

MARCH 2014

American Society of Military Comptroller

H A M P T O N R O A D S C H A P T E R

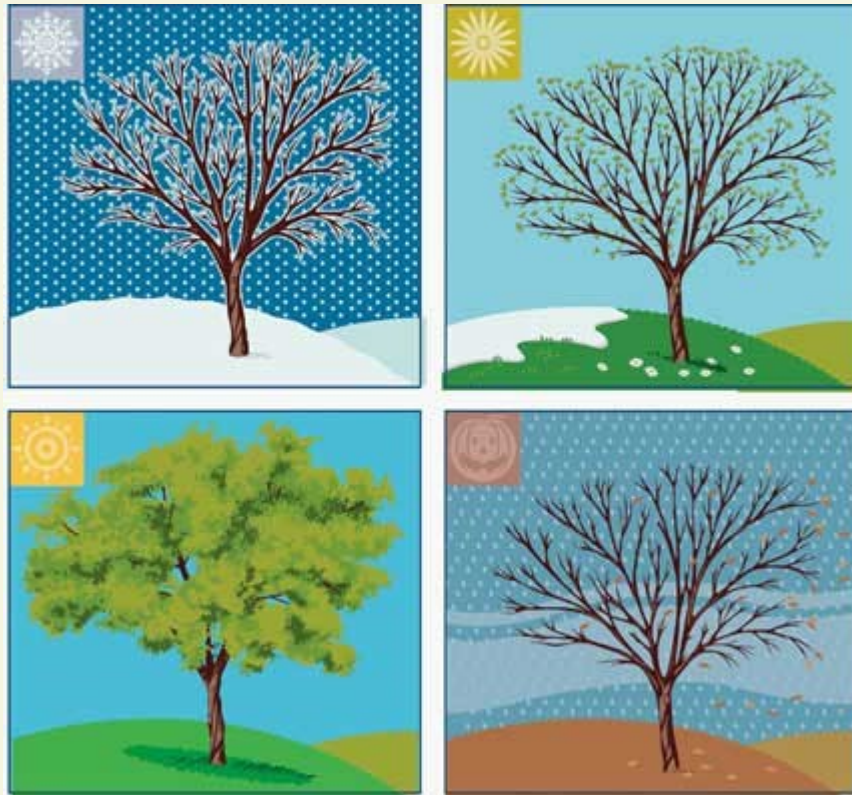


P R E S I D E N T ' S M E S S A G E

I recently helped out with the Special Olympics Polar Plunge in Virginia Beach. Thinking ahead, if those athletes can brave icy water, then facing financial challenges cannot be too hard. With Spring, comes new beginnings and new challenges. Some of us begin our audit cycle, with resources dedicated to preparing responses to audit requests. So take a moment to shake off the winter chill, lay out the field and sow those seeds needed to blossom financial success this summer. We continue to have record attendance at our monthly events and the Spring PDT 24-25 is looking to have a full turn out. There is still time to register . Visit our website for more information. <http://hamptonroadsasmc.com>.

I know questions remain about the DOD FM certification. Look for regular updates in our newsletter. This newsletter and other important updates are posted to our new website. Please visit and let us know what you think. <http://hamptonroadsasmc.com>.

Brad Hanover



Recognition

Congratulations to our new CDFM certificates and new members.

NEW CDFM

Solomon Streets, Jr., CDFM	Air Force	11/25/2014
Ryan Werner, CDFM	Army	12/22/2014
Wayne A. Childress, CDFM	Army	02/03/2015
Matthew Goss, CDFM	Air Force	02/04/2015
Jennifer Proffitt, CDFM	Army	02/04/2015
Demetrius Lee, CDFM	Air Force	02/10/2015
John Miller, CDFM	Navy	02/10/2015
Joseph Baptiste, CDFM	Navy	02/10/2015
Dave Todd, CDFM	Navy	02/12/2015

