



# GOVERNMENT & NONPROFIT NEWS

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American Accounting Association

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## MESSAGE FROM THE PRESIDENT

JAYARAMAN VIJAYAKUMAR, Virginia Commonwealth University

Once again, warm Greetings to all of you from Richmond, Virginia. I hope that your Fall Semester went well and your Spring Semester is off to a great start!

We had a wonderful meeting in Anaheim. It was nice seeing the good turnout at our GNP sessions. We had eleven sessions, a record that will be hard to match or beat in the near future. Kudos to Suzanne Lowensohn and all the reviewers, discussants, and moderators for their great organizational effort. Nicole Thibodeau and Suzanne—with help from Sri Ramamoorti, our Vice-President (Practice)—put together a very informative CPE session combining both Research and Teaching. Thanks also to Saleha Khumawala for the great job that she did as the GNP President last year. Thanks to her, a special issue of *The Journal of Accounting and Public Policy* will be coming out soon. All of our other committees were very active last year, leaving me and the executive committee with the task of making sure that the section will build on our accomplishments and become even better.

Let me start by sharing with you some wonderful and exciting news. As many of you may know, our section submitted a proposal to the AAA to start a journal devoted to Government and Nonprofit research. Don Deis, Dana Forgione, and Vaughan Radcliffe (members of our Publications committee) and Saleha Khumawala have worked hard to make sure that we submitted an excellent and comprehensive proposal. At the invitation of the AAA Publications Committee, members of the Publication committee, Saleha Khumawala, Tom Vermeer, and I met with them at the Anaheim annual meeting. We presented the committee a strong case for the section to start its own journal. I believe that the discussion with the Publications Committee went very well.

I am now delighted to report that the AAA Executive Committee has *approved* our proposal for our own section journal! This is truly exciting news! It will have a positive and long lasting impact on our section. I am delighted that this has happened during my tenure as President. However, truly, the credit for this goes to all others preceding me in this position who have dreamed and shared this vision for long, and who have laid the foundation and strengthened the section for this to happen. Significant credit also goes to our Publications Committee—ably and tirelessly led by Dana Forgione—who worked hard for the last few years on this effort. We would not have a section journal had we not had their persistence and efforts. The section journal is a dream come true; let us celebrate this and enjoy this occasion. I will keep you informed about further developments relating to the journal.

The 2008–2009 year is off to a good start. As I had communicated to our section members earlier, Grant Thornton LLP has agreed to sponsor our midyear conference. Our section now joins the ranks of a few other sections (such as the Auditing Section and the International Section) in having a major accounting firm as the sponsor of our Midyear Conference. Given how helpful Grant Thornton has been to the section in the past and their interest and expertise in the public sector, I believe that the section can look forward to a beneficial and long lasting relationship with them.

Regarding the Midyear Conference: I hope you have marked March 27–28, 2009, for attending the conference in Washington DC. Yes, the meeting will be in Washington, DC, right at the time when the famous cherry blossoms along the Potomac are expected to be in full bloom. Spring in DC can be very nice (ask Angela Gore, Linda Parsons, Louis Stewart, Tom Vermeer, or Bill Baber about it). I look forward to seeing you there.

Sponsorship, journal and great meetings—hopefully, we will have it all. However, as you all know, what makes our section great are our members. I have been with the section for 20 years, starting with my years as a doctoral student. I can truthfully

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say, and I am sure that all of you will agree, that what distinguishes our section is the unbelievable collegiality and willingness to help each other. These characteristics get better year after year. Our membership numbers are healthy, but they should not lead us to complacency. Therefore, I request each one of you to promote our section to your colleagues and doctoral students. Andy McLelland, our new membership director is working hard to increase membership and will be contacting you soon requesting your help in enrolling new members. Please do the best you can in making sure that our membership keeps growing.

Those of you who were at Anaheim may be aware of the new “AAA Commons”. This new platform will enable AAA members to collaborate on projects, share information, ideas, and essentially, be linked up in a virtual network. In my own terms, I think of it as “Facebook for Accountants”. Each AAA section and region has been asked to develop content for the commons and utilize the platform to serve its membership. I have asked Dwayne McSwain, our webmaster, to form a committee to explore how best we as a section can utilize the AAA commons. If any of you (particularly our newer and younger members who may be more tech savvy and less technology challenged) are interested in serving on the committee, please contact Dwayne McSwain (dmcswain@mtsu.edu) as soon as you can.

