

**USACE FINANCE CENTER
BIWEEKLY REPORT
PERIOD ENDING 6 AUGUST 2004**

CEFMS:

A. We modified the credit card invoice approval process.

Previously, when a computer connection was lost during the credit card invoice approval process, all invoice approvals were rolled back, but no warning message was generated. Although the approver may have believed that the process completed successfully, the transactions were not disbursed because they were not approved. This situation has resulted in the requirement to make interest payments. We modified CEFMS to commit each transaction as it is approved. This way, only the current transaction is not approved if a connection is lost. When the approver signs back onto the system, a message is displayed if any unapproved credit card invoices or vouchers need approval.

B. A new menu option has been added to the credit card menu for "Credit Card Unpaid Statements." This is a view screen that can be used to insure that all transactions have been disbursed. The new screen will keep track of credits that could not be paid due to unavailable funds.

C. We attended the annual DFAS Payroll Customer Service Representative (CSR) conference in Denver, CO. We met with Juan DeJesus (DCPS representative) and Annette Epperson (DCPS/USACE liaison) regarding Army's proposed new time and attendance (T&A) system. Most likely, one of two systems already in use will be chosen. The Army Audit Agency will start reviewing the two systems sometime in September or October 2004; however, projected deployment will occur in the next two years. There will also be a project manager who will visit MACOMS gathering information on various related issues. The system will be set up for employees to enter their own T&A, where possible. Timekeepers will still be necessary to enter T&A for those employees with no access to computers (such as employees working on a barge). CSRS positions will also still be needed. We notified HQUSACE (CERM-F) that USACE should consider requesting a waiver since there will be no link between the T&A system and CEFMS; therefore, labor costing procedures will

drastically change. This will also impact P2 and other USACE Automated Systems.

D. We revised the 'Copy Budget Year & Number' option of the Operating Budget Module so that the user's screen will no longer be 'tied up' during the copy process. Instead, the copy function is now run from a report which is generated from the 'Copy Operating Budget' screen. CEFMS users will now be able to access screens in either the copy FROM or the copy TO budget.

E. We revised the Military Funded Customer Report in the Manpower Module so that it now includes both the original Operating Agency code, and the 'roll-up' Operating Agency code designated by HQUSACE Manpower. This change allows users to research the source of Military FTE by looking at the original Operating Agency code. It also provides the summary (roll-up) information required by HQUSACE.

F. We participated in a conference call on P2 functional requirements for support services. Topics included discussion of whether Revolving Fund (direct) accounts should be entered into P2 and a possible P2/CEFMS interface with the CEFMS Operating Budget Module. Further discussions and meetings are required before final decisions are made and implemented. We sent a request for clarification of several issues to the P2 Project Manager, with copies furnished to HQUSACE, RM-F.

G. We prepared and submitted two drafts of the FY2006 OMB 300 Business Case package for CEFMS/CEEMIS and coordinated actions with HQUSACE (CECI). The OMB 300 is required for all capital assets and all major Information Technology Investments, and is submitted in support of the USACE Civil Works program - which funds approximately 60% of the total Financial Management AIS costs. This year's schedule indicates the FY2006 300 Business Case will be submitted to the Civil Works Directorate and the ASA(CW) for review before final submission to OMB in early September.

H. We provided information and written several messages in an attempt to obtain written guidance on the requirements of year-end in regard to the close out of non-P2, non-Revolving Fund work items. There seems to be

much confusion among the USACE activities and written guidance would help ease uncertainty on the CEFMS year-end process. We are awaiting guidance from the P2 Steering Committee.

I. We participated in conference calls with the Facility and Equipment Maintenance (FEM) Project Manager and other interested parties on the status of the FEM deployment and the need for changes in the FEM/CEFMS interfaces. If the project is approved and funded for USACE deployment and the UFC is provided funds to cover the cost of interface changes, we will proceed with specifications and programming.

J. We have released to the CEFMS DBA a copy of the CEFMS System Security Plan. This is a required Department of Defense Information Technology System Certification Accreditation Process (DITSCAP) document that specifies the responsibilities of those involved in administering the various levels of CEFMS security.

II. PROBLEM REPORTS/IMBALANCES:

A. Open problem report inventory:

	<u>This Report</u>	<u>Last Report</u>
Total Problems	876	857
Priority #1 Problems	75	72

Received 190 new problem reports and completed 171 problem reports.