NEW MEMBERS

Jennifer Proffitt, CDFM	Army	11/26/2014
Julie A. Heller, CDFM	Navy	12/05/2014
James T Beck, Jr.	Coast Guard	12/11/2014
Lauren Wood Pankratz	Navy	12/11/2014
Virginia Ramirez Twigg	Air Force	12/11/2014
Alesia M. Douglas, CDFM	Navy	12/15/2014
William E. Holdiness	Other Fed Agency	12/15/2014
John Miller, CDFM	Navy	12/18/2014
Kathy L. Repass, CDFM	Navy	12/19/2014
James Finlay	Navy	12/20/2014
Diane Good	Private Sector	12/29/2014
Olusegun Taiwo	Navy	12/29/2014
Tara Ann Lambert	Coast Guard	12/30/2014
Joseph Baptiste, CDFM	Navy	01/02/2015
Candace Grace Mianulli	Coast Guard	01/06/2015
David Timothy Baum	Navy	01/06/2015
David Anthony Hunter	Navy	01/08/2015
Tina Adams	Navy	01/09/2015
Anthony Nweke	Private Sector	01/09/2015
Shawnell Denise Scott	Army	01/09/2015
Kristen Nichole Norfleet	Navy	01/09/2015
Blake Roth	Private Sector	01/10/2015
Derrick Cross, Sr.	Coast Guard	01/22/2015
Jill S. Patsell	Navy	01/23/2015
Irene Chanita Hinton	Army	01/25/2015
Travis Eugene Jennings	Other Fed Agency	01/26/2015
Roderick Dean Jones	Coast Guard	01/29/2015
Matthew Thompson	Army	01/29/2015
Lora P. Ham	Air Force	01/30/2015
Marilyn Orolfo Sarsozo	Air Force	01/30/2015
Lee Andrus Arvie, Jr.	DFAS	02/04/2015
Marcus Merriman	Coast Guard	02/05/2015
Diane G. Clifton	Air Force	02/06/2015



COMMUNITY SERVICE

This Winter, members donated over 170 stockings stuffed with toys for the Salvation Army, 34 Angel Tree tags and participated in the Polar Plunge, raising funds for Special Olympics. Our next campaign is March of Dimes beginning soon. Contact your Community Services Rep to see how you can help.



Special Olympics

march  of dimes®

ASMC HRC PROFESSIONAL DEVELOPMENT

The 2015 PDI will be held in New Orleans from May 27th – 29th. This year's PDI will again include Mini-courses aligned to Level 2 and Level 3 DoD FM Certification Program requirements. It will also include other top-notch programming and workshops, professional development and networking opportunities, and first-rate speakers. Registration for PDI 2015 will open in mid-February. Mark your calendars now and plan to "be in that number"! More information is available at: <http://pdi2015.org>.



Did you know that the Armed Forces Comptroller (AFC), ASMC's journal is available online to members? Read more on how to access the digital AFC.: <http://www.asmconline.org/publications/armed-forces-comptroller/recent-issue-highlights/online-armed-forces-comptroller-journal/>



UNLOCKING THE POWER OF IMPROVEMENT IN THE COLLECTIONS PROCESS BY JEROME JONES USCG

In April 2014 the Coast Guard's Finance Center initiated a review of its collection process for receipts from its lockboxes associated with Certificate of Inspections (fees the USCG charges commercial vessels). As project Green Belt Jerome Jones describes, the two processes chosen for review were Certificate of Inspection (COI) Lockbox in the Collections section and COI Late Payment Notification/FMS Transfer in the Receivables section.

The USCG routinely inspect commercially owned US and foreign flagged vessels utilizing US waters to ensure the safety compliance of Subpart 2 of the 46th Code of Federal Regulation (CFR). Upon completion of the inspection, a commercial vessel is issued a five year COI for US flagged vessels or a one year Certificate of Compliance (COC) for foreign flagged vessels confirming their compliance in accordance with 46 CFR. Commercial vessel owners must pay an annual fee for the duration of the certificate provided. US flagged vessel owners are notified monthly via an Annual User Fee Notification Letter generated and distributed on or about 40 days prior to the due date of the fee. The letter provides payment options which include payment by check, the most popular for companies with multiple vessels. Payments via check are received and processed through a lockbox set up through Bank of America (BOA). Once received and processed at BOA, The Coast Guard's Core Accounting System (CAS) automatically applies the payment to the associated open receivable, or is placed on account for research if an open receivable is not found. If the fee is not paid within 30 days after the established due date, a Dunning or Late Notification Letter is then generated and distributed to notify the owner of the delinquency. After an additional 60 days of nonpayment, the debt is then transferred to the US Treasury for collection.

