Procure-to-Pay

Moderator: Mark Easton, Deputy Chief Financial Officer

Panelists
DAI: Greg Little, OUSD(C) Business Integration Office
DEAMS: Todd Baker, Air Force
SABRS: Copeland Selester, USMC
DAI
Problem Statement

- Congress has consistently criticized DoD for its inability to produce auditable financial statements - the largest Federal Agency unable to produce auditable statements

- DAI supports two major solutions for audit readiness:
  - Financial Improvement and Audit Readiness (FIAR) – drives process standardization, creation of internal controls, and a support framework that is system agnostic
  - Enterprise Resource Planning (ERP) Systems – drive integrated financial management processes and deliver full visibility to financial data, with key reporting and reconciliation tools to support audits

Mission:

To transform the budget, finance, and accounting operations of the Defense Agencies to achieve accurate and reliable financial information in support of financial accountability and effective and efficient decision making throughout the Defense Agencies in support of the missions of the warfighter. Common business processes are: procure to pay; order to cash; acquire to retire; budget to report; cost accounting; time and labor. Full deployment capability will include budget formulation; grants financial management; and re-sale accounting.
<table>
<thead>
<tr>
<th>Strategic Initiative</th>
<th>Capabilities</th>
<th>Next Step</th>
</tr>
</thead>
</table>
| Universe of Transactions              | • 98% of DAI general ledger details are reconciled to the Unadjusted Trial Balance  
• Feeder recons and financial statement recons available | • Automate the QDD as interface that can be sent via GEX                  |
| FBWT – Cash Accountability            | • Deployed 7 Agencies on direct treasury disbursing (DTD)                     | • Schedule remaining Agencies to DTD                                     
• Foreign currency DTD will be available summer timeframe                      |
| SFIS/SLOA/USSGL Compliance            | • DAI is over 95% compliant with SFIS/USSGL                                  | • Finish JITC assessment and review results for any SCRz                 |
| Property                              | • Implemented DPAS at 5 Agencies                                             | • Tririga implementation                                                |
| Audit/IT Controls                     | • DAI received a qualified SSAE-16 opinion with low risk findings             | • Continue audits                                                       
• Implemented GRC                                                              |  
• Further roll out GRC capabilities                                            |
| Journal Vouchers                      | • < 3% of journal vouchers input into DAI                                    | • Tracking recommendations from JV working group                          |
| Cost Management                       | • Implemented cost management structure for all DAI agencies                 | • DCMO is creating cost management framework. May impact DAI Agencies   |
| PPBE Standards                        | • Implemented P2P handshakes 1, 3, 4, 7 & 8                                  | • Further capabilities around additional appropriations and exhibits      
• Implemented budget formulation at 4 Agencies                                  |  
• P2P HS 2                                                                      |  
• Deploy additional Agencies                                                   |
| Funds Distribution                    | • Complies with USSGL funds distribution posting logic                       | • EFD                                                                    |

**Alignment Status**
- **Aligned**
- **Moderately Aligned**
- **Not Aligned**
DAI Capabilities

Legend:
BEA E2E Business Processes
Increment 2 Business Processes
Delivered capabilities
Increment 2 capabilities

Budget to Report (B2R)
- Enter funds from Treasury
- Allocate funds to organizations
  - DWFC
- Update general ledger
- Update reports

Budget Formulation
(additional B2R process capabilities)
- Develop budget for out year and POM
- Support forecasting, and “what if” scenarios
- Generate required documents

Proposal to Reward (P2R)
(Grants Financial Management)
- Award a Grant
- Apportion and allotment funding
- Track and close grant
- Oversight and reporting

Re-Sales Accounting (DeCA Unique)
- Non- Appropriated Fund FFMIA requirements
- Perform accounting for the DECA inventory and any other Agencies that have inventory for sale

Cost Management (CM) (Cost Accounting)
- Collection of all costs such as: Activity Based Cost, Job Order Number, Process costs and Standard costs
- Allocation of indirect costs
  - DWFC
- Update general ledger
- Update reports

