

President's Message

Happy New Year, AGA Members!

I hope that all our members and their families and friends had a safe new year and have plans to make this year better than the last!

We thank the University of Guam Junior Accountants Society as well as the Community Service Committee for hosting and planning a wonderful December Christmas Luncheon and 2nd Annual Christmas Charity Raffle last month. We also thank all the members and their family and friends for attending and taking part in the festivities. The games and activities were fun, the prizes were great, but the company was grand.

The AGA Guam Chapter Executive Committee (CEC) has continued to work hard to ensure that our members are provided the best this year. As we continue to celebrate the AGA Guam Chapter's 45th Anniversary, we look forward to many events and activities that will promote and celebrate the successes of our chapter.

Our Community Service Chair and Co-Chair, Frances and Ariana, continue to find events and activities for our members to participate. In February and March of this year, the Guam Chapter will assist the Miss Earth Guam with its ballot counting.

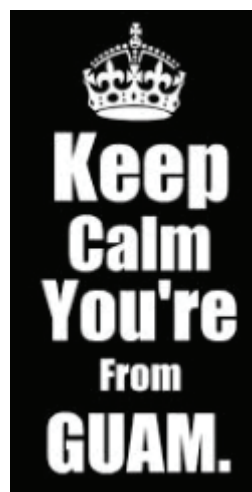
Our Education Chair and Co-Chairs, Rodalyn, Reginald, and Zeny have scheduled a Cyber Security Training in February. The Early Careers Committee Chair and Co-Chairs Doreen, Lorbea, and Zeny look forward to launching the 3rd Annual High School Essay Competition next month to get our youth involved in government accountability as part of our 45th Anniversary slate of events.

Our Accountability Chair Maripaz has continued her efforts to push the Citizen-Centric Report and we will be awarding the Best CCR Contest awardees during our January General Membership Meeting. Our CGFM Chair Jojo has officially launched the CGFM Practice Exam Promotion which provides funding for those members interested in becoming a Certified Government Financial Manager.

This month, during our January 2016 General Membership meeting, we are delighted to have Jessica Castro, Financial Advisor at First Command Financial Services to discuss, "The Power of Planning" to include Cash Management, Risk Management, and Wealth Management topics. One CPE will be offered for this meeting. Additionally, the January meeting will also count toward the annual Professional Development Training raffle which will take place in a few months.

I look forward to this upcoming year and I hope that all our members partake in all the great events and activities we have planned. Happy New Year!

Senseramente,
Artemio "Ricky" Hernandez
President



AGA Guam Chapter: Announcements/Guest Speaker

AGA Guam's Upcoming Events & Reminders

General Membership Meeting

Wednesday, January 27, 2016

11:30pm—1:00pm

LOCATION

Hyatt Regency Guam

AGA Members - \$14

JAS Members - \$8

Non-Members - \$22

January General Meeting

“The Power of Planning”

Guest Speaker

Jessica L. Castro,

First Command

Financial Advisor



Community Event Reminder

Miss Earth Beauty Pageant.

Date: March 8, 2016, Tuesday

Show Time : 6pm

Need four (4) volunteers from AGA. Each volunteer will be given two (2) passes. Volunteers will be tabulating results.

**Please see Frances Danieli
for details**

January 2016 General Membership Meeting

“The Power of Planning”

GUEST SPEAKER



Jessica Castro joined First Command Financial Services as a Financial Advisor in July 2014. Previously, she served as the Director of Participant Development at ASC Trust Corporation, where she provided 401(k) participant training services and managed the daily activities of the retirement plans.

She holds Series 6, 63 and 65 securities licenses plus state life and health insurance licenses. She is a member of the Soroptimist International of the Marianas and the Guam Council of Women's Club.

As a First Command Financial Advisor, Jessica is committed to helping her clients pursue their financial goals and lifetime dreams by bringing sound financial knowledge and trustworthy advice to a lasting relationship with each individual and family she serves. Her areas of focus include:

- Comprehensive financial planning
- Investment strategies
- Retirement income planning
- Education funding solutions
- Asset allocation and management
- Insurance solutions and risk management

Jessica enjoys coordinating events and traveling with her husband and three children.

