

**USACE FINANCE CENTER
BIWEEKLY REPORT
PERIOD ENDING 11 JUNE 2004**

I. CEFMS:

A. We have placed an updated CEFMS Credit Card User's Manual on the CEFMS User's Manual website.

B. We modified the non-S&A cost transfer screens to accommodate the previous changes made to CEFMS for the automatic posting of interest payments. Because interest is automatically posted with the cost type 'EXP' (even when the work item is an asset work item), we needed to modify the cost transfer screen to ensure interest that was transferred updated with cost type 'EXP'.

C. We modified the 'Collection For Self Remittance Create/Update Screen 2.99.2' to prevent users from overwriting the bill number cited on a remittance record. This modification prevents the sporadic partial updates when a collection voucher is certified. Users may correct the bill number by deleting and creating a new remittance record.

D. We completed testing with Bank of America in Germany for the new EURO Electronic Funds Transfer (EFT) Files. The Bank of America in Germany has completely modified the files to better serve their customers and consequently, the bank at some point will no longer accept the current format we are using in the future. The new format will also require some modification to the Data Manager's Tables.

E. We are researching several problems related to the reports used to verify check amounts to Disbursing Transaction Registers. We are getting out-of-balance conditions on three different reports. It appears to be related to the new interest charge procedure when the funding account has a related advance account.

F. We generated the first Intra-Governmental Transaction System (IGTS) Billing File from CEFMS and made corrections based on the review of the output file. We transmitted an IGTS File that was run from the ERDC Database to Northrop Grumman, the contractor working with the DFAS IGTS Project Office.

G. We are working with the Property Book Officer at HQ USACE to arrange for the removal of their equipment that was at our

Huntsville location. They were notified in early February that this equipment is no longer in service.

H. We modified the disbursement program to correct the reimbursable source code that had been missing from the disbursement transaction register whenever DoD-rated foreign currency payments (i.e., with fund types A (Automatic) & F (Funded)) are made in the system.

I. Our online Foreign Currency Manual now includes information on additional foreign fund functionalities with respect to adjusting funding accounts, transferring costs, and appropriation refunds. This completes the entire Republic of Korea (ROK) fund process document except for liquidated damages, which is currently under development.

J. We modified the cost transfer program to allow USACE activities that incur Prompt Payment Act (PPA) interest costs on Direct Funded Contracts for Foreign Military Sales (FMS) to transfer those costs to Direct Fund Cites (fund type 'E') established by DFAS specifically for FMS PPA interests costs. This change was necessary due to recent changes, which now require interest costs to be charged directly against the project funds where the costs are incurred.

K. We modified the cost sharing process to reconcile sponsor work-in-kind (WIK) and sponsor cash advance amounts to the general ledger. Amounts reconciled are total estimated WIK, estimated WIK withdrawn, cumulative cash advanced and cash withdrawn. Applicable transaction updates were changed to record a specific transaction reference type and reference ID to permit these reconciliations. Additionally, all amounts recorded since inception was adjusted to permit reconciliation of all cost sharing sponsor WIK and sponsor advance accounts. Upon release, all cost share sponsor WIK and advance accounts were reconciled to the current general ledger balances.

L. We modified CEFMS to permit the customer order source appropriation to be changed on a direct fund cite customer order. Direct fund cite customer orders are customer orders accepted with a fund type of 'E'. On direct cite customer orders, the customer's appropriation is used to build the customer order funding register and the customer's appropriation is cited directly on contractual documents. USACE activities requested this functionality to permit correction of erroneously input data without either requiring reversal of the customer order or requesting correction by problem report/script.

II. PROBLEM REPORTS/IMBALANCES:

A. Open problem report inventory:

	<u>This Report</u>	<u>Last Report</u>
Total Problems	867	862
Priority #1 Problems	59	62

Received 171 new problem reports and completed 166 problem reports.

B. Database Imbalances on our 62 Production Sites:

<u># of Imbalances</u>	<u>This Report</u>	<u>Last Report</u>
None	51	34
One	2	3
Two	2	1
Three	2	10
Four	2	3
Five	1	0
Six	0	7
Nine	0	2
Twelve	2	1
Fifteen	0	1

III. ACCOUNTING OPERATIONS:

A. NUMBER AND LOCATION OF ONBOARD PERSONNEL:

<u>LOCATION</u>	<u>ONBOARD</u>
MILLINGTON	241
HUNTSVILLE	23
USACE HQ	1
DA INTERN	4
TOTAL	269

B. DISBURSING WORKLOAD DATA:

<u>PAYMENT</u>	<u>CURRENT MONTH</u> <u>June 01 - 08</u>	<u>YEAR TO DATE</u> <u>Oct 01 - June 08</u>
BY CHECK:		
Checks Issued	3,544	103,676
Percent of Total	09%	13%
Dollar Amount	\$23,172,959	\$863,949,766
BY EFT:		
Transfers Made	19,859	390,989
Percent of Total	91%	87%
Dollar Amount	\$459,744,516	\$11,635,724,458

IV. OTHER UFC ISSUES:

A. General Accounting Officer (GAO) is continuing efforts to identify contractors with delinquent tax debt and to determine whether there are systemic weaknesses that prevent DoD from obtaining reasonable assurance that it is effectively offsetting the payments to such contractors. GAO auditors visited the Finance Center the week of 7 June 04 after receiving a request from Senators Collins, Coleman, Lieberman, Levin, and Akaka for an audit of federal contractors with delinquent tax debt. The auditors gathered information and data from Accounts Receivable/Debt Management, Accounts Payable and Disbursing Divisions at UFC. Topics discussed included the Treasury Offset Program (TOPS), IRS Offsets, IRS Miscellaneous Income Form 1099 processing, IRS Tax Levies and overall disbursements. UFC will provide GAO a file of all USACE FY 03 disbursements and FY 04 disbursements to date to be used in their audit. The file will identify those payments that were made to IRS based on a tax levy.

