



UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

SEP 4 2009

COMPTROLLER

MEMORANDUM FOR ASSISTANT SECRETARIES OF THE MILITARY
DEPARTMENTS (FINANCIAL MANAGEMENT AND
COMPTROLLERS)
UNITED STATES SPECIAL OPERATIONS COMMAND
(CHIEF FINANCIAL OFFICER)
DIRECTOR, MISSILE DEFENSE AGENCY

SUBJECT: Transition of Military Equipment Reporting

The purpose of this memorandum is to assign management actions associated with transition of military equipment (ME) reporting from the current Enterprise-wide solution, Capital Asset Management System–Military Equipment (CAMS-ME), to Component-specific solutions. Component plans of action and milestones (POAMs) requested by this memorandum should be submitted no later than September 30, 2009.

Background:

While transitioning CAMS-ME from Business Transformation Agency support to interim sustainment, key stakeholders surfaced issues related to both program management and funding aspects of this change. To address these issues, my office and the Office of the Under Secretary of Defense (Acquisition, Technology and Logistics) (OUSD (AT&L)) evaluated a number of alternatives for financial reporting of ME for fiscal years (FYs) 2010 and beyond.

Course of Action:

Based on our evaluation and input from the financial management and logistics communities, a consensus was reached allowing Components to develop and implement alternative reporting solutions for their ME. Specifically, CAMS-ME will be used for FY 2010 reporting while these solutions are implemented. The Components will report ME using the alternative reporting solutions beginning in FY 2011, until ME reporting functionality is operational within the enterprise resource planning (ERP) systems. Component solutions must meet certain key criteria, such as:

- Supporting the elements of existence and completeness consistent with the revised audit readiness strategy;
- Providing a clear audit trail between the existing ME baseline and the future-state ERP environment; and

- Supporting Component, OUSD(C), and OUSD(AT&L) management requirements, including the ability to: (1) support financial reporting; (2) provide access to historical data and capability to maintain data beyond September 30, 2009, (3) provide fleet-wide program data, and (4) provide life cycle management data.

Operation of CAMS-ME will continue throughout FY 2010 using the funding provided for its operation in Program Budget Decision 704. The OUSD (AT&L) P&E Policy Office will serve as the CAMS-ME program manager for FY 2010 and be responsible for the operation, sustainment and shut-down activities of CAMS-ME.

Next Steps:

To ensure that Component-specific solutions will support the basic financial reporting needs as well as the Department's priorities for audit readiness, I am requesting that each Component submit a detailed POAM no later than September 30, 2009. The POAM should include the following:

- Detailed descriptions of the selected alternative solution for ME reporting for FY 2011 and beyond;
- Target timelines for key milestones in the development, testing, and data migration for the selected solution;
- Adequate level of detail as to how the Component's reporting solution will address the criteria described above; and
- Identification of cost and funding requirements for the selected solution.

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