

Save the Date

December 2, 2004
Professional Development Scholarship
Deadline

December 15, 2004
GFOA OPEB Internet Training

January 31, 2005
GFOA Award for Excellence Submission
Deadline

February 7, 2005
GFOAz Annual Conference Room
Reservation Deadline

March 9-11, 2005
GFOAz Annual Conference
Tucson Marriott University Park Hotel

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New Professional Development Fund Scholarship Deadline Extended

The deadline to apply for scholarship funds has been extended until Thursday, December 2, 2004. The GFOAz Board has established a professional development fund to assist members with financial support to attend educational courses, programs, and conferences sponsored by GFOAz or GFOA. For the first year of the program, \$2,000 has been set aside for scholarships. Scholarships will be awarded in the form of reimbursements. Award recipients will receive a maximum reimbursement of \$500 towards the cost of attending a program.

To qualify for a scholarship, the applicant must be an Active member of GFOAz. Preference will be given to applicants whose organizations do not cover travel or registration costs for the specific training or conference the applicant is interested in attending. Award recipients may be asked to share the information they learned at the training by writing an article for the GFOAz newsletter or speaking at future GFOAz trainings.

To apply for the scholarship, please review specific requirements online at www.gfoaz.org under scholarships. Applicants must submit a letter of interest indicating which training or conference you are interested in attending, the estimated cost, and an explanation of what you hope to learn and/or accomplish as a result of attending the training or conference. In addition, please describe your financial need and provide information about your involvement in GFOAz activities. The letter should be sent to: GFOAz; Professional Development Scholarship; 1820 W. Washington St.; Phoenix, AZ 85007.

The application deadline has been extended until **Thursday, December 2, 2004.**

Should you have any questions, please contact Brent Stoddard at (602) 258-5786 or bstoddar@mg.state.az.us.

2 Great GFOAz Trainings

We have had two successful trainings the last few months. In August we had the Summer Training. Everyone enjoyed the exciting lineup of distin-

guished financial professionals covering many topics including: Expenditure Limitation Reporting, Working with WIFA and GADA, Arizona Water Issues, GASB 44 Statistics, Implications of Check 21, Accounting for Impairment of Capital Assets, improving budget process, and the Art of Negotiation.

In October we had the Investing Public Funds Seminar at the Hilton in Mesa. Linda Patterson, President, Patterson & Associates and Ned Connolly, Vice President, Chandler Assets, led a two day discussion on why sound fiscal management is one of the most important roles of finance officers in today's economy. They discussed how important it is to have the knowledge and fundamentals to accomplish the three vital objectives of investing public funds: low risk (safety of principle), high yield, and high liquidity. Linda and Ned presented several investment fundamentals and strategies and explained how to use those fundamentals to build a portfolio which supports the unique needs and objectives of each municipality's public funds.

National GFOA Member Directory Now Online

GFOA's national member directory search page is now available. This new service provides current members with email addresses and telephone numbers of other members. Access to the directory is available after login. The directory can be searched by either last name or agency name to locate specific members at www.gfoa.org.

Don't Forget to Make your Reservations for the 2005 GFOAz Annual Conference!

The 2005 GFOAz Annual Conference is March 9-11 at the Tucson Marriott University Park Hotel. Room Reservations may be made at the group rate of \$132/night, depending on your room preference, by calling 520-792-4100. The group rate is available through February 7, 2005. Registration packets for the conference will be mailed to members and posted on the GFOAz web site (www.gfoaz.org) in early January.

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GFOAz News is published by the Government Finance Officers Association of Arizona. Forward your comments or suggestions to the League of Arizona Cities and Towns, Attn: Brent Stoddard, 1820 W. Washington Street, Phoenix, Arizona 85007, Phone: 602-258-5786, Fax: 602-253-3874, email: bstoddard@mg.state.az.us

2005 GFOA Awards for Excellence in Government Finance

We encourage all of you to submit projects or other items for consideration for this prestigious award. The GFOA's Awards for Excellence in Government Finance recognize contributions to the practice of government finance that exemplify outstanding financial management. The awards stress practical, documented work that offers leadership to the profession and promotes improved public finance. Entries may be submitted for consideration in any of the following eight categories:

- accounting, auditing, and financial reporting;
- budgeting and financial planning;
- cash management and investing;
- capital finance and debt administration;
- pensions and benefits;
- management and service delivery;
- enterprise financial systems;
- technology.