AGA Guam Chapter Officers:

Artemio “Ricky” Hernandez, CGFM

President

artemiorh@gmail.com

Josephine G. Villanueva, CPA, CGFM

Treasurer

josiegv@gmail.com

Rachel F. Cubacub

Immediate Past President

Yukari B Hechanova, CPA, CGFM, CIA

President-Elect

yhechanova@guamopa.org

Clariza Mae Roque

Secretary

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Websites: www.aga.guam.net; www.facebook.com/agaguamchapter

2014 CITIZEN CENTRIC REPORT WINNERS

Citizen Centric Report

With the enactment of Guam Public Law 30-127, An Act Relative to Adopting the Association of Government Accountants' "Citizen-Centric Report" Initiative, CCRs are mandated by law to be completed by each government of Guam entity no later than sixty (60) calendar days after the independent audit report for a government entity has been released by the Guam Office of Public Accountability.

The Content Guidelines of the format of the mandated CCR for government of Guam entities include:

Page 1 - a brief table of contents and shall contain information about the entity, including, but not limited to, the entity's vision statement, strategic goals, operational structure, and demographics.

Page 2 - reflecting a performance report based on a summary of the entity's key missions and/or services and possible outcome measures.

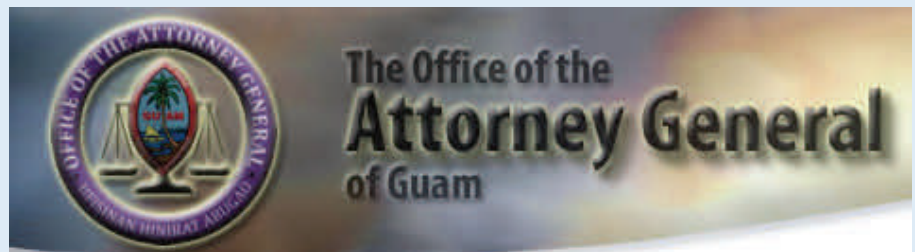
Page 3 - a clear snapshot of financial data as it relates to the performance report presented in page 2. This portion of the report should address the entity's cost for services provided and by what means those costs were covered.

Page 4 - the entity's forecast of future challenges and economic outlook.

Best CITIZEN CENTRIC REPORT Contest – FY 2014

1st PLACE- PLATINUM AWARD

Office of the Attorney General



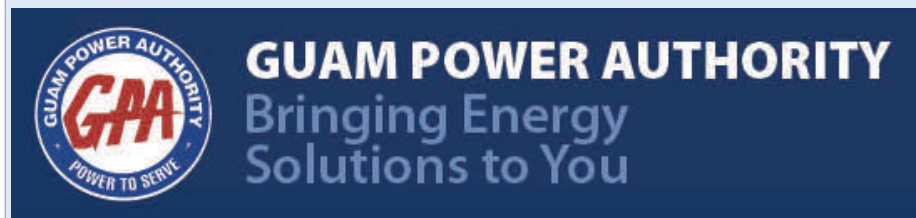
2nd PLACE- GOLD AWARD

University of Guam



3rd BRONZE AWARD

Guam Power Authority



Congratulations!

Time to Change the EITC?

December 22, 2015

By Jeff Stimpson

It's time to revamp the Earned Income Tax Credit, tax professionals say – though they don't necessarily agree on how.

At first blush, the credit sounds like a good, or at least a kind, idea: "The EITC is a benefit that low-income workers can receive when their income falls below a certain threshold," reads a post on the blog IRS Problem Solver. "The EITC was created to help ease the burden of low-income families who are still working."

Trouble is, the entry continued, "Some feel the program has turned into a huge cash-entitlement anti-poverty program that no longer seems to be encouraging poor individuals to look for work.

EITC filings hit a record high in 2013 and returned a record amount of \$68 billion to filers. Yet the credit pops up a lot in improper filings, if not outright fraud. H&R Block, which has been lobbying to increase the complexity of the EITC form (critics claim the prep-chain giant is trying to drive more taxpayers to use paid preparers), pointed out that the Treasury

Department estimated that \$16 billion to \$19 billion in improper EITC payments were paid out in 2014.

"I don't have a problem with tax benefits for low-income citizens, but the amount of EITC fraud is unacceptable," said Oklahoma-based CPA and Enrolled Agent Peggy Johnson.

"Curtail the fraud by stopping refunds to foreign addresses," suggested preparer Roger Lubiens of RS Tax Service in Folsom, Calif.

