

**USACE FINANCE CENTER
BIWEEKLY REPORT
PERIOD ENDING 23 June 2006**

I. CEFMS:

A. We have identified several labor and payroll issues associated with the conversion to Oracle 10g. Most of the problems have been resolved but we are still having intermittent problems with the email for some USACE activities involved in labor cross charging. We will continue to monitor all labor and payroll processes and issues.

B. We are testing the screens and programs in the CEFMS labor and payroll module for the Defense Civilian Pay System (DCPS) Unpaid Accrued Leave Liability Report. Currently, this process is external to CEFMS and extensive manual effort is required to reconcile the DCPS unpaid leave liability with the CEFMS accounts relative to unpaid accrued annual leave liability.

C. We changed the print copy of the Government Order Purchase Request. Now, when a government order is Department Type 96 and the debtor class is not 'Other Corps', the field to check direct fund cite will not appear. In all other scenarios, this field should appear. This change was necessary because other government agencies were accepting our civil works government orders as direct fund cites.

D. During this reporting period, we continued to make corrections as directed by the Federal Reserve Bank for the upcoming conversion to Fedline Advantage. This is a new web based system for transmitting electronic payments to the Federal Reserve Bank in a secure environment. New hardware was installed at the UFC to authenticate authorized users and to provide data encryption. We will be the first DoD agency to convert to this new system. We have completed testing on the various types of payments we process through the Federal Reserve Bank.

E. We tested and released changes to the Void Checks and Spoiled Checks Screens that were required for the Oracle 10g conversion. A change was required when a check is voided on an Oracle 10g database and records are inserted into the disbursing database.

F. We researched an out-of-balance condition on the cash reports for the Great Lakes and Ohio River Division (CELRD). It involved a Corps-to-Corps customer order billing. The billing initiated on the Huntington District (CELRH) database as a collection, and

was processed on the CELRD database as a disbursement. Subsequent to processing the disbursement on the CELRD database, a user did an appropriation refund. No transactions were found on the CELRH database for this. We are continuing to research this issue.

G. We researched a problem with the Military Passback Certification Screen at the Omaha District (CENWO). A certifier processed a passback on 19 May 06; however, no disbursement transactions were found in the transaction register. We submitted a correction to enable the user to recertify the records in an attempt to see if any error messages appeared on the screen. The records were certified on 16 Jun 06 and there were no errors. Disbursement transactions were inserted in the register at that time.

H. We compiled a list of roles, edits and separation of duty issues in the timekeeping, employee, reorganization areas, assets and work items to be provided to the PricewaterhouseCoopers (PwC) auditors. In addition, we provided the internal control applications for all shops/facilities, assets (to include inventory), and Facilities and Equipment Management (FEM) System interface programming. The required roles for each form and internal control edits were provided for each functional area.

I. We completed the review of unliquidated obligations for the funds used by the UFC Directorate of Financial Systems Development & Maintenance. These include reimbursable orders for FY06 site license funding, project funding for CEFMS interfaces with P2 and FEM, and funds for a contractor who provides support to HQUSACE through one of our contracts.

J. We prepared another revision of the CEFMS/CEEMIS FY07 300 Business case for HQUSACE (CECI) for submittal to OMB. Our previous revision resulted in improved scores in risk management and security and privacy, bringing our overall score to 30 (out of possible high of 50). However, an overall score of 31 is required to get CEFMS/CEEMIS off the OMB 'Watch List'. The newest revision focuses on the area of Performance Based Management, where we previously received a score of 2 (out of possible high score of 5).

K. We had discussions with HQUSACE (CERM-F) regarding the 'Additional Guidance on Revised Policy for Capitalization Threshold for Revolving Fund Property, Plant and Equipment (PP&E) Asset' memo and made recommendations for clarification of

the policy on funding for additions and betterments. We are continuing to have discussions regarding policy on Plant Replacement and Improvement Program (PRIP) payback.

L. We generated data files and spreadsheets to create a universe of leasehold improvement (property category code 'LH') assets reconciled to the applicable general ledger at the request of PwC auditors.