I have also asked two of our former Presidents, Rich Brooks (who has always had keen interest in this) and Don Deis (who was involved in changes to our by-laws in the past) to work on cleaning up and updating our bylaws. I believe that we have not done this in the near past. I do not expect that there will be any significant changes. Predominantly, they will be coming out with a “clean” version of our by-laws. I expect that any incidental changes that arise in this process or additional changes that they propose will be discussed in our Executive Committee and general body meeting this coming year.

Let me conclude by requesting your continued help and support in moving our section forward. We have an exciting year ahead of us. I look forward to seeing all of you in DC in March.

## **GREETINGS FROM MEMBERS**

From time to time I hear from current members and even former members who haven’t been in touch for awhile. I’m adding this section to the newsletter to pass along details about these colleagues so that those of you who know them can drop them a line.

**DENISE NITTERHOUSE** of DePaul University has been out of touch for awhile. She is not currently a member of AAA and is not even teaching due to some health problems, but hopes to be back at it soon. In a recent e-mail, Denise asked that I send everyone her regards. She is still on the faculty at DePaul, and you can reach her through her e-mail: dnitterh@depaul.edu.

**FLORENCE SHARP** is a past Section President (1996–1997). She and her husband Bob have both retired from Ohio University and are living in Asheville, NC. She no longer has her Ohio e-mail address, but is thinking about reactivating it so she can get back in touch with us.

## **SECTION HIGHLIGHTS**

You may recall that I sent out an e-mail message last Fall asking for members to pass along news and other information about themselves or to ask for information/help from Section members. In this section on the *News* I plan to publish those announcements. However, I don’t have a catchy name for this part of the newsletter, so please give me some ideas.

**LOUIS STEWART** asked that I pass along the following:

This summer I used some Howard University research funds to acquire 12 years of municipal bond prices from the Municipal Securities Rulemaking Body (MSRB). I am planning to use this database to examine the relationship between GASB 27 related accounting disclosures and municipal bond prices. My co-authors and I have conducted an extensive literature search and are beginning to prepare our data for analysis. I would be enjoy hearing from anyone who has any experience working with MSRB price data or has ideas for an appropriate research design for our analysis.

You can reach Louis at: louisjstewart@gmail.com.

**PATRICIA PATRICK** asked that I pass along the following about her becoming a member of the Section. You may find it useful in your recruiting efforts for more Section members:

### **Doctoral Students Can Realize Big Gains from GNP Accounting Research**

Doctoral students usually gravitate toward research that involves the private-sector. I believe this bias starts in our undergraduate accounting programs, where the best and brightest students are steered by faculty into the field of public accounting. Research in the private-sector undoubtedly contributes to the field of accounting, but students can also make significant contributions to the field of government and non-profit accounting and realize significant benefits at the same time. My own experience exemplifies just how rewarding this area of research can be.

I first became acquainted with the Government and Non-Profit Section (GNP) of the AAA when, as a doctoral student, I submitted a paper to a conference at the Harvard University Kennedy School of Government. Dr. Kenneth Smith, an AAA GNP Section member, reviewed my paper for the conference and encouraged me to pursue government accounting research. He also invited me to become a member of the AAA GNP Section and said I would not find a warmer group of people. He added that the GNP Section awarded dissertation grants and encouraged me to apply.

Shortly afterwards, I became acquainted with Dr. Leslie Eldenburg, another GNP Section member, who told me that the Association of Government Accountant's (AGA) Academy for Government Accountability gave dissertation awards and encouraged me to apply. In 2006, I received a dissertation grant from the GNP Section of AAA and a Dr. Mortimer Dittenhofer Dissertation Scholar Award from the AGA Academy. I was very grateful to receive these awards, as I would not have even known these awards existed had it not been for the mentoring of these GNP Section members.

A year later, I graduated from my doctoral program and began several research projects with Dr. John Trussel, another GNP Section member. In 2008, we received a \$50,000 grant to examine financial distress in rural hospitals (some of this grant was used to purchase data). The same year, we conducted a study about local government fiscal distress. This data was free and available on-line. Government accounting research is usually efficient and inexpensive to conduct because governments are transparent. Most of their records are a matter of public record and much of it is available on-line. Thus, government accounting researchers do not run into the same kinds of problems collecting data that those conducting private-sector research often do.