Step one was to see the process. Green Belts coached the experts (SMEs) in mapping each of their processes, step by step, using a technique called Value Stream Mapping. Here is where brown butcher paper and yellow post-it notes become the main media of mapping. Each and every step in the processes including movements within the processes, such as GO TO COPY MACHINE and/or RETURN TO DESK, is noted and mapped. To the amazement of the SMEs, the intricacies of their processes, once mapped, were more extensive than realized.

Step two was to analyze the process, step by step, and identify any waste, bottlenecks, or constraints. Questions such as "Which specific part of your process takes the longest?" and "Do we have control over the time?" proved effective in stimulating our SME's minds, elevating their thinking from "we've always done it this way", and testing the validity of each step. During the review, bottlenecks were identified within the COI Lockbox process and the Late Payment Notification/FMS Transfer process along with significant areas of waste.

Step three was to provide solutions to the identified waste, bottlenecks, or constraints. The SMEs were coached into an open brainstorming session for possible solutions to each of the

**UNLOCKING THE POWER OF IMPROVEMENT
IN THE COLLECTIONS PROCESS
BY JEROME JONES USCG
CONTINUED**

issues identified. To ensure the solution was possible, SME's were asked questions such as "Does the solution interfere with another agency? What is the level of authority required to execute the solution? Does the solution help the process not adding additional resources? Will the solution provide savings?" These type of questions helped test proposals to gauge if the solution truly had value. Once analyzed and solutions presented, each solution then received a vote to find the one most viable solution for testing.

Step four was to test the selected solution. Each solution selected by the SMEs required cross-divisional support and/or organizational buy-in of the potential change. One company voluntarily changed their process of sending check payments from bulk to individually, which provided the Team comparable data needed to show the feasibility of the selected solution. The FINCEN Mail Room, Systems, Imaging, and FMS Debt Collection sections were approached to discuss the feasibility of the proposed solutions for Late Payment Notification/FMS Transfer and found the solutions viable and will not impede with other processes.

Step five was to take the tested or approved solutions and create a Future State map and see what their processes would look like once the new processes are implemented. The SMEs were able to measure the savings of the solutions, and also identify which solutions could be implemented now or what needed further approval before implementation.

Summary: During this project the SMEs mapped current process, thoroughly analyzed those processes, identified bottlenecks, constraints, and areas of significant waste, and provided viable and effective solutions. As a result, the team generated the following government savings to the Coast Guard's collections and accounts receivable processes.

COI Lockbox:

- ⇒ Reduction of 15 + hours to approximately 1 hour resulting in a 94% reduction in processing time and government cost savings of approximately \$3390.00** per year.

COI Late Payment Notification

- ⇒ Saved approximately 14½* reams of paper per year used for printing dunning letters. A 50% reduction.
- ⇒ Saved approximately 14* reams of paper per year used for printing coversheets for scanning. A 98% reduction.
- ⇒ Reduction of 2 + hours to 1 hour or less resulting in a 66% reduction in processing time.

**UNLOCKING THE POWER OF IMPROVEMENT
IN THE COLLECTIONS PROCESS
BY JEROME JONES USCG
CONTINUED**

FMS Transfer:

- ⇒ Eliminated 6 unnecessary steps
- ⇒ Paper use for printing FMS packet information reduced by 83%.
- ⇒ Reduction of 45 minutes to approximately 15 minutes resulting in a 75% reduction in processing time.

Project Cumulative:

- ⇒ Total Cost Savings: \$4,269.00 per year
- ⇒ Total Processing Hour Savings: 213 + hours per year.
- ⇒ Total Material Savings of approximately 24 ½* reams of paper per year.

*Based on 500 ct ream of 8½ x 11 paper.

