

**USACE FINANCE CENTER
BIWEEKLY REPORT
PERIOD ENDING 12 OCTOBER 2007**

I. UFC ISSUES:

A. All 59 CEFMS databases were closed for Fiscal Year 2007 by 1312 on 1 Oct 07. We began the closeout process with Galveston at 1312 on 29 Sep 07 and completed closing out the last database, which was for the Engineer Research and Development Center (ERDC), at 1312 on 1 Oct 2007.

B. Military Reports ended the year with no status Command Expenditure Reports (CERs); i.e., no discrepancies between the Integrated Command Accounting Report (ICAR) and the Data Element Management Accounting Report (DELMAR).

C. The CFO/Civil Reports Division continues to provide information and/or clarification to the auditors from PricewaterhouseCoopers (PwC) related to the FY 2007 audit. We provided clarification for "build-in" journal vouchers (JVs) which closed into results of operations and resources collected, "drawdown" warrants for the Harbor Maintenance and Inland Waterways trust funds, and warrants on the Budget Execution report (SF133). We provided assistance on the "tie-out project" where PwC takes the general ledgers, plus "build-ins" and Defense Departmental Reporting Systems (DDRS) JVs, to produce statements and footnotes which are then compared to the USACE statements and footnotes. We also participated in a teleconference regarding the Fund Balance with Treasury for the Revolving Fund.

D. The PwC audit staff requested the opportunity to observe some of the processes for year-end reports and financial statement compilation. Specifically, they observed us extract, reconcile, and verify data for preparing the financial statements for the trust funds. They also observed us run the general ledger reconciliations in CEEMIS.

E. The CFO/Civil Reports Division staff monitored all Civil Works Funding Authorization Documents (FAD) that were issued in PBAS prior to year-end closing to ensure they were loaded in CEFMS. Each year-end, four or more districts have funding discrepancies due to FADs not loaded or errors in loading. This causes reconciliation errors on the general ledgers and the Report on Status of Appropriation and Work Allowances, Civil Works Funds, Eng Form 3011a, and results in adjustments to the CFO financial statements and footnotes. Due to the extra efforts taken at year-end, there were no funding

discrepancies at year-end. We plan to incorporate this extra step into the year-end process.

F. The CFO team is working on compilation of the FY 2007 year-end financial statements and footnotes. We are currently on schedule to meet the reporting deadlines. We participate in daily teleconferences with DFAS-Indianapolis, the DFAS Centers, and OSD Comptroller's office on the status of the year-end financial statement compilation and any outstanding issues. The daily teleconferences are currently scheduled to continue through 31 October.

G. The CFO elimination team is working on the reconciliation of intra-governmental eliminations. As a waived entity, we reconciled payables and expenses to receivables and revenue between civil works appropriations and other Defense Agencies.

H. The Civil Reports team completed submission of monthly, quarterly and year-end civil and revolving fund reports. The revolving fund reports were completed on 1 October this year.

I. UFC currently uses the DFAS Web Invoicing System (WInS), a web-based application that allows vendors to send invoices to the Finance Center electronically, via web-based technology. The DFAS goal is to stop using WInS by the end of FY08. UFC is currently working with the Army to phase-in Wide Area Workflow (WAWF) as a replacement for WInS so that vendors can continue electronic submission of invoices for payment processing. A Group Administration Manager (GAM) has been established. The GAM will be responsible for granting access to the WAWF system and can activate, deactivate users who self-register in WAWF. The UFC GAM will attend the DFAS sponsored WAWF Summit to be held in Crystal City, VA on 30 - 31 Oct 07 for additional implementation guidance.

J. Finance Center personnel are working with the Far East District (CEPOF) Resource Manager in developing procedures to be used in the cash management of funds contributed by the Republic of Korea (ROK) in support of the Yongsan Relocation Program (YRP). The objective is to ensure that the ROK contributed funds being held for the relocation of U.S. Forces from the Seoul Metropolitan Area are held in interest bearing accounts. Meetings are scheduled for the week of 15 Oct 07 for the discussion of options.

K. The UFC Travel Division is processing PCS vouchers received on 1 Oct 07.

L. The UFC recently participated in three teleconferences with the PwC, which is performing the FY07 Corps of Engineers CFO audit. Two

of these conference calls addressed the methodology used to determine how UFC support costs are allocated and billed to our customers. The third teleconference, which was also attended by a USACE Logistics Activity (ULA) representative, similarly involved the distribution of ULA costs to supported sites. In addition to the UFC's and ULA's descriptions of the processes used, the UFC also provided CEFMS and other documentation supporting the distribution and billing of actual cost incurred to UFC and ULA customers.

M. The Finance Center will reflect a green rating on the fourth quarter CMR for revolving fund nominal balances. We also have a green rating for the fourth quarter interest payments status. For September, our manpower utilization reflects an amber status with actual utilization 1.2% less than planned.

II. ACCOUNTING OPERATIONS:

A. NUMBER AND LOCATION OF ONBOARD PERSONNEL

LOCATION	ONBOARD
MILLINGTON:	209
HUNTSVILLE:	23
USACE HQ:	1
TOTAL:	233

B. DISBURSING WORKLOAD DATA

PAYMENT	CURRENT MONTH	YEAR TO DATE
	01-09 Oct	01- 09 Oct 07
CHECKS:		
CHECKS ISSUED	1289	1289
PERCENT OF TOTAL	6%	6%
DOLLAR AMOUNT	\$17,150,137	\$17,150,137
EFT:		
TRANSFERS MADE	11164	11164
PERCENT OF TOTAL	94%	94%
DOLLAR AMOUNT	\$354,371,530	\$354,371,530

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

III. CEFMS:

A. We changed the general ledger correlations in CEFMS to provide users with the option to create an appropriation refund

bill/collection for USACE disbursed interest penalty. Users may access this option from Menu ID 'AACHBF' option 'REFUNDS - INTEREST PENALTY (3)'. The certified collections of these bills will decrease the purchase request interest paid and return the funds as available. Users will no longer be required to collect these funds into revolving fund and process cost transfers of the interest charges to revolving fund.