I am extremely grateful to the GNP Section and AGA Academy for helping me to launch my academic career. Dr. Smith is right that you are a very friendly group of people. Your support and enthusiasm exceeded my expectations. I recently learned that you are not always able to grant your awards, but not because of a lack of funds or worthy projects—But because no one applies! This is a missed opportunity for doctoral students, as there are many benefits for conducting research in GNP accounting.

Many of us joke that government accounting is the stepchild of accounting, but, in truth, I had plenty of opportunities to teach at large, research institutions and experienced very little of the bias towards GNP accounting that doctoral students might expect. I ultimately accepted a faculty position with a small, teaching university near my home town, but that was a matter of personal choice. I was not limited by my decision to conduct research in government accounting. Accordingly, if doctoral students wish to pursue a career in government accounting research, I would strongly encourage them to do so. The GNP Section will mentor you, just as they mentored me, and they will do this in ways that you cannot yet anticipate.

Thanks Patricia!

**RICH BRODY** passed along the following:

I recently had a publication in Fraud Magazine (September/October issue) that focused on charity fraud. This paper was presented at the 2007 Annual Meeting Forum as part of our section and I had a chance to meet and get comments from other section members. Now it is finally in print.

If you would like a copy of Rich's case study, he would like to share it with you. You can reach Rich at: brody@mgt.unm.edu.

**DENISE SILVA FERREIRA JUVENAL**, one of our international members, passed along the following:

Today I received of the Magazine Iberoamericana de Contabilidad y Gestión of Spain–Madrid that my paper, *Verification of the Evaluation of Performance of Projects Effected by the Executive, Using Method of ABC Expenditure (Activity-based Costing)* was accepted. I'm very happy because this year I have 2 papers in this magazine, it's very good.

Way to go, Denise!

**JESSE HUGHES**, a long-time member of our Section and Chair in 1991-1992, asked that I pass along the following:

Since retiring from Old Dominion University in 1998, I have been busy traveling around the world helping developing countries improve their financial management systems. These countries have included Albania, Armenia, Azerbaijan, Bosnia/Herzegovina, Costa Rica, Macedonia, Moldova, Nigeria, Syria (I was there at the time of 9/11!), Vietnam, and Zambia. It has been great to work with the financial people in these countries and to get familiar with their cultures. They are highly motivated and anxious to learn more about accounting and auditing.

I have worked with many of the countries to help them implement the International Public Sector Accounting Standards (IPSAS). In addition, I prepared a research report on Budget Reporting for the IPSAS Board and helped prepare the Exposure Draft that was eventually accepted as IPSAS 24. At the present time, I am working with the United Nations System Organizations to prepare 20 learning packages (both computer based and instructor led) on IPSAS as they transition from their current modified system to the full accrual IPSAS system.

I am presently on the Board of the International Consortium of Governmental Financial Management (ICGFM). For the past five years, I have been editor of the Public Fund Digest (PFD) but turned the reins over to Andy Wynne (from the UK) this year. We also retitled the PFD to "International Journal on Governmental Financial Management" this year. Although it is not a referred journal, it has some great articles and case studies that each member of the section might find beneficial in their classwork. Past issues of the PFD and the Journal are available on the [www.icgfm.org](http://www.icgfm.org) website. If any member of the Section is looking for a home for one of their great articles, I would encourage them to consider sending it to Andy Wynne ([andywynne@lineone.net](mailto:andywynne@lineone.net)). Perhaps you can join the debate on the pros and cons of moving public sector entities throughout the world to the full accrual basis of accounting. Maybe the IPSAS Board will replace GASB and FASAB in the public sector as the IASB is proposed to replace FASB in the private sector. If so, perhaps you can address the pros and cons of this issue while staying at the leading edge in our profession. And the IPSAS Board is working on a Conceptual Framework; who better to help in the development of this framework than academe?

Thanks, Jesse! By the way, if you want to contact Jesse, you can reach him at [jhughes@odu.edu](mailto:jhughes@odu.edu). There is one rather odd thing about Jesse's address. In his e-mail, it says his name is "Jesse". However, he signs off as "Jess". One of these days he is going to have to explain that to me.