B. On 14 June 04, the Disbursing Division will load new banking information on all NAU EURO vendor payment records in CEFMS. Our military banking facility in Germany, Bank of America, has established this new requirement based on requirements from the European banking industry. The Huntsville Systems Office will release the new code so Disbursing can create our electronic files using the new file formats on 15 June 04.

C. The UFC Travel Division is processing PCS vouchers received on 7 Jun 04.

D. We participated on a project delivery team reviewing South Atlantic Division's quarterly travel post-audit process. The team met via teleconferences. The general objective of the team was to determine if regionalization/centralization of the Division's quarterly travel voucher audits would be beneficial. Pros and cons of the status quo and the regionalization/centralization concepts were discussed. A final decision has not been formally reached; however, the likely recommendation will be to continue with the present process of each district performing its own post audits. Basically, no cost savings would result from regionalization/centralization, and in fact, costs could increase somewhat. In its final report, the team may include recommendations concerning sharing of audit result information between districts of the Division.

E. On 8 June, we issued the report on the post audit of Permanent Change of Station (PCS) vouchers paid during the first quarter of FY04. The monetary error rate was 8% of the vouchers audited. This represents a significant improvement in the accuracy of voucher processing, as previous monetary error rates have averaged about 14%. PCS errors can result from travelers, PCS voucher approvers, and real estate claims approvers or Finance Center accounting technician's administrative oversight, missing supporting documentation in the files or interpretation of the claim and regulatory guidance. After final review of all pertinent information by the disbursing officer, the actual monetary rate may be further reduced.

F. The UFC Windows 2003 Active Directory migration is underway. We are a member of the MVD domain and will migrate according to their schedule. All of the users and groups have been migrated and the servers are scheduled to migrate by 11 June 2004. The workstation and Exchange migration will follow in the coming weeks. The expected completion is 31 July 2004.

G. We completed development of FY05 rates to be charged to USACE activities for CEFMS/CEEMIS usage and for finance and accounting support. These rates have been provided to HQ USACE for publication in the Consolidated Command Guidance (CCG). Overall, FY05 CEFMS/CEEMIS charges increased about 4% over the FY04 CCG estimates, though adjustments to charges to specific activities varied significantly from that percentage because the projected cost distribution was based on an activity's transaction count for the last 12 months. The projected total assessment for finance and accounting support for FY05 increased about 6% above amounts billed for FY04. Again, adjustments to charges to individual activities vary significantly from that percentage. To more accurately reflect the level of effort required, we changed the method used to prorate finance and accounting support cost in FY05. Each activity's share of a Finance Center mission area (Travel, Disbursing, Accounts Payable, Cash Reports, Accounts Receivable and Field Reports) cost was calculated based on workload counts. Total support cost for an activity was then determined by summing the costs of each individual mission area for that USACE activity.

H. We are working with Mr. Dennis Plockmeyer, CPA, to establish an interface between CEFMS and the CPA e-business suite used to manage the IRAQ reconstruction. We asked Mr. Plockmeyer to establish an MOA and to provide the necessary funding. Additional interfaces may have to be developed with RMS and if so, funding will need to be provided for those interfaces as well. We will provide an initial test file this week for the Total Resource Management contractors to review.

I. Ellen Gibson, Chief, CFO & Civil Reports represented USACE at a DFAS meeting to discuss lessons earned in the new 21-day accelerated financial statement reporting process. All DFAS Centers and USACE participated. Representatives from the OUSD Comptroller made a presentation on their expectations and requirements regarding submission of the CFO Financial Statements and Footnotes.

J. DFAS Arlington representatives visited the UFC this week to work with the CFO section on deployment of the Defense Departmental Reporting System (DDRS) Budgetary Module (DDRS-B). DDRS is the DFAS System used for submission of civil CFO statements and footnotes. DDRS-B will produce the monthly departmental level regulatory reports i.e., SF133, AR (M) 1307, DD1002, etc. and quarterly FACTS II reports to Treasury.

K. We are currently working with CERM, DA and DFAS on the possibility to report labor obligations in all appropriations on the CMOD portion of the Military ICAR report. A meeting is scheduled for 14 July at the Finance Center to discuss all reporting issues. CERM-M plans are to request a DA representative attend the meeting to discuss our concerns. USACE needs to resolve all reporting issues on labor obligations before we move to submission of daily transactional files that will generate status reports and CMOD data. See paragraph L below.

L. DFAS is currently in the planning stages to discontinue the submission of month-end Military Status ICAR report and move to a daily submission of detail transactional data. The new procedures will also eliminate the daily submission of the ICAR 218 and 112 data to the DFAS Operational Data Store (ODS) enterprise database. We are currently analyzing the USACE impact on submitting unedited daily transaction data files. We are in the process of scheduling a visit to DFAS-IN to discuss the processes in detail within the next two week. This new process will have broad applications to our financial processes and will impact both CEFMS and CEEMIS and could possibly result in an increase on personnel at the Finance Center.

N. We participated in a teleconference with Army Budget and DFAS concerning the Foreign Currency Fluctuation Report (DD COMP (M) 1761). DFAS had inaccurate beginning balances loaded in their tables which required the UFC to manually prepare monthly journal vouchers to correct the USACE beginning balances. This was a very time consuming effort as well as increasing the possibilities for additional errors. DA gave DFAS authority to modify their beginning balance to match USACE beginning balances eliminating unnecessary monthly journal vouchers and bringing CEFMS and the DFAS corporate reports in balance.