The EITC "should be overhauled at the very least," said Laurie Ziegler, an EA at Sass Accounting LLC in Saukville, Wis. "Over the years I've seen clients truly shocked as they didn't realize they qualified for it. The rest, however, expect it, and I have even had some asking where

the sweet spot is. I always try to stress that they should earn as much as they can without regard to the EITC."

"The other reason it needs to be addressed is the high incidence of fraud," she continued. "I was totally blown away when I was at an IRS Stakeholder Liaison meeting once and learned that tax franchise owners were dealing with clients coming in and actually saying they had self-employment when they didn't so that they could claim EITC. It just boggles my mind that these people are smart enough to play the system but not smart enough to understand the concept of working for what you get."

"Not eliminated, but certainly modified," Bill Stewart, an EA at San Juan Financial Ltd. in San Juan Capistrano, Calif. "Today, it promotes people not getting married and straight out lying. [It's] not fair at all and extremely hard to manage so that only the ones it was designed for get it."

"The EITC should be eliminated," said EA Arlene Rheinfelder, at Prescott Tax & Paralegal in Prescott, Ariz. "Any time there's a refundable credit, it is accompanied by increased fraud."

"Phantom deductions and borrowed dependents"

"The EITC is a political program, not a tax program," said EA Bill Nemeth, a partner at Tax Audit Guardian in Atlanta, who also noted IRS estimates that 25 percent of the returns filed early in the season with EITC are fraudulent.

Both use and abuse of the EITC might stem from how intimidated many Americans are by their taxes. "Many taxpayers who qualify for EITC are aware that filing their return is the biggest single financial transaction they will ever get involved in each year," Nemeth said. "For this reason, it appears that an inordinate number of these taxpayers employ a paid preparer to make sure it's done correctly. Some of these paid preparers charge unconscionable fees – \$600 for a 1040A with one W-2 and two dependent children is not unusual. And the IRS will accept a taxpayer's return and calculate the correct amount of EITC at no charge."

12 months and sent to the family monthly via their checking account or a debit card. By receiving a monthly refund, the family will more likely use the money to improve their general standard of living, rather than spending it impulsively over a short time."

Other proposals

Any suggestion of changing the EITC – which was first signed into law by Republican President Gerald Ford and later expanded by GOP icon Ronald Reagan – seems to come freighted with implications of making taxpaying harder or pricier for the poor.

Earlier this fall, the Senate Appropriations Committee was looking to increase the length of the Schedule EIC, requiring taxpayers to include much the same information on self-prepared returns that paid tax preparers are required to ask on the EITC due-diligence checklist.

The proposed changes are aimed at reducing the high improper payments rate for EITC claims, but they could also have the effect of discouraging many low-income working taxpayers from filing the form. The requirements would reportedly increase the size of the EITC form from one page to four or five pages with additional questions to verify eligibility for the credit.

Critics also say that H&R Block's lobbying to increase the complexity of the EITC form is an attempt to drive more taxpayers to use paid preparers. "This is not about competitive business interests," the prep-chain giant countered in a statement.

"It's about reducing fraud and protecting the future of the EITC. Anyone who says differently is not really committed to fixing a gaping hole in EITC eligibility or to reducing the billions of dollars in improper EITC payments that occur every year."

AGA Guam Chapter– Article/Member Anniversaries

preparers, just tell them what the IRS requires,” she said. “No one really wants to do what IRS requires, and I believe few preparers even know.” She proposes mandatory EITC testing. “Want to prepare EITC returns? Take an annual EITC due-diligence exam.” Callahan added that such a test is already operational from the IRS.

“I don’t think tax preparers are qualified to discuss the welfare issues of the nation,” she added, “but I do believe we are more than qualified to tell you that we don’t like being the ones to [dispense] EITC government-issued welfare while facing \$500 penalties every time we do. We love doing taxes; that’s what we signed up for. Let the politicians and the talking heads decide the future of EITC.”

www.accountingtoday.com

Monthly Lunch Raffle Winner



Josephine G. Villanueva,
CPA, CGFM



HAPPY ANNIVERSARY

January Member Anniversaries

28 Years

Daniel Fitzgerald, CPA
Deloitte

26 Years

Taling Taitano, CPA, CGFM
Department of Education

21 Years

Randall V. Wiegand Sr., CPA,
CGFM
University of Guam

11 Years

Maria Angela Q. Bates,
Consultant
Llewelyn R. Terlaje, CGFM, CGAP
Office of Public Accountability