** Based on current GS7 Step 1 Salary of \$39,179

The data shown here reflect project savings within the process areas selected; however, further research would undoubtedly reveal savings radiated in other areas such as cost of toner in printing less paper or process time savings at Imaging due to a reduced amount of paper submitted for processing.

This project not only yielded notable savings to USCG, but also provided an awesome forum for Subject Matter Experts to show what they do on a day-to-day basis, and constructively provide valued input for improvement of their process.

H A M P T O N R O A D S C H A P T E R , A S M C
E X E C U T I V E C O M M I T T E E M E E T I N G M I N U T E S
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- I. Call to Order by Brad Hanover. Quorum established.
- II. Committee Officers Present: President, Brad Hanover (Coast Guard); Jeremy Taylor (USAF VP); Nishia Cairo (Navy VP), Deanna Morinec (Treasurer), Teresa Harmon(Awards), Joe Cattoi (Professional Development), and Paula Crawford (USCG Rep)
- III. President's remarks: March 24-25 training @ ODU Higher Education Learning Center. Training will consist of 8-12 speakers, speaking for 50-100 min. AGA will set up registration which can be made online with the price being \$80-\$100. 110 seats are available with 12-13 reserved per service. Joe Cattoi will send speaker invites to Nishia Cairo and Deanna Morinec. 1 speaker from each service needs to be confirmed ASAP.
- IV. Secretary's Report: December Minutes were put out to membership. A motion was passed to accept the minutes.
- V. Treasurer's Report. Motion passed to accept December's report. \$500 is set aside to have tax rep complete 2014 990 tax form.
- VI. Committee Reports
 - A. Professional Development (Joe Cattoi) USCG hosting January 14th luncheon, the speaker will be Mr. John Pendleton director of GAO with AGA invited. Navy is hosting Feb 11th lunch. The speaker will be Mr. Mark Honeker
 - B. Competition:
 - C. Publicity/website:
 - D. Membership:
 - E. Ways & Means: remains vacant
 - F. Scholarship (Raylin Neblitt): Raylin will be working with Adam , awaiting response from students
 - G. Awards (Teresa Harmon): Representative for Air force was solicited. All services will solicit nominations, end of March 2015 is the absolute cut-off time.
 - H. Community Service:
 - I. Historian: In 2016 we will reach our 50 year mark as a Chapter.
- VII. Old Business:
- VIII. New Business: Navy will lead after Coast Guard. Nishia Cairo will be transitioning out and currently looking for replacement.
- IX. Vice President's Comments:
 - A. Coast Guard (Faith Smith):
 - B. Army (Carolyn Prickett):
 - C. Navy (Nishia Cairo):
 - D. Air Force (Jeremy Taylor):
- X. Meeting adjourned: Next Executive Meeting 04 February, 1130, 757-413-7321.

H A M P T O N R O A D S C H A P T E R , A S M C
E X E C U T I V E C O M M I T T E E M E E T I N G A G E N D A
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- I. Call to Order by Brad Hanover. Quorum established.
- II. Committee Officers Present: President, Brad Hanover (Coast Guard); Jeremy Taylor (USAF VP), Michael Rogers (Secretary), Patty Hockenberry (Community Service), Joe Cattoi (Professional Development), Paula Crawford (USCG Rep), Joyce Cuffy
- III. President's remarks: Confirmed flyers for Spring PDT were received, P Crawford will send flyers to J.T., C. Prickett, and N. Cairo.
- IV. Secretary's Report: February Minutes were put out to membership. A motion was passed to accept the minutes.
- V. Treasurer's Report.
- VI. Committee Reports
 - A. Professional Development (Joe Cattoi) March PDT-Mr. Honecker, C. Prickett will start planning April PDT
 - B. Competition:
 - C. Publicity/website: Newsletter should be published by beginning of March
 - D. Membership:
 - E. Ways & Means: remains vacant
 - F. Scholarship (Raylin Neblitt): C Prickett motioned to have deadline extended due to inactivity (only 3 submissions). P Crawford second motion
 - G. Awards (Teresa Harmon): Deadline extended to March 31st
 - H. Community Service: Polar Plunge-additional volunteers are needed (CG-8 volunteers, Army-1 Volunteer)
 - I. Historian: In 2016 we will reach our 50 year mark as a Chapter
- VII. Old Business:
- VIII. New Business: Volunteer names submitted for Spring PDT
- IX. Vice President's Comments:
 - A. Coast Guard (Faith Smith):
 - B. Army (Carolyn Prickett):
 - C. Navy (Nishia Cairo):
 - D. Air Force (Jeremy Taylor):
- X. Meeting adjourned: Next Executive Meeting 04 March, 1130, 757-413-7321.