M. We modified the Civil/Military Create/Update Work Item Screen (2.1) and the WBS (Work Breakdown Structure) Utility Screen (2.107) to prevent USACE activities from selecting an appropriation linked to special or trust funds as the owning appropriation of an asset.

N. We changed the purchase request line item to display the user's name on the email generated for technical approval instead of the CEFMS MENU.

O. We released a new report, as requested by the UFC, to identify current fiscal capitalized purchases by trading partner. The CFO Report of Capitalized Purchases (cfocappur) lists current fiscal year capitalized purchases based upon updates to general ledger 6610.00, cost capitalization offset. The report will identify the general ledger updated and indicate if the purchase is from a federal (F) or non-federal (NF) vendor. If federal, the AT Entity Code will also be reflected in the vendor detail portion (subsidiary) of the report.

P. An initial review of the asset data files by PwC auditors identified several anomalies on three USACE activities involving missing information and negative book values for eight property id codes. HQUSACE (CERM-F) requested that we explain how the condition occurred and we identified the transactions which were processed that caused the anomaly. The process to transfer capitalized costs to expense did not contain an edit to ensure the book cost being transferred would not result in a negative book value. The program has been revised to stop the user from committing the transaction if it will result in a negative book value. A warning message is now being displayed that depreciation adjustments may be required and the user should review the Depreciation Verification Report (deprever) after processing the transfer and make the applicable adjustments as reflected on the 'deprever' report.

Q. We reviewed a revised policy memo from HQUSACE (CERM-F) concerning increment waivers on PRIP assets below the current \$250,000 PRIP threshold beginning in FY 07. The memo also clarified current capitalization requirements for a Revolving Fund Addition and Betterment (A&B). An A&B must be financed with the same funding as the original asset acquisition regardless of the capitalized cost of the A&B.

R. The employee travel information screen 10.131 has been modified to include the travel credit card number. This field will not be displayed for everyone. The field cannot be queried nor updated. It can only be viewed once populated by querying a specific block on this screen. This data can only be viewed by the employee/card holder who is logged in or an employee with travel admin privileges. The employee with travel admin privileges should be the travel credit card program manager or alternate, who would therefore have access to the travel credit card number through the current credit card vendor. If the credit card number is incorrect, the employee should contact the local travel credit card program manager. The program manager will make changes as usual, using the traveler credit card create/update screen.

S. We continue to modify the general ledger chart of accounts per the CFO initiative. We added new general ledger accounting codes (GLACs) and have had to change military reports (62h_app, delmr302, dsam and ICAR) in accordance with these changes. We also modified the General Ledger Correlation-Year End Closing (glcorye) Report to reflect the additions of 6100.73, 6100.74 and 6100.75. We also removed gl_close_sequence PA1, PA2 and PA3 in preparation for year-end closing.

T. We reviewed, tested and updated the CEFMS military code for the CFY Flash Report of Obligation (cfyflobl) report. It incorrectly included appropriation 97X0512. We adjusted the code to only reflect the list of valid appropriations in DFAS-IN 37-100. We also made a change to the Military Schedule 9 Report to exclude appropriation department code '99'.

U. We prepared and reviewed several software changes for different USACE activities. We provided a change for a USACE activity to correct conversion pay collect codes (CC) that, as costs were incurred, were different. We also researched several out-of-balance conditions that were created due to foreign currency scripts on three databases. All were corrected by reversing and/or modifying the original scripts.

II. PROBLEM REPORTS/IMBALANCES:

A. Open problem report inventory:

	<u>This Report</u>	<u>Last Report</u>
Total Problems	772	759
Priority #1 Problems	88	82

We received 190 new problem reports and completed 177 problem reports.