Order to Cash (O2C)
- Set up agreements
- Collect cost and calculate bill
  - DWCF
- Billing and collection
- Update general ledger
- Update reports

Procure to Pay (P2P)
- Create commitment
- Create obligation
- Perform receipt & acceptance
  - DWCF
- Update general ledger
- Update reports
- Advanced Procurement System
- Contract Lifecycle Management
- Direct Treasury Disbursing

Acquire to Retire (A2R)
- Define asset
- Determine in service date
- Determine depreciation
- Update general ledger
- CIP Reporting
- Update reports
- Retirement of asset

Hire to Retire (H2R) (Time and Labor only)
- Automated individual or timekeeper input into system
- Time allocation for Cost Accounting purposes
- Automatic generation of time cards
- Automated Absence Management
We have come a long way!
DAI – Shared Service Provider

The Government is the Systems Integrator
(DAI once had a separate SI mode)

Our customers steer the program

- Intense collaboration to manage risk, maintain scope, and deliver results.
- The Government has a higher stake in the program outcomes since they must meet their own performance objectives

- DAI is not a “top down” mandate because our organizations roll up under different Under Secretaries.
- DAI has a low tolerance for system deficiencies and must maintain a focus on customer satisfaction.

Over 40,000 CONUS/OCONUS Users

99.55% System Availability

$51 Billion Obligations Processed

< 5 Second Average Response Time

20 Agencies in Production

92% Electronic Invoices

3% Manual Journal Vouchers

200 Work Instructions
DAI User Growth

Number of DAI Users

- **326 Users**
- **40,000 + Users**

Deployed to 20 Agencies
DAI Procure to Pay Handshakes
DAI P2P HS Overview

DAI Handshakes

**DAI**
- **Start**
- DAI Requisitioner enters PR
- DAI Funds Certifier Approves/Signs Requisition
- DAI Workflow automatically generates PRDS file
- DAI Receives PDS file and records within PDS Summary
- DAI Automatically records Award or Modification

**GEX**
- GEX picks up PRDS file from DAI PRDS Outbound Directory
- GEX executes PRDS VAL
- GEX Routes PRDS file to Contract Writing System based Issuing Office
- GEX executes PDS Val
- Pass or Fail PDS Val?
- GEX Dual Routes PDS File to EDA and DAI

**CWS**
- Receives PRDS file into Contract Writing System
- Drafts Contract using PRDS requisition
- Releases Contract
- Sends Failure back to CWS
- End

**Colors**:
- **Green**: Manual Process
- **Gray**: Handshake 1
- **Blue**: Handshake 3 & 4 (Note: DAI is both Accounting and Entitlement system; thus accomplishing both HS3 and HS4)
### Agencies using P2P Handshakes

#### Handshake 1 - PRDS
10 Agencies live on PRDS

<table>
<thead>
<tr>
<th>Agency</th>
<th>Go-Live</th>
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<tbody>
<tr>
<td>DCMA</td>
<td>July 2016</td>
</tr>
<tr>
<td>DHRA</td>
<td>Oct 2016</td>
</tr>
<tr>
<td>DSCA</td>
<td>Oct 2016</td>
</tr>
<tr>
<td>DODIG</td>
<td>Jan 2017</td>
</tr>
<tr>
<td>DODEA</td>
<td>Feb 2017</td>
</tr>
<tr>
<td>DSS</td>
<td>April 2017</td>
</tr>
<tr>
<td>WHS</td>
<td>Oct 2017</td>
</tr>
<tr>
<td>DODIG</td>
<td>Jan 2018</td>
</tr>
<tr>
<td>DAU</td>
<td>Jan 2018</td>
</tr>
<tr>
<td>OEA</td>
<td>Jan 2018</td>
</tr>
</tbody>
</table>