**STEPHANIE MOUSSALLI** passed along an interesting comment about asking for input from Section members:

I think you mentioned you wanted to include notices of articles published outside our usual venues. *Public Choice* is an Economics journal.

Stephanie's article, *The Fiscal Effects of Statehood: New Mexico and Arizona, 1903-1919*, was recently published in that journal (*Public Choice* (2008) 137: 119-126). She told me that the paper was presented at a GNP Section session at the 2006 AAA meeting in Washington.

Way to go, Stephanie! As a comment on her note, I want everyone to let me know whenever they publish an article. But, it is always useful to hear about different outlets like *Public Choice*.

# GASB UPDATE

DEAN MICHAEL MEAD, Governmental Accounting Standards Board

As you know, I'm a little late in getting you the latest newsletter. That is no one's fault but my own. Dean is our latest Section member to work at the GASB, and he sent me this update for what was suppose to be the Fall newsletter. Well, I think it is Fall someplace – maybe Australia! Any way, this update is a little out-of-date, but that is not Dean's fault. He will be sending me another one soon, and it will be much more up-to-date than this one—thanks to Dean, not me.

## Service Efforts and Accomplishments (SEA) Reporting

At the end of July the GASB issued its first Request for Response, containing proposed *Suggested Guidelines for Voluntary Reporting of SEA Performance Information*. As the GASB made clear in its proposed revisions of GASB Concepts Statement 2 (see more below), it does not view its role currently to be establishing required standards for SEA reporting. Rather, it believes that it is most appropriate to provide guidance to governments that choose on their own to report SEA performance information.

Drawing upon the 16 suggested criteria published by the GASB staff in 2003—and experimented with by governments over the past few years—the suggested guidelines comprise four essential components of an effective SEA report and six qualitative characteristics of SEA performance information. The four components are:

- **Purpose and scope:** What is this report trying to accomplish? What parts of the government does it cover?
- **Major Goals and Objectives:** What is the government trying to accomplish? What should results be compared against?
- **Key Measures:** Focus on the most important indicators of performance.
- **Discussion and Analysis of Results and Challenges:** Help the reader to understand what is being reported.

The six qualitative characteristics are those previously discussed in GASB Concepts Statements 1 and 2: relevance, understandability, comparability, timeliness, consistency, and reliability.

The deadline for submitting written comments to the GASB was October 31, 2008. The GASB held a public hearing on the Request for Response in conjunction with the National League of Cities' annual Congress of Cities & Exposition in Orlando, Florida, on November 14, 2008. A user forum was held on November 7, 2008, in New York City. Participation in this forum was open to users of SEA performance information such as accounting and public administration professors, elected officials, legislative staff, citizens and citizen organizations, taxpayer associations, media representatives, and municipal analysts.

## Revisions of Concepts Statement 2

The comment deadline for the Exposure Draft of proposed revisions to GASB Concepts Statement No. 2, *Service Efforts and Accomplishments Reporting*, ended July 3 and a public hearing was held on July 29 in Atlanta. The Board has begun to review the input received and redeliberate the proposal. Notably, the GASB proposed to eliminate the section of the Concepts Statement entitled, "Developing Reporting Standards for SEA Information" and to make clear that it is beyond the scope of the GASB to (1) establish goals and objectives for government services, (2) develop specific nonfinancial measures or indicators of service performance, or (3) set targets for service performance.

The response from the individuals and organizations that submitted comments or participated in the public hearing contained several major global concerns about the proposed revisions. Many respondents agreed with the amendments and supported the GASB's role in SEA reporting. Some even suggested that GASB *should* be involved in developing specific nonfinancial measures. Others continued to oppose the GASB's involvement in SEA and the inclusion of any SEA information at all in the comprehensive annual financial report (CAFR) or any other general purpose external financial report. There was widespread agreement that the GASB's guidance should be voluntary.

The revised Concepts Statement was issued in November 2008, and is available from the GASB.

