



*American Accounting Association*  
**Government and Nonprofit Section**

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## **GOVERNMENT & NONPROFIT NEWS**

American Accounting Association

Volume 25 Number 3 \* Fall 2001

### **PRESIDENT'S MESSAGE**

**Donald Deis**

Louisiana State University

I am honored to serve as President of the GNP section for the coming year. It is humbling to look over the "who's who" list the past section presidents. Among that list is my immediate predecessor, Rita Cheng, whom I thank her for leadership and friendship. I also thank the section membership for allowing me this opportunity to take over the reins of the section for the coming year.

As I reflect on my fifteen years as a member of the section, I am reminded of Edward Everett Hale's well-known saying. It goes as follows:

"Look up and not down,  
look forward and not back,  
look out and not in, and  
lend a hand."

I believe that this saying captures the spirit of the GNP section. We are a friendly and receptive group. Like many of you, I attribute all the good things that have occurred in my career to the section and its members. It is my charge to continue that spirit.

**One major initiative I hope the section can accomplish this year is to expand the research and teaching resources available at the section's website.** Last year the website moved to Idaho State University with Kitty Pumphrey serving as our webmaster. The website is located at <http://coborgs.isu.edu/aaagnp>. I encourage you to visit the website, bookmark it, and visit often. I have

asked the Information Technology (IT) Committee to work with the Research and Education Committees to expand the resources available in our website under the "research" and "teaching" links. During the annual meeting research workshop in Atlanta, Janet Greenlee and Elizabeth Keating acquainted us with some excellent examples of nonprofit resources readily available for research. Excellent resources are also available other areas. Similarly, the "teaching" section of the webpage can be expanded to include various pedagogic materials. If you would like to be involved in this effort you can contact G. Robert "Smitty" Smith Jr., chair the IT committee, Randy Elder, chair of the research committee, or Mary Fischer, chair of the education committee.

I am pleased and excited to announce that the *FASAB and GAO will host this year's mid-year meeting on February 28 to March 2, 2002*. The first day of the meeting coincides with the FASAB meeting. (Please remember that Jim Patton, one of our past presidents, is a member of FASAB.) The next two days will involve an exciting array of teaching and research topics. Mr. David Walker, chief financial officer of the federal government, is tentatively set as the keynote speaker on Friday, March 1<sup>st</sup>. Saturday morning, March 2<sup>nd</sup>, a research workshop will be conducted on **Federal Regulation and Reporting by Government and Nonprofit Entities** for which there is a **call for papers** by December 15<sup>th</sup>. Papers accepted for the meeting are eligible for a special issue of *Research in Governmental and Nonprofit Accounting*. Information on the research workshop and the call for papers is available under the "research" section of the website. Additional inquires and submissions can be addressed to Randy Elder. The site hotel for the midyear meeting is the Crystal City Embassy Suites. More specific information

on the meeting will be posted to both the section (<http://coborgs.isu.edu/aaagnp>) and AAA website (<http://www.aaa-edu.org>).

*(Addendum: Several days after writing this message the attacks on the World Trade Center and the Pentagon occurred. At this time it appears that the original plans for the midyear meeting remain intact except for the uncertainty about reopening Reagan National Airport. Please look for updates to the midyear plan at the GNP website and through email announcements. I hope that all of your friends and family are safe and the prayers of the section are with those who have suffered losses as a result of this terrible tragedy.)*

Being raised in south Texas, I am thrilled that the 2002 AAA Annual Meeting will be held in San Antonio. The site hotels are located on the beautiful Riverwalk. There is plenty to do in the Alamo City so please mark your calendars for August 14-17.

Thank you again for this opportunity to serve the membership of the Government and Nonprofit Section. Please do whatever you can to "lend a hand" to the section and to foster new people to get involved with this wonderful group.

**Minutes of the  
Government and Nonprofit Section  
of the American Accounting Association  
2001 Business Meeting  
Monday, August 13, 2001 2:00 – 3:30 p.m.  
Atlanta, GA**

President Rita Cheng called the meeting to order.