9 Years

Deanna M. Gilmar
Deloitte
Anita M. Arile
Department of Administration (GovGuam)



ACCOUNTANT JOKES

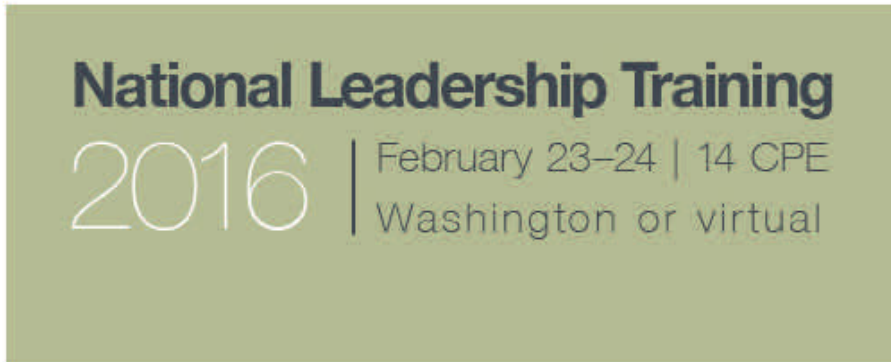
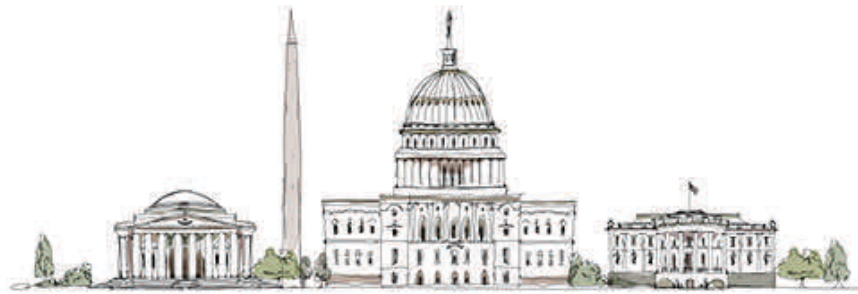
Why accountants don't read novels? Because the only numbers in them are page numbers.

Why do accountants make good lovers? They're great with figures.

If an accountant's wife cannot sleep, what does she say? "Darling, could you tell me about your work."

What is the definition of "accountant"? Someone who solves a problem you didn't know you had in a way you don't understand.

AGA Guam Chapter- Training Scholarship Awarded

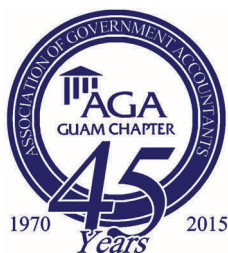


Floregine Dela Cruz



Lorbea Palaming

Congratulations to Floregine Dela Cruz. Ms. Dela Cruz received a scholarship to attend and participate in the AGA's 2016 Collegiate Leadership Program. This program, sponsored by the Young Professionals Focus Group (YPPG), provides five full-time college students with an opportunity to engage with and learn from leaders in government financial management at National Leadership Training (NLT), Feb. 23-24, 2016 in Washington, DC. Ms. Dela Cruz is an Accounting Major and JAS member at the University of Guam. Lorbea Palaming, President of JAS will also be attending the conference.



AGA Guam Chapter- Christmas Party, Hyatt Regency

The AGA Guam Chapter hosted its Christmas Party at the Hyatt Regency. Thanks to the University of Guam's Junior Accountants Society for hosting our event. Thank you for donations and purchase of raffle tickets to support our Community Service- Christmas Charity Raffle to support the purchase of needed supplies for the elderly staying at the St Dominic.



AGA Guam Chapter: CGFM



The Mark of Excellence in Federal, State and Local Government

CGFM is a professional certification recognizing the unique skills and special knowledge required of today's government financial managers. It covers governmental accounting, auditing, financial reporting, internal controls and budgeting at the federal, state and local levels.

Interested in attaining the CGFM Certification?

If you are interested in becoming a CGFM, your AGA Guam Chapter offers CGFM Scholarships by providing reimbursements for your registration and test fees when you pass the CGFM examination within one (1) year.

The Chapter also offers and provides CGFM review materials to its members by borrowing the Chapter's study guides. The Guam Chapter may sponsor a CGFM preparation course on Guam and also promote study groups to assist its members.