B. We have provided the PwC auditors with reconciliation files, transaction registers and labor subsidiary files for September 2007. The reconciliations consist of the following USACE corporate data files:

- Reconciliation of the civil labor hours detail data to the civil labor transaction registers for expense general ledgers.

- Reconciliation of the civil and military labor hours detail data to the labor transaction registers to balance revolving fund revenue general ledgers.

C. We completed the real time unfilled customer order imbalances screen which considers both posted and un-posted general ledger transactions in identifying differences between the unfilled customer order general ledger and the subsidiary records. The subsidiary and the general ledger amounts must be consistent for our financial reports to correctly report what is recorded on the CEFMS database. We also completed an email to identify and advise the customer order financial point of contact, the customer order financial approver or a supervisory accountant of an unfilled customer order imbalance and the requirement to correct it. Additionally, we programmed four reports which can be used to ensure the unfilled customer order subsidiary is consistent with the unfilled order general ledger. As of 30 Sep 07, USACE had \$3.8 billion in civil financed unfilled customer orders.

D. We converted the Treasury Offset Program (TOP) Mode to 'TEST' during the year-end closing period. We then generated and transmitted offset data that will be required to test the reversal process. This process will be used when it is determined that a vendor was offset and should not have been. The TOP Mode has been reset to 'PRODUCTION'.

E. We participated in a teleconference with HQUSACE (CERM-F) policy and budget personnel, ACE-IT personnel, and other finance and accounting personnel to determine whether the PRIP threshold should apply to acquisition of USACE owned property purchased by ACE-IT. The decision was made that the PRIP threshold would be followed and

PRIP funds would be required for the acquisition of property \$250K or greater in value.

F. We changed CEFMS to enforce the mandatory use of the automated ENG3013 Work Order Completion Report for Civil and Revolving Fund CIP/assets. We modified the purchase request line item (PRACLN) and the labor purchase request (LPRACLN) to require an approved 3013 work order for new parent asset work items created after 1 Oct 07. The place-in-service screens and property phase change screens will require an approved and completed 3013 work order. The completion date and useful life years on the place-in-service screen will default to the completion date and useful life years signed by the person who completes the 3013 Work Order.

G. We modified the automated ENG3013 Work Order for transferred-in assets (using asset work order type 'TI') to prompt the user with the question, "Is this a transfer of property between two Corps activities?" If the answer is yes (Y), the form will check the PROPERTY_TRANSFER table for a new property ID code assigned by the Real Estate Office in the gaining activity. If the property ID code is not found, the user will be prompted to establish a link between the new property ID code and the old property ID code assigned by the losing activity in the property table, Screen 10.37. Once the link is established, the automated 3013 work order will pull in the book cost, depreciation, operating account balance, and transfer date transferred in from the losing activity. When the transferred in asset is placed in service, the form will pull in the PRIP indicator, the plant increment waiver indicator, and the justification for the plant increment waiver indicator from the losing activity.

H. We released the REMIS-CEFMS disposal integration for real property effective 1 Oct 07. An approved and completed 3013 work order will now be required for both retirement and disposal transactions in CEFMS. When a retirement work order is initiated for real property, the form will retrieve data from the Real Estate Management Information Systems (REMIS). If the property is for land, the form will retrieve from REMIS the total number of acreage available for retirement and the amount of book cost capitalized in CEFMS, and then compute an average cost per acre. The user will enter the number of acres to be disposed and the form will compute the amount of book cost to be retired from the Property Plant and Equipment general ledgers. When a disposal work order is completed in CEFMS, the form will call a REMIS generated procedure and insert records in the REMIS database table. After the work orders are approved (requires ENG3013_APPROVE role) and completed (requires ENG3013_COMPLETE role), an asset manager must process the applicable

accounting transactions by placing-in-service the asset or updating the property phase screen.

I. We generated text files and Excel spreadsheets for the asset universe files, Construction in Progress (CIP), land, buildings and structures, equipment, intangibles, leasehold improvements, internal use software, and other assets for the period ending 30 Sep 07. We made the land, buildings and structures, equipment and intangibles universe files available to the PwC auditors. We also generated the CIP/asset summary data files for CIP, land, buildings and structures, equipment and intangibles for 4th Quarter FY07. The summary data files provide beginning balances as of 1 Jul 07, 4th Quarter FY07 additions and deletions by transaction type, and ending balances for each CIP and property, plant and equipment (PPE) general ledger by FOA code and appropriation. A second worksheet provides a detail of current year activity by transaction type for each property ID code. We also reconciled transfers from CIP to property plant, equipment, and intangibles general ledgers.

J. We provided Division Resource Managers, Division Finance and Accounting Officers and the HQUSACE (CERM-F) with a status report identifying the number of completed cost share projects that were closed during September and how many still need to be closed. We requested management attention be focused on this effort to ensure the 632 completed cost share projects are closed so that our financial statements correctly report cost share revenue.

IV. PROBLEM REPORTS/IMBALANCES:

A. Open problem report inventory:

	<u>This Report</u>	<u>Last Report</u>
Total Problems	652	649
Priority #1 Problems	99	106

We received 232 new problem reports and completed 229 problem reports.

B. Database Imbalances on our 59 Production Activities:

<u># of Imbalances</u>	<u>This Report</u>	<u>Last Report</u>
None	54	56
One	3	1
Two	0	1
Three	1	0
Five	1	0
Six	0	1