1. Minutes from the 2000 AAA-GNP Section meeting were approved at the midyear meeting in San Antonio and published in the Fall 2000 Newsletter.
2. Rita recognized former Presidents of the GNP Section in attendance: Mike Granof, Florence Sharp, Earl Wilson.
3. Sue Kattelus provided the Treasurer's Report indicating that the section had a cash balance of \$26,080 at June 30, 2001, which is \$1,281 less than the beginning of the year. The section again contributed \$2,500 to the GASB, made three doctoral travel grants of \$500 each, and a dissertation support award of \$1,500. The 2000 GNP Research CPE Workshop netted \$1,663 and the midyear meeting in San Antonio net (\$554).

Membership in the section is 542 which is 3% less than the prior year.

4. Randy Elder, Research Chair, presented the Outstanding Paper Award for the 2001 AAA Meeting to Jayaraman Vijaykumar and Kenneth Daniels for their paper entitled "The Impact of Commercial Bank Underwriting on the Borrowing Costs of Municipal Revenue Bonds."
5. The following standing committee reports were given (more detail in individual reports):
  - a. Website/Technology: The website has been moved to <http://coborgs.isu.edu/aaagnp> and will be maintained by Kitty Pumphrey with assistance from Smitty.
  - b. International: Saleha reported that the section was well represented at the Global Strategic Alliance Roundtable in Berlin, the International Decision Science Institute Conference in Chihuahua, Mexico, and the CIGAR Conference in Valencia, Spain.
  - c. Newsletter: Rich Brooks announced that Teresa Gordon will be taking over after his four-year term. Teresa encouraged submissions and prefers Word for submissions.
  - d. Research: Randy Elder said there were no submissions for the doctoral dissertation award, but we hope to receive a couple for next year. Randy reported that there were 18 electronic submissions to the meeting and that process went smoothly, resulting in three GNP sessions on the program, up from last year, and two papers in the forum. He thanked the many reviewers. He also announced a Call for Papers for the midyear meeting in Washington DC in conjunction with the FASAB, and noted that papers will be eligible for consideration for a future volume of RIGNA. He said the GNP Research CPE Workshop Sunday was well attended and featured Paul Copley, Elizabeth Keating, and Janet Greenlee.
  - e. Education: Mary Fischer reported that the GNP Education CPE Workshop was also well received and panelists included Terry Patton, John Engstrom, Smitty, Sue Kattelus and Mary on teaching GASB 34. She also indicated the midyear meeting in Washington DC will have an education component.
  - f. Doctoral Liaison: Jim Kurtenbach announced that travel support was provided to Linda Parsons, Lee Craft, and Ana Marques. Chuck Barragato was presented with a dissertation support grant of \$1,500. Suzanne Lowensohn will take over this

position and asks that you sent her names of doctoral students interested in GNP topics.

- g. Membership: Catherine Craycraft reported in through an email about a brochure and mailing campaign according to Rita.
  - h. Historian: John Engstrom is compiling a history of the section and is appreciative of a narrative provided by Mort Dittenhofer which was read in part by Rita at the GNP luncheon this day. Send John any information you have on the section including old newsletters.
6. The following regions reported on activity: Kathy Wilkicki reported that the Mid-Atlantic had three papers and a panel discussion at the 2001 meeting in Morgantown, WV. Suzanne Lowensohn said that four submissions were up from last year and next year's meeting is in Kentucky. Larry Johnson reported that the Western regional meeting in San Jose had two papers. Connie Esmond-Kiger said the Ohio region had one paper and a panel. Terry Patton reported that the Midwest meeting in St. Louis had two GNP sessions, including a panel on teaching GASB 34. He also indicated that the region will need a new representative as he has moved back to the GASB as Research Manager. Don reported that Bob Webster said that there were two paper sessions and a ½ day CPE workshop at the Southwest meeting.
7. Old Business:
- a. Rita reported on the Executive Committee meeting held earlier that day. A decision was made to continue our annual support of \$2,500 for the GASB. Sue Kattelus was nominated to replace John Engstrom on the GASAC, subject to AAA approval.
  - b. Bill Holder, professor at USC and new GASB Board member, was the luncheon speaker this day and Rita read a short excerpt from Mort Dittenhofer's narrative about the section that he provided to John Engstrom.
  - c. John Engstrom requested agenda items for the upcoming GASAC meeting.
  - d. Rita circulated a Summary of the Minutes of the AAA Council Meeting in April 2001 which she attended that focused on strategic planning. She encouraged us to read it and give comments to Don.
8. Nominating Committee Report: Marc Rubin announced the committee's recommended slate of officers for the 2001-2002 year as follows:

President	Don Deis
President-elect, VP	Sue Kattelus
Secretary/Treasurer	Rich Brooks
VP for Practice	Andrew "Drew"
Blossom from KPMG	

There were no nominations from the floor. The slate was elected by acclamation.

9. New Business:
- a. Byron Henry announced a proposal for a new section on Faculty Diversity and Initiative replacing the former Minority Faculty Development. Interested members signed the petition.
  - b. Marc Rubin introduced Hadassah Baum of the AICPA, both of whom are on the Members-in-Government Task Force. They described two initiatives designed to encourage networking between academic and professional governmental accountants. The first to build a contact list that will be posted on the websites of the AICPA and AAA-GNP, and the second to link faculty with practitioners for the purpose of writing cases for the AICPA Case Series. In addition, Hadassah offered to support up to five section members by waiving registration fees at one of the AICPA GNP Conferences.
10. Rita thanked the membership for their service during the past year and recognized the supportive nature of our section. She asked us to reach out to new members as Earl Wilson did to her years ago at a regional meeting. She passed the gavel over to Don Deis. Don presented Rita with a gift from the section in appreciation of her service.
11. Don announced that the midyear meeting would be March 1 and 2, 2002 in Washington DC in conjunction with the FASAB Board meeting on February 28, 2002. The agenda is entitled "Focus on the FASAB" and includes David Walker of the GAO speaking about the Single Audit Act, Yellow Book, and federal regulation of state and local governments. There is a Call for Papers for the research component and there will be an educational component as well. Don called for each standing committee to come up with three things to add to the GNP section website to ensure it is a useful tool for members.
12. John Engstrom and Mike Granof announced that they are on a GAO committee and have been asked for help in recruiting students. The federal government is hiring again after being out of the market for a few years.

13. John encouraged us to write a letter to those we know in the GAO or FASAB asking that they request the AICPA to reconsider the decrease in coverage in the proposed CPA exam content. For example, AICPA Rule 203 including FASAB standards as federal GAAP is not covered. Florence Sharp is on the AIPCA Committee to review the CPA exam and asks us to consider participating by providing questions.

The meeting was adjourned on time.

### **Government and Nonprofit Section Objectives**

1. To foster basic and applied research in financial and managerial accounting, as well as auditing, for government and nonprofit organizations; and
2. To improve the quality of accounting, financial reporting, and auditing in these organizations through advances in teaching, research, and service.

## GRANTS AVAILABLE

**Doctoral Dissertation Grants.** The GNP Section sponsors a competitive dissertation grant program to help defray certain costs (up to \$1,500) for individuals conducting dissertation research on governmental and nonprofit topics. An applicant must be a doctoral candidate with a major or emphasis in accounting from any doctoral granting institution. Applications must be received by May 15. The application should include:

1. An application letter explaining the nature of the project, current stage of the project, estimated completion date, how the award of a dissertation grant would contribute to the project, and the nature of other grants received for the dissertation
2. A budget detailing the items and amounts for which funding is requested;
3. A copy of the dissertation proposal;
4. A letter from the dissertation chairperson stating the proposal has been defended and accepted, or if not yet defended, that a firm commitment exists to permit the applicant to proceed with the proposed dissertation.