Eight criteria are examined when considering an application for the award: local significance and value, technical significance, transferability, documentation, the cost/benefit analysis, efficiency, originality, and durability. Membership in the GFOA is not required to apply for an award; however, nonmembers and students must be sponsored by an active GFOA member. Applications for the 2005 Awards for Excellence program are available and will be accepted until January 31, 2005.

Applications forms and instructions are available on GFOA's web site www.gfoa.org under Award Programs. If you have any questions email AwardsforExcellence@gfoa.org.

Congratulations Arizona's 2004 Distinguished Budget Award Winners

The GFOA Budget Awards Program is designed to encourage governments to prepare budget documents of the highest quality to meet the needs of decision-makers and citizens. Since the program was first established in 1984, participation has grown from 113 to 1,004, which includes several contributions from Arizona municipalities.

The following are the Arizona recipients of the Distinguished Budget Award and the

Certificate of Achievement for Excellence in Financial Reporting for fiscal year 2003:

Maricopa County
Pima County
Pima County Community College District
City of Safford
City of Surprise
City of Glendale
City of Cottonwood
Central Arizona Conservation District
Town of Gilbert
Town of Payson
Coconino County

Renewal Reminder

All GFOAz members were sent membership renewal invoices this month. Your dues and updated membership information must be received by December 31, 2004 in order for your contact information to be included in the 2005 GFOAz Membership Directory.

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GFOA Recommended Practice

Use of Positive Pay Versus Reverse Positive Pay

Background. Positive pay is becoming the leading method of check fraud deterrence available today. This process entails a daily reconciliation of an issuer's checks to checks presented for payment to the issuer's bank to identify potentially fraudulent checks. For those entities unable to use positive pay, GFOA recommends that such entities use reverse positive pay. However, positive pay is a stronger deterrent to check fraud. Positive pay allows an issuer and its bank to work together to detect check fraud by identifying items presented for payment that the issuer did not issue. Under positive pay, an issuer prepares a formatted-checks issued data file (including check number, amount and date as well as other bank and account infor-

mation) and transmits this data to its bank. Stop payments, voided checks and manual checks can also be included in the formatted-checks issued file. The bank compares checks received for payment against the record of all issued checks. The bank identifies items that do not match the issue amount and check number. The bank may offer additional services to identify checks that exceed certain dollar amounts and "stale" (dated) checks. The bank presents the rejected items to the issuer for its consideration for payment. Reverse positive pay is similar to positive pay, but the process is reversed, with the issuer, not the bank, maintaining the list of checks issued. When checks are presented for payment the issuer's bank prepares a file of the checks, account numbers, serial numbers, and dollar amounts and sends the file to the issuer. The issuer then compares the information to its internal records. The bank is notified which checks to pay or reject.

Recommendation. The GFOA recommends that governmental entities use positive pay as the primary check clearance process in banking services agreements. This service should be included as part of an overall program of check fraud protection, including secure file transmission.

The GFOA further recommends that the issuer have specific knowledge of their exposure to loss with both their insurance carrier, if any, and their banking institution. It is recommended that the government have a clear, written understanding of their depository bank's policy on check fraud and liability for loss. Governments should familiarize themselves with the Uniform Commercial Code with regard to both bank and issuer responsibilities.

Reference

- Technology for Treasury Management, Nick Greifer, GFOA, 2001.

GASB Review Committee Members Needed

The GFOAz Board is currently looking for members who would be interested in serving on a committee to examine and comment on GASB exposure drafts. This is a unique opportunity to participate in a dialogue on GASB issues. If you are interested please contact Brent Stoddard at (602) 258-5786 or bstoddard@mg.state.az.us.

State and Local Government Securities Window Closed

On Thursday, October 14, the U.S. Department of the Treasury suspended the sale of SLGS (state and local government securities) as the U.S. approaches the \$7.4 trillion debt limit. There was only a one-hour notice of the suspension. All subscriptions made prior to 3 p.m. on October 14 will be honored; however, new subscriptions will not be allowed until the suspension ends, which will most likely be when Congress returns in November and votes on a debt limit increase. The IRS has a revenue procedure for issuers to follow while the window is suspended.