B. Database Imbalances on our 62 Production Sites:

<u># of Imbalances</u>	<u>This Report</u>	<u>Last Report</u>
None	58	59
One	2	2
Two	1	0
Three	1	1
Four	0	0

Five	0	0
Six	0	0
Twelve	0	0

III. ACCOUNTING OPERATIONS

A. NUMBER AND LOCATION OF ONBOARD PERSONNEL

<u>LOCATION</u>	<u>ONBOARD</u>
MILLINGTON	234
HUNTSVILLE	23
USACE HQ	1
DA INTERN	4
TOTAL	263

B. DISBURSING WORKLOAD DATA:

PAYMENT	CURRENT MONTH <u>Aug 01-03</u>	YEAR TO DATE <u>Oct 01-Aug 03</u>
BY CHECK:		
CHECKS ISSUED	1,334	126,712
PERCENT OF TOTAL	12%	13%
DOLLAR AMOUNT	\$18,217,819	
\$1,083,986,059		
EFT:		
TRANSFERS MADE	6,661	484,193
PERCENT OF TOTAL	88%	87%
DOLLAR AMOUNT	\$ 102,904,208	
\$13,944,383,337		

*percentages adjusted for utility checks which do not have to participate in EFT.

IV. OTHER UFC ISSUES:

A. The USACE IM/IT A-76 Performance Work Statement (PWS) team requested each DIM/CIM attend or send a representative to a PWS meeting in Jacksonville 26-30 July. The UFC CIM attended the meeting and began the process of data collection. The PWS team developed a set of questions for each functional IM area. The DIM/CIMs worked with the team to refine the questions in preparation for the actual data collection. Each Division/District/Center/FOA was assigned a date to return to Jacksonville with the data collection completed. The UFC CIM and Records Manager will report to the PWS team 13-15 September.

B. The UFC Security Manager is currently developing an Emergency Organization Plan, Force Protection Plan, and Physical Security Evaluation as requested by Naval

Support Activity Mid-South Force Protection Group. The final plans will be published in the new local regulation, NAVSUPACT 5530, currently in rewrite to coincide with new directives and current changes in other base security.

C. The UFC has compiled the results of the second quarter FY04 TDY post audits. USACE activities completed audits on 559 temporary duty travel vouchers. There were 109 vouchers (19.1%) with errors. These errors - underpayments plus overpayments - totaled about \$27,000. Depending on the nature of the error, the UFC will either pay or bill affected travelers. As with past audits, nearly all the errors were traveler input errors which should have been identified by the travel approving official prior to approval for payment. Two districts have not submitted audit results for several quarters. Japan District has not submitted results since the second quarter of FY03; and Los Angeles District has not provided completed audits since the third quarter of FY03.

D. The UFC recently completed an audit (using a statistical sample) of fourth quarter FY03 vendor/contract payments. No overpayments or underpayments were noted. However, several administrative/non-monetary errors were documented. The most common errors made by field installations were the inappropriate use of the CEFMS Prompt Payment Indicator; and the payment of real estate leases in advance, though the lease agreements specified payments were to be made in arrears. The UFC Finance Directorate will coordinate correction of these errors with appropriate activities. The most common error made by the UFC was the entering of incorrect dates (e.g., invoice dates, invoice received dates) into CEFMS. Accounts payable Division has had several training classes to ensure correct dates are entered in CEFMS.

E. Brenda Ponder of the Accounting Quality Division attended an Emergency Management (EM) meeting on 27 Jul 04 at the Memphis District. The facilitator for this meeting was Mike Stewart of MVD-EDS. Three other individuals from the St Paul District EM office were in attendance along with representatives from the Memphis EM office. The purpose of this meeting was to develop a template for establishing Flood Control and Coastal Emergencies and FEMA projects/activities in P2. There

were many uncertainties in the accuracy/completeness of the development of the templates. Nevertheless, a first draft was produced and will be staffed throughout the USACE EM community for comments.

F. As the UFC P2 Project Manager, Brenda Ponder also attended a two-day training session at the Memphis District 28-29 Jul04, taught by contractors. The course was entitled Management and Analysis: OFA: Oracle Financial Analyzer. This course taught the end-user to view standardized reports showing budgeted versus actual data entered in P2. We are currently seeking formal training courses that provide a better understanding of the basic details for the CEFMS and P2 interface.