Requested funds may be used to defray or reimburse costs directly related to and necessary for completion of the dissertation. Included among the authorized purposes for grant funding is travel to collect data, purchase of data, and preparation and mailing of questionnaires. With adequate justification other costs essential to completion of the dissertation, such as coding of data and data entry, may also be considered for funding. Funds will not be provided for such costs as tuition and fees, computer use charges, word processing, and printing and binding the dissertation. In addition, grant funds will not be provided for purchase of computer hardware or software.

Send the application letter and attachments to Suzanne Lowensohn (see below).

**Travel Grants.** The GNP Section is sponsoring \$500 travel grants for the midyear GNP section meeting and the 2002 AAA annual meeting. The grants are intended to assist doctoral students interested in GNP research by defraying a portion of the costs of attending these meetings and to allow doctoral students interested in GNP topics to interact with GNP Section members.

In return for the grant, recipients will be expected to attend GNP workshops (at no cost, of course) where they will be introduced to Section members that have similar teaching and research interests.

Applicants should send a letter, which describes their interest in governmental and nonprofit accounting teaching and research and provides support on why they feel they should receive the grant.

The deadlines for travel grant submissions are:

**December 31** for our **midyear meeting** (usually held the end of January) and

**May 15** for the **annual AAA August meeting**

Please send your letter of application and any attachments to:

Dr. Suzanne Lowensohn  
GNP Doctoral Program Liaison  
Andreas School of Business  
Barry University  
11300 NE Second Avenue  
Miami Shores, FL 33161-6695

If you have further questions regarding either the doctoral dissertation grants or the travel grants, you can contact Suzanne at [SLOWENSOHN@MAIL.BARRY.EDU](mailto:SLOWENSOHN@MAIL.BARRY.EDU) or (305) 899-3525.

### 2001–2002 GNP SECTION OFFICERS

#### President

Donald R. Deis, Jr. (Louisiana State University)  
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#### President-Elect

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#### Vice President for Practice

Andrew Blossom  
KPMG Peat Marwick

#### Secretary/Treasurer

Richard C. Brooks (West Virginia University)  
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### 2001-2002 GNP EDITORS

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Teresa P. Gordon (University of Idaho)  
[tgordon@uidaho.edu](mailto:tgordon@uidaho.edu)

#### Webmaster

Lela M. (Kitty) Pumphrey (Idaho State University)  
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## RESEARCH UPDATE

### 2001 AAA Annual Meeting in Atlanta, GA

Eighteen papers were submitted to the GNP Section for the 2001 annual meeting. Nine papers were accepted for presentation, and two papers were accepted for the research forum. The GNP Section was allocated an additional session compared to recent years due to the increase in Section submissions relative to overall submissions. GNP Section members are strongly encouraged to submit papers to the Section for next year's annual meeting (See Call for Papers).

The **2001 GNP Annual Meeting Best Paper Award** was presented at the GNP Business Meeting on Monday, August 13, 2001 to **Jayaraman Vijayakumar** and **Kenneth Daniels** of Virginia Commonwealth University for "The Impact of Commercial Bank Underwriting on the Borrowing Costs of Municipal Revenue Bonds." Congratulations to both recipients for their outstanding research.

The **2001 Annual Meeting GNP Research Workshop** on "Government and Nonprofit Accounting Research" was held in the afternoon on Sunday, August 12, 2001. Presenters included Paul Copley (University of Georgia) on state and local government research and Janet Greenlee (University of Dayton) and Elizabeth Keating (Northwestern University) on nonprofit research. Thanks to the presenters for their outstanding efforts. Please contact Randy Elder at 315-443-3359 or email [rjelder@som.syr.edu](mailto:rjelder@som.syr.edu) if you have suggestions for a topic for the research workshop at the 2002 Annual Meeting, or if you have an interest in organizing a session.

**Outstanding Dissertation Award in Governmental and Nonprofit Accounting.** The Government and Nonprofit Section seeks nominations for the Outstanding Dissertation Award, given to the author of the doctoral dissertation judged to be the best contribution to governmental and nonprofit accounting research for the year. The award will consist of an honorarium and recognition at the national meeting of the AAA in San Antonio, TX. Membership in the AAA or GNP Section is not necessary for nomination. The review criteria will be consistent with those used by academic accounting journals such as *The Accounting Review*.