B. Database Imbalances on our 62 Production Activities:

<u># of Imbalances</u>	<u>This Report</u>	<u>Last Report</u>
None	57	54
One	3	2
Two	0	0
Three	2	3
Five	0	1
Six	0	1

III. ACCOUNTING OPERATIONS:

A. NUMBER AND LOCATION OF ONBOARD PERSONNEL

<u>LOCATION</u>	<u>ONBOARD</u>
MILLINGTON:	220
HUNTSVILLE:	24
USACE HQ:	1
TOTAL:	245

B. DISBURSING WORKLOAD DATA

PAYMENT	CURRENT MONTH Jun 01-20	YEAR TO DATE Oct 01-Jun 20
CHECKS:		
CHECKS ISSUED	5,790	88,606
PERCENT OF TOTAL	7%	10%
DOLLAR AMOUNT	\$48,766,788	\$1,121,298,012
EFT:		
TRANSFERS MADE	42,004	465,436
PERCENT OF TOTAL	93%	90%
DOLLAR AMOUNT	\$1,515,590,195	\$18,532,770,761

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

IV. OTHER UFC ISSUES:

A. The CFO/Civil Reports Division Chief participated in a teleconference with personnel from the Office of the Assistant Secretary of Army for Civil Works and HQUSACE (CERM-F) . We discussed transfers from the Harbor Maintenance Trust Fund for certain expenditures associated with operation of harbors and construction of dredged material disposal facilities in the Construction General and Operation and Maintenance appropriations. Funding for these expenditures is to be taken from the Harbor Maintenance Trust Fund. Transfers are currently being made monthly.

B. We participated in a teleconference with DFAS centers and the Office of Undersecretary of Defense to discuss who is responsible for reporting military construction in progress (CIP) on the financial statements, the funds provider or the preponderant user. DFAS currently reports the balances in the CIP that USACE reports on military to the preponderant user.

C. CFO/Civil Reports personnel spent a week with auditors from PricewaterhouseCoopers regarding Fund Balance with Treasury, the appropriation cycle, abnormal balances, journal vouchers, general ledger edit checks, intra-governmental eliminations, review and certification of year-end reports, year-end closing and the generation of statements and notes in the Defense Departmental Reporting System.

D. We participated in a conference call on 23 Jun 06 between USACE Headquarters, OSD Comptroller, DFAS and the Finance Center to discuss delinquent USACE Accounts Receivable. The \$2.03 billion in delinquent bills owed by Federal Emergency Management Agency (FEMA) accounts for 98.4% of USACE aged receivables. The discussion included a plan of action to collect the aged bills and reduce delinquencies.

E. The UFC Travel Division is processing PCS vouchers received on 6 Jun 06

F. On 15 June, we provided the Logistics High Performing Organization (HPO) with estimates of the UFC support cost for FY 07 (\$48K) and the support services cost for FY07 (about \$937K). We have also obtained an estimated cost for reconfiguring the work stations for the initial contingent of the HPO which will deploy to the UFC before the end of FY06. We

provided that estimate to the HPO on 22 June. The Resource Management Division is also continuing to plan the structure on the CEFMS database for the HPO, such as organization codes, work item details, PRC approval authorities, etc.

G. The Resource Management Division submitted the FY07-09 Consolidated Command Guidance (CCG) for the UFC support costs on 13 June. One new qualification in the FY07 CCG is the notice that we have not included any potential impact due to the pending results of the competitive sourcing study of accounting support services. The uncertainties of the process prevented making an accurate estimate for the impact of the study.

H. On 8 June, we began posting on our public website the actual UFC support costs billed to date to each USACE activity and an estimate of these costs for the remainder of FY06. This information should be helpful to USACE activities in budget estimates for the rest of this fiscal year. We will update this monthly.

I. We participated in the teleconference on 15 June with HQUSACE (CERM) and USACE MSCs regarding the Vice Chief of Staff, Army (VCSA) guidance for OMA funding during the balance of FY06. The teleconference was of limited value to the UFC, since our OMA funding was significantly reduced earlier this FY.

J. At 1300 on 21 June, we advised UFC employees, who are directly affected by the Information Management/Information Technology (IM/IT) A-76 competition, of the initial performance decision, as requested by HQUSACE. We presented the Headquarters' decision briefing and provided copies of the Human Resource Plan and milestone schedule to affected employees and other attendees. All other UFC employees were advised of the competition's outcome by e-mail immediately after the meeting.