H A M P T O N R O A D S C H A P T E R , A S M C
E X E C U T I V E C O M M I T T E E M E E T I N G A G E N D A
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Time: 1130

Call in no.: 747-413-7321

- I. Call to Order
- II. President's Remarks (Brad Hanover)
- III. Secretary's Report (Michael Rogers).
- IV. Treasurer's Report – (Deanna Morinec) :
- V. Committee Reports (Status/Objectives/budgets):
 - A. Professional Development (Joe Cattoi) :
 - B. Competition (Michael Rogers)
 - C. Publicity / Website (Ed Tabor, Sofia Rivera-Encinas): Approve newsletter.
 - D. Membership (Gail English):
 - E. Ways & Means (Vacant)
 - F. Scholarship (Raylin Neblitt) :
 - G. Awards (Teresa Harmon)
 - H. Community Service (Patty Hockenberry) :
 - I. Historian (Joyce Cuffee)
- VI. Old Business:
- VII. New Business:
- VIII. Vice Presidents Comments
- IX. Coast Guard VP (Faith Smith)
 - Army VP (Carolyn Prickett)
 - Navy VP (Nishia Cairo)
 - Air Force VP (Jeremy Taylor)
- VI. Next Executive Meeting 01 April, 1130, 757-413-7321.

Interesting Fun Fact

Proof that the pen is mightier than the keyboard

By: Charles Wallace
Financial Times
ft.com/management

It turns out that writing involves a completely different process to typing. Daniel J Levitin, a professor of psychology and behavioral neuroscience at McGill University in Canada, devotes an entire chapter in his appealing book, *The Organized Mind: Thinking Straight in the Age of Information Overload*, to why writing things such as to-do lists by hand can be wise.

“Writing things down requires more concentration and deeper processing than typing,” Mr Levitin tells me. When you type, although your fingers move on the keyboard, your hand stays in more or less in the same place. With handwriting, however, your hand moves across the page and adds spatial skills and memory to the equation.

“Deeper processing means you are more likely to remember and encode the information,” Mr Levitin adds. “Deeper encoding allows for the linking of the concept to other concepts that you have deep in memory. It allows you to see how items on your to-do list are all related to one another.”

Perhaps this is why Sheryl Sandberg, chief operating officer of Facebook, admitted in her book *Lean In* that she totes “a notebook and a pen around to keep track of my to-do list which, at Facebook, is like carrying around a stone tablet and chisel”. And she’s not alone. A former Google executive told Mr Levitin that the practice is common in Silicon Valley, which produces all those apps.

Although the debate over the relative merits of paper and digital is relatively new, there is some research to support pen and ink advocates. Academics have had a hunch for a while that students who take written notes are learning more than keyboard note takers.

Of course, one explanation may be that students in lecture halls are looking at Facebook rather than their notes. But in a study by Princeton University, students using a pen and paper to take notes were found to have a much better understanding of concepts than those who took notes on their laptops — even though laptop users had more precise and lengthy verbatim notes. The act of writing forces you to think about what you are setting down, even if you don’t get the words exactly right, the researchers reckon.

Mr Levitin argues that the act of writing evolved over many millennia, becoming a familiar physical activity in a tangible world. “Our brains may change to adapt to the digital world, but it could take thousands of years before that takes place. There is something visceral about dealing with tangible objects,” he says.

Interesting Updates

Submitted by LT Brad Hanover, USCG

ETHICS UPDATE

According to PwC's Global Economic Crime Survey 2014, organizations increasingly are detecting economic crime through controls rather than by accident. This is great news as we continue to refine and strengthen our controls to meet rigorous audits. In 2014 50% of crime was detected through controls, up from 35% in 2005.