One copy of the dissertation and five copies of a 10-20 page summary addressing the relevance of the study to governmental or nonprofit accounting, the research methods employed and an overview of the findings should be submitted by April 1, 2002. The dissertation must have been successfully defended prior to submission, but must not have been defended before March 1, 2001.

Nominations, by self or others, should be made to the Chairman of the Outstanding Dissertation Award Committee: Professor Randy Elder, Department of Accounting, School of Management, Syracuse University, Syracuse, NY 13244-2130.

**Notable Contribution Award in Government and Nonprofit Accounting.** The Government and Nonprofit Section is soliciting nominations for the Notable Contribution Award for 2002. Consideration shall be given to books, monographs, and journal articles on research topics and methods in the field of governmental or nonprofit accounting. The specific criteria are: (1) relevance of the subject to theory, practice, or instruction in public sector accounting; (2) potential interest to a large number of accountants, but especially those in the public sector area; (3) originality of the ideas presented, making the nomination a unique contribution to the literature; (4) clarity and organization of the exposition; (5) soundness and appropriateness of the research methodology; and (6) likelihood that the book, monograph, or journal article will encourage further research. Current officers of the GNP Section and members of the current selection committee are not eligible for the award. Recognition of the award will be made at the 2002 national AAA meeting in San Antonio, TX.

Nominations should be accompanied by a short statement of support and must be sent by April 1, 2002 to: Professor Randy Elder, Department of Accounting, School of Management, Syracuse University, Syracuse, NY 13244-2130.

The Government & Nonprofit News is published three times a year (Spring, Summer and Fall) as a service to the GNP Section Members of the AAA. The deadline to submit items for inclusion in the next issue of **Government & Nonprofit News** is February 15, 2002. Submit newsletter items (max 350 words per item) to:

Teresa P. Gordon, Editor  
Government & Nonprofit News  
University of Idaho  
P.O. Box 443169  
Moscow, Idaho 83844-3169  
Phone: 208-885-8960  
Fax: 208-885-8939  
E-mail: [tgordon@uidaho.edu](mailto:tgordon@uidaho.edu)

9/28/01

## **AICPA Members in Government Committee Announces Two Initiatives with the AAA's GNP Section**

The Members in Government Committee (MIG) of the AICPA is interested collaborating on two initiatives with the American Accounting Association's Government & Nonprofit (GNP) Section.

The first is to improve the networking between academics and government accounting professionals. To this end, MIG would like to start a contact list that is made up of and available to academics and government accounting professionals. The list will be available on the websites of the GNP section and the AICPA. A notice will be sent when the list is available. The purpose of the list is to allow professionals to contact academics interested in government accounting for purposes such as speaking and educational programs as well as student recruiting. The networking list can be used by academics for research and educational activities. In addition to the list, the MIG Committee wants to improve networking between academics and professionals by offering up to five registration fee waivers for academics to attend the National Governmental Accounting & Auditing Update conferences. Those receiving the waivers may be asked to moderate a conference session and write a short summary on sessions they attend for inclusion in a newsletter or similar publication.

If you are interested in being included on the networking list please e-mail the following information to Marc Rubin at [rubinma@muohio.edu](mailto:rubinma@muohio.edu): Name, Position, Institution, Address, Phone, e-mail, Specific areas of government accounting interests.

If you are interested in the registration fee waiver, contact Hadassah Baum at the AICPA at [HBaum@aicpa.org](mailto:HBaum@aicpa.org)

The second initiative is to increase the production of case studies on government accounting issues for educational use. In order to do this, we encourage the collaboration between academics and professionals and will help facilitate the creation of case writing teams. The Members in Government Committee will help facilitate the development of case teams by putting individuals with similar interests in contact with one another. The cases can be on any accounting topics related to governmental accounting issues. For example, we encourage cases on issues such as financial management, financial reporting, performance reporting, auditing and control for all levels of government. The cases and related teaching notes should follow the format of the AICPA cases published over the last decade or so (see examples at <http://aicpa.org/members/div/career/edu/caseidx.htm>).