Additionally, on September 28, the U.S. Department of the Treasury released a proposed rulemaking change with regard to the SLGS program. The proposed changes would severely impact issuers and the flexibility now enjoyed within the program. Changes include:

- eliminating the ability for issuers to cancel their subscription, free of charge;
- a new requirement that issuers certify their intent to issue bonds prior to arranging for a SLGS subscription;
- eliminating the ability to change the SLGS delivery date;
- setting the SLGS rate at 10 a.m. each morning, rather than the night before;
- allowing SLGS to be purchased only between 10 a.m. - 6 p.m. EST;
- exclusive use of SLGSafe, the Web-based program to place a subscription.

The comment period regarding these changes ended October 28. However, GFOA and other parties are seeking an extension, due to the plethora of changes noted in the proposal. GFOA is working with other issuer communities to send in comments.



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MEMBER PROFILE

Kent Brooksby, CPA

Finance Director
Town of Pinetop-Lakeside



Where are you originally from?

Born and raised in Mesa, back when it was a LOT smaller than it is now. Degrees in Psychology and Accounting from ASU. We fled the Valley of the Sun for Pinetop-Lakeside 13 years ago. At first, it was a bit unnerving to breathe air we couldn't see, but we got used to it.

Where is your favorite vacation location?

I don't really have a favorite. I like to go places I have never been. My wife of 31 years and I are trying Hawaii next June when she finishes Nursing school. If I had to go back to a place I have been before, it would either be Germany, Austria, Switzerland or somewhere along the Blue Ridge Parkway in North Carolina.

What areas of government finance interest you the most?

I guess I am a generalist. Maybe that's because ours is a little town without a lot of money to work with. I just enjoy making everything work as smoothly as possible. I enjoy government finance because it gives me a chance to interact with people (including my awesome staff) and to play a part in making good things happen for my community.

What other communities have you worked for?

This is my first foray into municipal finance. I have been Finance Director for the Town of Pinetop-Lakeside for four years now. I worked for a time as Chief Accountant of the White Mountain Apache Tribe for three years, but most of my experience is in public practice. Accounting is a second career for me - I started out as a Marriage and Family Counselor.

What cd's are currently in your stereo?

Bach's Sonatas and Partitas - Paul Galbraith
Dragonfly Summer - Michael Franks
Time Out - Dave Brubeck
Our Relations - The Beau Hunks
Chicago's Greatest Hits

What is the best piece of advice you have ever been given?

My father gave me some great advice in three parts:
1) If you eat a small toad first thing in the morning, it will be the worst thing you have to do all day;
2) If you have to eat a toad, it doesn't do any good to sit and stare at it for a long time first;
3) If you have to eat two toads today, eat the ugly one first.

New Staff

We would like to welcome Marisa Hoskins who has joined the League of Arizona Cities and Towns. Marisa is the Communication and Education Assistant and will work with GFOAz on conference planning, newsletters, and web site content. Marisa is a recent graduate of Grand Canyon University and has worked in both the City of Phoenix Community and Economic Development department and with the City of Glendale. We are very excited to have Marisa on board.



We have had several new members join GFOAz since August and we look forward to meeting many of you at the upcoming Conference.

Cheryl A. Park, Accountant, City of Show Low

Julianne E. Loyd, Accountant II, City of Glendale

Ray Noriega, Financial Analyst/Financial Accounting, Tucson Airport Authority

Connie Reavis, Cash Management Specialist, City of Tempe

Linda D. Willis, Investment Accounting Manager, Arizona State Treasurer's Office

Sherwin E. Pestka, Accountant V, Arizona State Treasurer's Office

Deborah A. Lewis, Accounting Manager, City of Glendale

Diana Betancourt, Finance Director, City of El Mirage

Mike Sherman, Senior Vice President, Peacock, Hislop, Staley & Given

John G. Fedor, Network Analyst, Town of Gilbert

Ms. Lee Guillory, Finance Manager, City of Scottsdale

James F. Hamblin, Director of Finance, Town of Springerville

Irma T. Rojas, Assistant Finance Director, City of El Mirage

Earn 2 CPE Credits Online December 15!

GFOA has announced a new offering in its popular Internet training series that should be of particular interest to certified public accountants seeking to complete their continuing professional education requirement for 2004. This live, two-hour, interactive

program will cover accounting and financial reporting for other post employment benefits (OPEB) and is specifically designed to meet the needs of those with no prior knowledge of pensions and benefits accounting. The program, which combines lecture, illustrations, and exercises, is scheduled for Wednesday, December 15, from 2 p.m. to 4 p.m. EST. Register online at www.gfoa.org.

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