How objective are you? In its Professional Judgment Framework published in 2011, KPMG discussed five common biases that impact our judgments. The Committee of Sponsoring Organizations of the Treadway Commission (COSO) incorporated this list into its white paper "Enhancing Board Oversight" (<http://www.coso.org/guidance.htm>)

- ♦ Availability: Relying on the most readily available information
- ♦ Anchoring: Focusing on a preliminary amount and adjusting
- ♦ Overconfidence: Over estimating abilities
- ♦ Confirmation: Making interpretations that support preexisting beliefs
- ♦ Rush to solve: Failing to consider all available data



TAX UPDATE

By now many of us have filed our 2014 federal and state tax returns.

Free and quick tax filing may be available through Volunteer Income Tax Assistance (VITA) program sponsored by the IRS. Certified volunteers will help members in preparing and filing their federal, and often state, tax returns. You may find a site near you by using the VITA Locator Tool or calling 1-800-906-9887. There is no charge for VITA/self-service tax preparation. This provides a money-saving alternative to commercial tax-preparation companies. For USCG members, one alternative, is free electronic filing services through CGSUPRT (www.CGSUPRT.com), sponsored by H&R Block. The Navy also has assistance centers located at several Region Legal Service Offices (RLSOs), select Fleet and Family Support Centers, and select fleet units located around the globe and afloat.

Links to more information:

- To Find a VITA Site Near You: <http://irs.treasury.gov/freetaxprep/>
- Tax Guides/Navy VITA sites: http://www.jag.navy.mil/organization/code_16_tax_info.htm

Interesting Updates

continued

Filing deadlines for deployed members

For members of the Armed Forces serving in a combat zone or qualified hazardous duty area, the IRS may automatically extend the deadline for filing tax returns, paying taxes, filing claims for refunds, and taking other actions. The deadline for taking action with the IRS is usually extended for at least 180-days after the later of:

- The last day a member performed the qualifying combat duty, or
- The last day of any continuous qualified hospitalization for injury from the qualifying combat duty

In addition to the 180-day extension, the deadline is also extended by the number of days that were left to take action with the IRS when the taxpayer entered the combat zone (or began performing qualifying service outside the combat zone). If a taxpayer entered the combat zone or qualified hazardous duty area before the period of time to take action began, the deadline is extended by the entire period of the time to take action. Seek guidance from your legal servicing or VITA office.

The Tax Increase Prevention Act of 2014, PL 113-295, temporarily extends a variety of expired individual tax breaks.

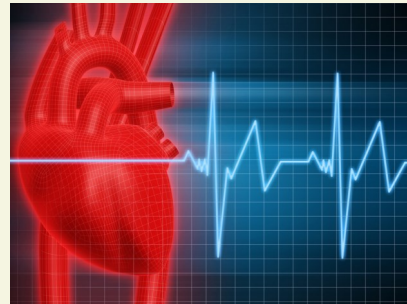
- Tax favored accounts under Sec 529A that will allow disabled individuals to save money for disability expenses.
- Sec 62 deduction for certain expenses of elementary and secondary school teachers
- Sec 132 provision providing parity between employer-provided mass transit and parking benefits
- Sec 163 treatment of mortgage insurance premiums as qualified residence interest
- Sec 222 above the line deduction for qualified tuition
- Sec 408 provision allowing tax-free distributions from individual retirement plans for charitable purposes



LEARNING POINTS

Suggested Readings:

- ◇ The Next America: Boomers, Millennials, and the Looming Generational Showdown, by Paul Taylor
- ◇ Stress Test: Reflections on Financial Crises, Timothy F. Geithner



CALENDAR OF EVENTS

04 Mar	Executive Meeting
24-25 Mar	Annual Joint ASMC/AGA PDI (ODU Higher Education Center – Va Beach)
01 Apr	Executive Meeting (no joking)
TBD Apr	Luncheon, Army
26 Apr	March for Babies - Community Service event
06 May	Executive Meeting
TBD	Luncheon, Air Force
03 Jun	Executive Meeting
17 Jun	Annual Membership meeting, Award presentations and turnover