The cases will be reviewed by academics and professionals and made available over the AICPA website.

If you are interested in participating in a case writing team please e-mail Marc Rubin at [rubinma@muohio.edu](mailto:rubinma@muohio.edu) with contact information and the topics of interest for cases. Please feel free to contact Marc Rubin if you have any further questions about these initiatives.

## **FUTURE MEETINGS**

**The 2002 Mid-Year Meeting of the GNP Section of the AAA** is scheduled for February 28-March 2, 2002 in Washington, DC. The theme this year is "Focus on FASAB." Attendees will be able to attend a meeting of the FASAB on February 28. Come and learn more about federal government accounting! See call for papers in this issue.

### **Regional AAA Meetings – Spring 2002**

Calls for papers for the following meetings can be found on the AAA web page at

<http://accounting.rutgers.edu/raw/aaa/index.html>

#### **March 6, 2002 – March 9, 2002**

2002 Southwest Regional Meeting  
St. Louis, MO

#### **April 11, 2002 – April 13, 2002**

2002 Southeast Regional Meeting  
Covington, KY

#### **April 11, 2002 – April 13, 2002**

2002 Midwest Regional Meeting  
Milwaukee, WI

#### **April 18, 2002 – April 20, 2002**

2002 Northeast Regional Meeting  
Providence, RI

#### **April 25, 2002 – April 27, 2002**

2002 Western Regional Meeting  
San Diego, CA

#### **April 25, 2002 – April 27, 2002**

2002 Mid-Atlantic Regional Meeting  
Baltimore, MD

#### **May 2, 2002 – May 4, 2002**

2002 Ohio Regional Meeting  
Columbus, OH

## CALLS FOR PAPERS

### 2002 Midyear GNP Section Conference in Washington, DC

#### Federal Regulation and Reporting by Government and Nonprofit Entities

The Annual Midyear Government and Nonprofit (GNP) Section Conference will be held in Washington, D.C. on March 1-2, 2002 and will coincide with a meeting of the Federal Accounting Standards Advisory Board. In recognition of the important role of federal government regulation on reporting by government and nonprofit entities, a special research session will be held during the conference. Submission of papers that examine the effect of federal government regulation and oversight on financial reporting and auditing for government and nonprofit entities is encouraged.

**Submission Guidelines:** Research papers submitted for the conference are eligible for consideration in a special section of a forthcoming volume of *Research in Governmental and Nonprofit Accounting (RIGNA)* and should follow the style guidelines of *RIGNA*. Submissions should take an appropriate form to permit review of their originality, quality and usefulness. Submissions are not eligible for consideration if they have been published or accepted for publication. Papers accepted for presentation at the 2002 Midyear Government and Nonprofit Section Conference can also be submitted for presentation at the AAA Annual Meeting scheduled for August 2002.

**Submission Deadline:** Four copies of submissions must be received by December 15, 2001, to be considered for the program. Early submission is highly encouraged. Submissions and questions should be addressed to Randy Elder (see below).

### 2002 AAA Annual Meeting in San Antonio, TX

#### “Reinvigorating Accounting Scholarship”

The 2002 Annual Meeting will be held on August 14–17 in San Antonio, Texas. The number of sessions allocated to the GNP Section is related to the number of manuscripts submitted to our Section. Please consider submitting your work for possible presentation at the Annual Meeting.

Submissions must be received by January 11, 2002. Papers to be presented at the 2002 GNP Section Midyear Meeting are eligible for submission to the 2002 Annual Meeting. Papers should not be submitted that have been

either published or accepted for publication, or that will be presented at more than one AAA Section or Regional Meeting during Spring 2002.

The theme for the 2002 Annual Meeting is “Reinvigorating Accounting Scholarship.” Consistent with this theme, some accepted papers will be placed in interdisciplinary sessions. Authors are encouraged to tag the papers by one or more of the following topics in order to facilitate interdisciplinary sessions.