## Research Grants

The GASB's annual academic research grant program has been renamed in honor of the late Professor Gil Crain. The 2008–09 Gil Crain Research Grant has been awarded to Professor Nolan Kido of the University of Hawai'i at Manoa. Nolan will be conducting research on the effectiveness of GASB Statement No. 16, *Accounting for Compensated Absences*. Previous recipients of GASB research grants include:

- Joan Hollister and Rief Kanan, State University of New York at New Paltz, and Adrian Fitzsimmons and Victoria Shoaf, St. John's University (research on compliance with management's discussion and analysis [MD&A] requirements and understandability of published MD&A)
- Barbara Chaney, University of Montana (use of MD&A information by municipal bond market participants)
- Saleha Khumawala and Dan Neely, University of Houston (compliance with state and local government GAAP)
- Craig Shoulders, University of North Carolina at Pembroke (compliance with GASB Statement 14, *The Financial Reporting Entity*)

The call for proposals for the 2009–10 Gil Crain Research Grant will be available by the GNP Section's next mid-year meeting.

## Three Exposure Drafts Issued During Summer

In addition to the Request for Response, the GASB issued three Exposure Drafts (EDs) containing two proposed Statements and a proposed Technical Bulletin (TB).

The proposed TB, *Determining the Annual Required Contribution for Postemployment Benefits*, clarifies that the use of actual known amounts for purposes of calculating the annual required contribution (ARC) adjustment relating to pensions and other postemployment benefits (OPEB) is consistent with the intent of existing standards (GASB Statements 27 and 45) and, in fact, is encouraged.

For accounting purposes, the portion of the ARC calculation related to past over- and underpayments already has been recognized in the financial statements, and an adjustment needs to be made to future ARCs to avoid counting that amount twice. Statements 27 and 45 assume that the amount is not known and therefore prescribe a method of estimation that governments are required to use. However, since it has come to the GASB's attention that some actuaries do track that portion of the ARC separately, the proposed TB clarifies that governments may base the ARC adjustment on the actual amount when it is known.

The Technical Bulletin was issued in November 2008, and is available from the GASB.

The two EDs of proposed Statements relate to a request from the AICPA that the accounting standards setters move into their respective literature the accounting and financial reporting guidance currently located in the AICPA's auditing literature. *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards* addresses the parts of the AICPA's Statements on Auditing Standards (SASs) relating to going concern considerations, related party transactions, and subsequent events, and *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* addresses the GAAP hierarchy. The relevant parts of the SASs would be moved to the GASB literature without substantive changes, although some editing has been proposed to make the guidance specific to state and local governments. Because the GASB chose not to reconsider the guidance provided in the SASs, the accounting and financial reporting guidance would remain unchanged in practice.

The deadline for commenting on these two EDs was October 30. The final Statements are expected to be issued in the first quarter of 2009.

## AAA-GNP Members Serving on GASB Groups

Members of the Government and Nonprofit Section of AAA have a regular presence on the GASB's project task forces and advisory committees. In fact, the GASB seeks to include accounting academics in all such groups. The following is a list of section members who are currently serving or have recently completed service:

- Jackie Reck, University of South Florida (Conceptual Framework—Recognition and Measurement Attributes)
- Paul Copley, James Madison University (Conceptual Framework—Recognition and Measurement Attributes)
- Mike Granof, University of Texas at Austin (Conceptual Framework—Financial Statement Elements and Intangible Assets)
- Terry Menzel, KPMG (Conceptual Framework—Financial Statement Elements)
- Earl Wilson, University of Missouri (Conceptual Framework—Financial Statement Elements)
- Suzanne Lowensohn, Colorado State University (Intangible Assets)
- G. Robert Smith, Jr., Middle Tennessee State University (Comprehensive Implementation Guide and GASAC)
- Terry K. Patton, Midwestern State University (Comprehensive Implementation Guide)

## INTERNATIONAL COMMITTEE

The Section is trying to put together an International Committee. Vaughan Radcliffe asked that I pass along the following request:

The GNP section is looking for interested members to serve on the section's newly reformed International Committee. We are looking for colleagues with international governmental and/or nonprofit accounting interests, and we welcome members from inside as well as outside the U.S. who have are concerned with these areas. We envisage the committee as a centre for information exchange, as a means of raising awareness of international issues among members at large and for promoting broader knowledge of international GNP accounting practice and research. An initial meeting of the committee is planned for the upcoming midyear conference to bring members together and formulate agendas.