G. Effective 1 Aug 04, Ms. Anne Schmitt-Shoemaker assumed the accountability as Disbursing Officer for USACE. All paperwork has been submitted and approved by DFAS and the US Treasury.

H. UFC Disbursing is working with Mr. Roger Pillar in the Project and Contracting Office (PCO), Comptroller Office in Baghdad, in an effort to accelerate the receipt of funds by Iraqi reconstruction vendors. Issues include the payments to vendors via check/EFT in Iraqi Dinars, possible use of payment vouchers instead of waiting for a check or wire transfer of funds, and cash payments. UFC discussions with Captain Boston of the 126th Finance Company in Baghdad indicate that informational meetings have been held between the 126th and the PCO concerning the support that the 126th can provide. The 126th is located approximately one half mile from the PCO building. The alternatives discussed by both the 126th and the UFC are as follows:

- (1) Electronic funds transfer (EFT) or wire transfer of funds to the prime vendors. The prime vendors would then pay the Iraqi subcontractors.

- (2) U.S. checks issued to Iraqi contractors that they cash in local banks. This method has drawbacks in that Iraqi vendors do not want to take a US check to a local bank to cash and exchange for Dinars. They are labeled as helping the Americans.

(3) U.S. checks issued to Iraqi vendors and cashed by the 126th. The 126th can only pay in US dollars. They are not allowed to use Dinars as it is not yet recognized by the World Bank. The vendor must convert U.S. dollars to Dinars.

(4) In emergency situations, the Iraqi vendor could take his invoice to the 126th and they would issue payment and charge USACE via the TFO/TBO process. This would cause delays in posting the disbursement against the USACE obligations.

I. UFC travel is processing PCS vouchers received on 28 Jul 04, and Relocation Income Tax Allowance (RITA) claims received in Jul 04. The Integrated Automated Travel System (IATS) Release 6.03 Systems Acceptance Test (SAT) is scheduled for 3-17 Sep 04 with on-site assistance provided by DFAS.

J. Cynthia Blevins and Ellen Gibson attended the Year-end Financial Reporting Conference on 28- 29 July in Arlington, VA. Other participants were from OSD Comptroller's Office, DoDIG, and all DFAS Centers. The topics included accounting and financial statement presentation, improvement plans and audit preparation to meet the DoD goal of achieving a CFO unqualified audit opinion by FY 2007.

K. In August, the CFO team will begin exchanging monthly revenue, expense and transfer in/out data with DFAS Indianapolis for Army Department Code 21 appropriations. This will facilitate reconciliation of trading partner elimination data for quarterly financial statement reporting. The CFO Team is also participating in a functional test of the Defense Departmental Reporting System Budgetary Yearend Closing Process. Testing begins 3 August and ends 6 August.

L. We sponsored an Enhanced Defense Financial Management (EDFM) Training course on 26-30 July 2004. 32 accountants attended the training. As a result, the majority of the accountants in the UFC have now attended EDFM class.

M. Jeff Payne, Skip Valente and Bob Riede represented the UFC at the DFAS-IN training session to learn the procedures for the daily submission of all military financial transactions. Our observation is the DFAS

submission process and the system appear to be cumbersome and very time consuming. We are discussing with DFAS the prospect of sending our general ledger information versus a transaction type file. We think this would be more mutually beneficial. Otherwise, we will have to convert our general ledgers to a transaction type, transmit the file to DFAS-IN and they would convert the transaction type to a general ledger. In order to maintain consistency, we prefer they accept our U.S. Standard General Ledgers. Representatives from DFAS-IN have agreed to meet both Millington and Huntsville staff to consider alternative recommendation in Huntsville on 11-12 August 04.

N. The Missile Defense Agency (MDA) is planning a second trip to the UFC during the week of August 23rd for their CFO assertion test. They will pull a sample of the MDA transactions and validate our internal controls and supporting documentation to support the CEFMS transactions. Their goal is to ascertain the capability to support MDA direct and reimbursable funds allocated to the USACE for Accounts Payables, Accounts Receivables and Funds Balance with Treasury for the DoD CFO financial statements audit.

O. On 27 Jul 04, we sent the Year-End Closeout guidance memorandum for September transaction processing and CEFMS 30 September 2004 year-end closing instructions to all Resource Managers and Finance and Accounting Officers.