- Accounting as a source of information
- Accounting for evaluation
- Accounting for valuation
- Accounting for decision-making
- Accounting and technology
- Accounting and other sources of information

Submissions must be made on line to the AAA at <http://aaahq.org/AM2002> (address extension is tentative). Microsoft Word files are preferred. AAA headquarters staff will take the appropriate steps to ensure anonymity. Submissions are free if received by December 14, 2001. Submissions after that date but prior to January 11, 2002 must be accompanied by a submission fee of \$50 (U.S.) made electronically by credit card to the AAA.

Further information on submission procedures and submission fees will be included in the Fall 2001 issue of *Accounting Education News*. Questions regarding the submission process can be directed to the GNP Section annual meeting program liaison:

Randy Elder  
School of Management  
Syracuse University  
Syracuse, NY 13244-2130  
Phone: (315) 443-3359  
Fax: (315) 443-5457  
Email: [rjelder@som.syr.edu](mailto:rjelder@som.syr.edu)

#### Advertising Policy

1. Rates; \$300/full page; \$200/half page; \$100/quarter page.
2. Advertising copy must be submitted in a MS Word document file.
3. All advertising copy is subject to approval by the advertising committee.

### **Get the Latest GNP News Faster!**

Ever wonder what is going on in the Section? Well, there are two good ways to find out. One way is to read this newsletter. Another is through the periodic messages sent out by Smitty (G. Robert Smith, Jr.), our Chairman of the Information Technology Committee.

If you don't receive the e-mails from Smitty, that is because he doesn't have your e-mail address. So, you need to send him an e-mail message at: [smitty@mtsu.edu](mailto:smitty@mtsu.edu). He will update his list, and then you will be up-to-date on all the Section's activities.

Finally, if you have suggestions on what the Section could do in the area of Information Technology, drop Smitty a line. He REALLY does enjoy hearing from you.

### **What's New at GASB and FASB** **Teresa P. Gordon**

**Two New GASB Standards.** The Governmental Accounting Standards Board (GASB) has issued two new standards to be implemented simultaneously with the new financial reporting model: Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus* and Statement No. 38, *Certain Financial Statement Note Disclosures*. By modifying, clarifying, and expanding various provisions of GASB Statement No. 34, these new statements should improve the usefulness of state and local governments' financial statements under the new reporting model.

**Revised GASB Exposure Draft on Affiliated Organizations.** The revised exposure draft would amend GASB Statement No. 14, The Financial Reporting Entity by providing additional guidance in determining whether an affiliated organization is a component unit of a financial reporting entity. The provisions would be effective for financial statements for periods beginning after June 15, 2003. Comments can be expressed at public hearings in October and November, or via letters submitted by October 31, 2001. If you would like to help draft the section's response, please contact Kitty Pumphrey (see below).

**AICPA and FASB Exposure Drafts Regarding Accounting for Plant, Property and Equipment.** Not-for-profit organizations will potentially be impacted by two exposure drafts being issued simultaneously for public comment.

The proposed AICPA Statement of Position (SOP), *Accounting for Certain Costs and Activities Related to Property, Plant, and Equipment*, would provide guidance on accounting for certain costs and activities related to property, plant, and equipment in financial statements prepared in conformity with generally accepted accounting principles (GAAP). The provisions of this proposed SOP would be effective for financial statements issued for periods beginning after June 15, 2002. Earlier application would be encouraged.

The proposed FASB Statement of Financial Accounting Standards, *Accounting in Interim and Annual Financial Statements for Certain Costs and Activities Related to Property, Plant, and Equipment-an amendment of APB Opinions No. 20 and 28 and FASB Statements No. 51 and 67 and a rescission of FASB Statement No. 73*, would amend other authoritative pronouncements should the proposed SOP be issued as final.

Comments on both exposure drafts are due by October 15, 2001. Comments should be sent to the AICPA or FASB as directed in the respective exposure drafts.

If you want to participate in the section's response to either document or other forthcoming exposure drafts, please contact Kitty Pumphrey.

### **GNP Accounting and Auditing Standards Committee**

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Government and Nonprofit Section