If you are interested in joining the International Committee please email the committee chair, Vaughan Radcliffe, at [vradcliffe@ivey.uwo.ca](mailto:vradcliffe@ivey.uwo.ca) with a copy to James Chan, who is advising on this project, at [jimchan@uic.edu](mailto:jimchan@uic.edu). Please supply brief information about your international interests.

## NEW PUBLICATION

Ed Mazur, a member of the GASB from 1997–2007, has asked me to pass along this information about a forthcoming publication:

I want to tell you about a forthcoming CB&H report entitled *Intergovernmental Financial Dependency and Related Risks*. The report will be in 3 volumes:

- Proposed Reporting by State Governments
- Proposed Reporting by Local Governments
- Supplemental Appendices

The last volume will tell the reader everything they would like to know about the development of this topic to date.

The document will be advisory to preparers, auditors and users of governmental financial reports and is also intended to serve as a recommendation to the GASB on how they might approach establishing a standard for such reporting. The Report has been carefully prepared so that the recommendations for specific reporting and disclosures can be linked to existing GASB statements and concepts statements. We are hoping that it will stimulate much discussion on the benefits from reporting intergovernmental financial dependency and related risks and will stimulate experimentation with such reporting prior to a GASB standard on the subject.

I would like to make it possible for all of the interested members of the Government and Nonprofit Section to be aware of our Report when it is released and to have an opportunity to download, at no cost, a copy of the three volumes.

I received an e-mail from Ed this week letting me know that the publication is in the hands of the publisher and is being formatted in Adobe for easy downloading. As soon as it is available, we will be letting you know, either via the *News* or one of my ubiquitous e-mails!

## **NOTE FROM THE EDITOR**

**G. Robert Smith, Jr.**, Middle Tennessee State University

Putting together this newsletter seems to take me awhile to do, but it is actually fun! It is even more fun when members send me news items to include in it. We had 6 members send in news items and one request from an interested party (“Big Ed” as he used to be known as at the GASB – to distinguish him from “Little Ed” Klasny who was on the Board at the same time). That’s great! I hope we get a lot more of those in the coming months.

The format of the newsletter is a little different this time. In the past, it has generally been printed in a 2-column format. That format is OK, but can be a challenge to arrange at times. For this edition of the *News* I chose to go without the columns. Please let me know which format is easier for you to read.

By the way, I have had zero input for our masthead competition. I’d still like to have some ideas—photograph or freehand drawing—to put on the title page of the *News*. As you can see from this edition, it is just a space.

## **STAY CONNECTED WITH THE SECTION**

Do you know Smitty? Yes, that’s me: the current editor of the *News*. As many of you know, I maintain an informal mailing list that I use to send out Section information, going around the AAA in the process. They don’t like to release e-mail addresses of our members, so I have maintained this informal list over the years by hearing from Section members and getting a list of members from the AAA and searching the web for e-mail addresses. This informal list allows us to maintain instant contact with Section members rather than having to go the AAA with all e-mail requests.

If you are not currently receiving e-mails from me, then I would like to get your address. Please send it to me at: [smitty@mtsu.edu](mailto:smitty@mtsu.edu).

If you are currently on the list and would rather not receive these special e-mails, that is fine, too. Just send me an e-mail at the above address, and I will remove you from it. I will admit that I had trouble doing that with earlier requests, but I am slowly learning just how Microsoft Outlook works. I still don’t like it much, but I am learning about it.

## **GNP SECTION WEBSITE**

Recall that our website is <http://aaahq.org/GNP/index.htm>. I hope that you will visit it often. The content is getting better, thanks in large part to you, our members. We appreciate your efforts. If you have corrections, updates and suggestions for the website, please send them to the current Webmaster, Dwayne McSwain at: [dmcswain@mtsu.edu](mailto:dmcswain@mtsu.edu). [Yes, that is the same school where the newsletter Editor works – go figure.]

## **GASAC NEWS**

As the Section and AAA representative to the GASAC, I don’t have any real news to report in this newsletter. We have only had one meeting since the last newsletter. We are having our next meeting in March. At that meeting we will be discussing the ranking of GASB research items and the technical agenda. I will be sending out an e-mail in the next week or so asking for your input on this process. I appreciate any help you can give.