Maintaining CGFM Certification

To retain the CGFM certification, all CGFMs must adhere to the AGA's Code of Ethics. In addition, to continue using the CGFM designation after their name, CGFMs must be in an active status.

Active Status

To maintain the CGFM certification in an active status, CGFMs are required to:

- Pay the CGFM renewal Fee by the due date every year.
- Complete at least 80 hours of Continuing Professional Education (CPE) every two years in government

financial management topics or related technical subjects (within the designated two-year cycle).

- Maintain and, if requested by AGA, provide detailed information on CPE hours completed.

By submitting their annual renewal payment, CGFMs affirm that they have and will continue to abide by AGA's Code of Ethics and that they have fulfilled the minimum CPE Requirements

Questions?

Please Contact: **Jose (JoJo) Guevara, III** CGFM for more information.

CGFM INCENTIVE

PUBLIC LAW 33-18

– Provides a pay incentive to employees of Government of Guam Line Agencies, the Office of Public Accountability, the University of Guam and the Guam Department of Education who have obtained Public Accountant, Government Financial Management, Fraud Examiner and Internal Auditor Certifications, pursuant to recognized national standards, to preserve the Government of Guam's ability to recruit and retain such professionals.

- The Association of Government Accountants (AGA) is the organization that establishes the criteria for the Certified Government Financial Manager (CGFM) exam and the ethical standards that CGFMs must adhere to

All government of Guam line agencies, the Office of Public Accountability, the University of Guam, and the Guam, Department of Education employees who have obtained a nationally- recognized certification as a Certified Public Accountant (CPA), Certified Government Financial Manager (CGFM), Certified Fraud Examiner (CFE), or Certified Internal Auditor (CIA), shall be entitled to receive a one-time certification pay differential. A Guam licensed CPA shall be eligible to receive an additional fifteen percent (15%) increase. The CGFM, CFE, and CIA, which are nationally recognized but not required to be Guam licensed, shall be eligible to receive an additional ten percent (10%) increase.

Platinum

PLATINUM AWARD Program Year 2014-2015



AGA Guam Chapter: TRAINING OPPORTUNITY



Association of Government Accountants- Guam Chapter
and the Guam Society of Certified Public Accountants



Presents a **Half-Day** Training on

CYBER SECURITY & ITS IMPACT ON BUSINESSES

(Qualifies for a Maximum of 4 Hours of CPE)

The Association of Government Accountants - Guam Chapter and the Guam Society of Certified Public Accountants proudly presents a Half-Day (4 CPE hours) Training on **CYBER SECURITY & ITS IMPACT ON BUSINESSES** instructed by Melvyn Kwek on **Friday, February 19, 2016 (8:30 AM to 12:00 PM)** at the **Gloria B. Nelson Public Service Building 2nd Floor Training Room #281** in Mangilao, Guam.

COURSE DESCRIPTION

The presentation will cover today's cyber threat landscape and its impact on businesses. We will look at recent trends in cybercrimes and the motivation behind such activity. Also covered will be how companies globally compare on how prepared they are to handle cyber threats. We will examine the challenges facing companies in addressing such cyber threats and how to overcome them. There will also be a guest speaker from the U.S. Federal Bureau of Investigations who is involved with Cyber Crimes investigations to discuss what is being done locally to address this issue.

ABOUT THE INSTRUCTOR

Melvyn Kwek is currently the Chief Information Technology Officer for the Guam Power Authority (GPA). He was involved in GPA's Smart Grid implementation grant with the Department of Energy which included the deployment of the Smart Meters, the Meter Data Management System (MDMS), an island wide mesh communication network, GPA Cyber Security plan and other IT related projects. Before that, Melvyn worked with Ernst & Young Guam as a senior manager for their *Information Technology Risk & Assurance (ITRA)* department performing IT Audits, Security Audits and Advisory work for over 12 years. He graduated from Washington State University with a degree in Management information Systems (MIS) and is a Certified Information Systems Auditor (CISA).

REGISTRATION:

Name: _____

Organization/Agency: _____

Telephone Number: _____

Fax Number: _____

Email Address: _____

AGA Member Number: _____

Please Select One:

	Fee:	Selection:
AGA Member	\$45	
GSCPA Member	\$55	
Non-Member	\$80	

SPACE IS LIMITED!!! Submit your completed form to: Rodalyn Gerardo at rgerardo@guamopa.org or via fax at (671) 472-7951 no later than **WEDNESDAY, FEBRUARY 17, 2016**.

