$750,000; whereas at another agency, it reports a personal property threshold of \$100,000 and a software threshold of \$1,000,000.

News of Note

If you know of any accomplishments or acknowledgements that you would like to share, please email me at rshiple@btandcocpa.com to get them into the next newsletter.

Webinar: CGFM Preparation Q&A—for AGA Members Only

April 23 | 2-4 p.m. EDT | No Fee to Attend | No CPE Credits

Instructor: Mitch Laine, CGFM | **Moderator:** Kimberly Jones

Have you made earning the CGFM designation a goal? AGA would like to support **you**, a valued member, by offering a complimentary members-only CGFM preparation webinar led by Mitch Laine.

This is an opportunity for Q&A, to discuss topics from the three CGFM study guides with one of our knowledgeable and dynamic instructors, **free of charge**. So, if there's a concept you have not yet mastered, or if you need clarification on something you've been studying, please bring your questions and join us.

It's our way of showing you our appreciation for your loyalty and continued support of AGA! Register online at

<http://www.agacgfm.org/Events---CPE/Calendar/AGA-National-Events/CGFM-Preparation-Q-A.aspx>

Young Professionals

Young Professionals (YP) is not relative to age, it is relative to the number of years you have worked in governmental Accounting, Auditing, Finance, Budget and private sector colleagues. We are looking forward to a new year and would love to have anyone that is interested to join our YP group. If you are interested in mentoring this group, then please join us. Watch for upcoming events and gatherings! If you have any questions, please email Linda Shaver, lhshaver@ksinsurance.org.

The mission of the Topeka Chapter is "To facilitate the professional and personal growth of Government Accountability Staff (finance / accounting / budget / audit), and their private sector colleagues, through education and certification, professional opportunity, and networking."

Visit AGA on the Web!

National AGA
www.agacgfm.org

Topeka Chapter
www.agaks.org



GUEST LECTURER

LECTURE SPEAKER: **Dr. Dan Deines, Kansas State University's Interim Head, Department of Accounting, Ralph Crouch KPMG Professor of Accounting, and CPA** will speak on the efforts to create an AP Accounting Class and why that is important to the accounting profession in the coming years.



DATE: Wednesday, April 10, 2013

CPE CREDIT: 1 HOUR

LOCATION: Jayhawk Tower, 7th & Jackson,
Topeka, Senate Room

REGISTRATION: 11:15 AM
LUNCH: 11:30 AM
SPEAKER: 12:00 – 1:00 PM

Parking Readily Available
FEIN – 480965118-00

REGISTRATION FEE * - LECTURE SPEAKER CPE = 1 hour:
MEMBERS: \$10
NON-MEMBERS: \$15

*** Includes Lunch.**

YOU DO NOT NEED TO BE A MEMBER OF AGA TO ATTEND

Register at http://www.agaks.org/education_training/pls/register.shtml

Or by emailing directly to Russell Shipley at rshipley@btandcocpa.com

If you do not receive a confirmation email from Russell Shipley within 1 day of registration, please email Russell at the above email address.

Register by Noon on Monday, April 8, 2013; Late Registrations cannot be Guaranteed a Lunch

We look forward to seeing you on April 10, 2013

We are also collecting change for our **Loose Change Program** during the meeting and proceeds will go to benefit American Red Cross



Association of Government Accountants
Spring Professional Development Seminar
Topeka, Kansas
Thursday, May 9, 2013



SEMINAR SPEAKER: Paul H. Koehler, CPA Individual Practitioner, is a government and nonprofit services specialist who provides auditing, training and consulting services to governmental and nonprofit organizations and professionals nationwide. He is a member of the American Institute of CPAs and the Nebraska Society of CPAs, and is a Past President of the Lincoln Chapter of the Association of Government Accountants. Paul is a current member and past chairman of the State and Local Governmental Accounting and Auditing Committee and the Not-For-Profit Organizations Committee. A recipient of numerous Discussion Leader Awards of Excellence by the Nebraska Society of CPAs, Paul is a frequent speaker on governmental and nonprofit topics and instructs continuing professional education courses throughout the country for the AICPA.

8:30 – 9:00 Registration/Networking

9:00 – 4:30 **The New 2011 Yellow Book – Government Auditing Standards**
(Includes **2 hours of Ethics CPE** and is eligible for **Yellow Book CPE** credit)

11:30 – 12:00 Lunch and Networking

8 Hours of Continuing Professional Education – Lunch included

Location: Jayhawk Tower, 7th & Jackson, Topeka, Senate Room

Registration Fees: Member \$200 / Non-member \$240. For more information, visit us online at <http://www.agaks.org>.

Register at: <http://www.agaks.org/seminars/index.shtml> or by emailing directly to Russell Shipley at rshipley@btandcocpa.com. If you do not receive a confirmation email from Russell Shipley within 3 days of registration, please email Russell at the above email address.

Membership Scholarships: This membership event is intended to assist in the cost of participants to become or renew as an AGA member. As such, memberships that qualify for employer support are not eligible for this scholarship. Membership scholarships will be offered to assist in the AGA membership costs for both those that still need to join or renew, and those that have already renewed for the 2013 – 2014 membership year. The amount of the scholarship will be a maximum of \$90. This offer is open to both members and non-members.

Members that have already renewed. If you have already renewed your membership for the 2013 – 2014 membership year, participation in the May Membership Event will provide a reimbursement for your cost to renew. Please bring with you the receipt provided by AGA for online registrations or a canceled check. Reimbursements are valid only for personally paid memberships.

Course Overview and Highlights:

The New 2011 Yellow Book – Government Auditing Standards

Designed for: Auditees and auditors who want to understand the impact of GAO's 2011 Government Auditing Standards on the audits of states and local governments and nonprofit entities

Course Highlights:

- Overview of auditing and reporting requirements of the December, 2011 Yellow Book
- Highlights revisions made in the 2011 Yellow Book
- Explanation of the GAO guidance document on the CPE Requirements
- Dramatically revised Yellow Book Independence Standards
- Other General Standards, including Peer Review requirements and changes thereto
- Discussion of the CPE Requirements and the impact on practice
- Addresses revisions made in the 2011 Yellow Book and emphasizes differences from the previous version
- Includes copies of all key documents
- Includes updated AICPA – posted audit report examples