## IN MEMORIAM

In the past year we have lost two long-time and esteemed colleagues in government and nonprofit accounting. Last Summer, I found out from Kitty Pumphrey that Gil Crain had passed away. This article appeared in a *GASB Report* about Gil:

Dr. Gilbert W. Crain, passed away on July 1, 2008, after battling a rare form of cancer. Dr. Crain joined the faculty of the University of Illinois at Springfield as an associate professor in the accounting department in 2007 after serving at Montana State University for 28 years. He received his doctorate from the University of Illinois at Urbana.

Dr. Crain served as a facilitator of GASB user focus groups and interviews for a number of significant projects including the financial reporting model, note disclosures, and fund balance reporting. He also performed user needs research on behalf of the GASB. His work at the GASB was on a strictly volunteer basis. He also declined appointments to GASB task forces and advisory committees so that the participants in focus groups and interviews would consider him to be an independent, unbiased facilitator/interviewer. His commitment to improving financial reporting for state and local government was unsurpassed in his field.

To honor Dr. Crain, the GASB's annual academic research grants will now be named the Gil Crain research grants. Since its formation in 1984, the GASB has encouraged academics and other researchers to conduct studies that would be relevant to the GASB's standards-setting activities. Over the past 24 years, such research efforts have resulted in grant recipients publishing their research in 21 GASB research reports and in numerous journal articles.

On his Caringbridge.com website, Dr. Crain cited his work with the GASB as one of the highlights of his career. The Board and staff will be forever grateful for Dr. Crain's involvement in the activities of the GASB.

Gil was not only our colleague at the GASB, he was our friend. We will miss him.

A memorial fund has been created in Gil's name with The Nature Conservancy. If you would like to donate, you can do so at this address:

Nature Conservancy  
Dr. Gil Crain Memorial Fund  
32 S. Ewing Street, #215  
Helena, MT 59601

To make a gift using a credit card, call the Nature Conservancy office at 406-443-0303.

In December, I found out from John Engstrom that Leon Hay had passed away. For the older members like me, you may remember that name because he was the author of the first Governmental Accounting textbook you used. John supplied this obituary for Leon:

Dr. Hay was born March 1, 1923, in Taylorville, Ill., and passed away on Monday, June 30, 2008, at his home in Baton Rouge. He was professor emeritus and the Ralph McQueen Distinguished Professor of Accounting at the University of Arkansas and chairman of the Department of Accounting at Indiana University. Dr. Hay was author of a bestselling textbook on governmental accounting and of many other books and scholarly articles. He was past national president of Beta Alpha Psi honor fraternity and a contributor to the National Governmental Accounting Standards Board. He received his Ph.D. in 1953 from the University of Illinois and was a veteran of the U.S. Army Air Forces, having served during World War II. After retirement, he moved to Baton Rouge in 1994 to the family home of his wife of nearly 57 years, Bobbye Smith Hay. He is also survived by his three children, Anne Hay Leigh, of Seattle, Edward Hay, of Spokane, Wash., and Amy Hay, of Eveleth, Minn.; and three grandchildren, Helen Hay Leigh, Daniel Hay Leigh and Mark Edward Hay. Preceded in death by his parents, Clair Edwards Hay and Grace Edith

Trobaugh Hay, who were of Illinois. A memorial service will be held in the Convocation Room at St. James Place, 333 Lee Drive, on Saturday, July 19, at 2 p.m. In lieu of flowers, memorial donations may be directed to the Leon E. Hay Memorial Scholarship Fund, c/o LSU Alumni Association, 3838 W. Lakeshore Drive, Baton Rouge, LA 70808.

John went on to point out that Leon was the *first* Chairman of what was then the Public Sector Section of the AAA for 1976–1977. In fact, he and Bob Freeman were instrumental in getting the Section organized back in 1975 and 1976. According to Bob, he deferred to Leon to be the first Chairman since Leon was the older of the two. Leon also served as a member of the Governmental Accounting Standards Advisory Council and was a member of the AICPA Not-for-Profit Organizations Committee.

I'm sure that all of us have our own stories about Gil and Leon, and I hope that you will share them with your colleagues when we meet in Washington DC next month.

The Government and Nonprofit Section *News* is published three times a year [maybe more, maybe less], in the Spring, Summer, and Fall as a service to GNP Section members.

The deadline to submit items for the next *News* is April 30, 2009. Submit items (no length restriction) to:

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