Questions? Please contact the AGA Education Committee at (671) 475-0390 ext. 204 (Rodalyn).

SPECIAL NOTE: No food or drinks are allowed in the training room, except for bottled water.

AGA National Training Events

jan.
19

Financial Systems Summit

Jan. 19, 2016

Washington

feb.
23-24

National Leadership Training

Feb. 23-24, 2016

Washington

may
13

CFO/CIO Summit

May 13, 2016

Washington

july
17-20

Professional Development Training

July 17-20, 2016

Anaheim, CA

sept.
20-21

Internal Control & Fraud Prevention Training

Sept. 20-21, 2016

Washington

AGA Guam Chapter: 5K SPONSORS -Thank You!!!

14th Annual 5K Sponsors

"SI YU'US MA'ASE"

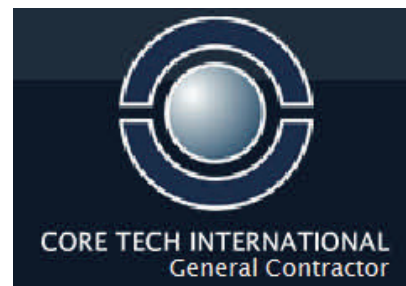
Platinum Accountability Sponsors



Silver Accountability Sponsors



Dan S. Fitzgerald



AGA Guam Chapter: 5K SPONSORS—Thank You!

14th Annual 5K Sponsors

"SI YU'US MA'ASE"

Bronze Accountability Sponsors



Friend Accountability Sponsors

Marcia Briones



AGA Guam Chapter: About Us...

Our Mission

Advancing Government Accountability

Our Goals

To serve professionals in the government financial management community by:

- providing quality education
- fostering professional development certification; and
- supporting standards and research to advance government accountability

Who We Are

The AGA Guam Chapter serves professionals in the government financial management community by providing quality education, fostering professional development and certification, and supporting the standards and research to advance government accountability.

Chapter Executive Committee Members

Programs

Director: **Vincent Duenas**, MPA

email: vincentd@guamwaterworks.org

Education & Past RVP Pacific Rim

Chair: **Rodalyn May A. Gerardo**, CGFM, CIA, CPA, CGAP

rgerardo@guamopa.org

CGFM & Certification Regional Coordinator

Chair: **Jose Guevara III**, CGFM;

jojo_guevara@hotmail.com

Newsletter

Editor: **Matthew Quinata**

mattquinata@gmail.com

Website

Webmaster: **Artemio Hernandez**, CGFM

artemiorh@gmail.com

Membership & Chapter Development & Assistant Regional Coordinator

Chair: **Jason Katigbak**, CPA, CIA, CFE, CGMA

jasonkatigbak@gmail.com

Co-Chair: **Debbie Ngata**

debbie.ngata@gu.ey.com

Early Careers & AGA National Board

Chair: **Doreen T. Crisostomo**, PhD, CGFM, CICA, CFE

doreentc@triton.uog.edu

Co-Chair: **Zeny Asuncion-Nace**, CGFM, CPA, CFE

znace@uguaam.uog.edu

Student Representative & Co-Chair, Early Careers

Lorbea Palaming, JAS President

email: not available

Accountability

Chair: **Maripaz N. Perez**, CGFM, CGAP

mnperetz@gpagwa.com

Co-Chair: **Zeny Asuncion-Nace**, CGFM, CPA, CFE

znace@uguaam.uog.edu

Community Service

Chair: **Frances Danieli**, CGFM

danieli6@guam.net

Co-Chair: **Ariana Villaverde**

Araina.villaverde@gmail.com

Chapter Recognition Program, Regional Vice President-Elect & Education Regional Coordinator

Chair: **Taling Taitano**, CPA, CGFM

tmtaitano@gmail.com

Awards

Chair: **Vincent Duenas**, MPA

email: vincentd@guamwaterworks.org

Scholarship

Chair: **Cora Montellano**, CGFM

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Co-Chair: **Pamela Aguigui**

paguigui@gpagwa.com

Research/Standards

Chair: **Christopher Wolseley**, CA

cwolseley@deloitte.com

By-Laws and Procedures:

Chair: **Llewelyn Terlaje**, CGFM, CGAP;

email: lterlaje@guamopa.org

Historian:

Jerrick Hernandez

email: jhernandez@guamopa.org