#### Handshake 3/4 - PDS
14 Agencies live on PDS

<table>
<thead>
<tr>
<th>Agency</th>
<th>Go-Live</th>
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<tbody>
<tr>
<td>DCMA</td>
<td>July 2016</td>
</tr>
<tr>
<td>MDA</td>
<td>July 2016</td>
</tr>
<tr>
<td>DHRA</td>
<td>Oct 2016</td>
</tr>
<tr>
<td>DSCA</td>
<td>Oct 2016</td>
</tr>
<tr>
<td>DODEA</td>
<td>Feb 2017</td>
</tr>
<tr>
<td>DSS</td>
<td>April 2017</td>
</tr>
<tr>
<td>DODIG</td>
<td>May 2017</td>
</tr>
<tr>
<td>DAU</td>
<td>July 2017</td>
</tr>
<tr>
<td>DTRA</td>
<td>Oct 2017</td>
</tr>
<tr>
<td>DARPA</td>
<td>Oct 2017</td>
</tr>
<tr>
<td>WHS</td>
<td>Oct 2017</td>
</tr>
<tr>
<td>DMEA</td>
<td>Nov 2017</td>
</tr>
<tr>
<td>DTSA</td>
<td>Jan 2018</td>
</tr>
<tr>
<td>OEA</td>
<td>Jan 2018</td>
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</table>
### Handshake 1 Validation Results FY18

<table>
<thead>
<tr>
<th>Agency</th>
<th>Pass</th>
<th>Fail</th>
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<tbody>
<tr>
<td><strong>Total %</strong></td>
<td><strong>83.09%</strong></td>
<td><strong>16.91%</strong></td>
</tr>
<tr>
<td>DAU</td>
<td>26</td>
<td>3</td>
</tr>
<tr>
<td>DCMA</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>DHRA</td>
<td>178</td>
<td>35</td>
</tr>
<tr>
<td>DMEA</td>
<td>144</td>
<td>2</td>
</tr>
<tr>
<td>DODCA</td>
<td>701</td>
<td>176</td>
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<tr>
<td>DODIG</td>
<td>18</td>
<td>19</td>
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<tr>
<td>DSSCA</td>
<td>141</td>
<td>70</td>
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<tr>
<td>DSS</td>
<td>46</td>
<td>30</td>
</tr>
<tr>
<td>WHS</td>
<td>1131</td>
<td>141</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2398</td>
<td>488</td>
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## Handshake 3 & 4 Obligation Recording Results FY18

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<tr>
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</thead>
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<tr>
<td>Total</td>
<td>57.89%</td>
<td>6.43%</td>
<td>35.67%</td>
<td>51.99%</td>
<td>11.11%</td>
<td>36.9%</td>
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<tr>
<td>DARPA</td>
<td>26</td>
<td>24</td>
<td>0</td>
<td>189</td>
<td>170</td>
<td>4</td>
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<tr>
<td>DAU</td>
<td>4</td>
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<td>0</td>
<td>9</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>DCMA</td>
<td>4</td>
<td>4</td>
<td>0</td>
<td>15</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>DHRA</td>
<td>16</td>
<td>19</td>
<td>2</td>
<td>6</td>
<td>21</td>
<td>6</td>
</tr>
<tr>
<td>DMEA</td>
<td>10</td>
<td>4</td>
<td>1</td>
<td>39</td>
<td>7</td>
<td>31</td>
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<tr>
<td>DODEA</td>
<td>92</td>
<td>53</td>
<td>19</td>
<td>46</td>
<td>11</td>
<td>25</td>
</tr>
<tr>
<td>DODIG</td>
<td>8</td>
<td>7</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>DSCA</td>
<td>25</td>
<td>14</td>
<td>1</td>
<td>2</td>
<td>25</td>
<td>10</td>
</tr>
<tr>
<td>DSS</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>13</td>
<td>14</td>
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<td>DTRA</td>
<td>44</td>
<td>15</td>
<td>1</td>
<td>192</td>
<td>157</td>
<td>25</td>
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<tr>
<td>MDA</td>
<td>25</td>
<td>12</td>
<td>4</td>
<td>233</td>
<td>85</td>
<td>31</td>
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<tr>
<td>WHS</td>
<td>41</td>
<td>29</td>
<td>4</td>
<td>115</td>
<td>100</td>
<td>31</td>
</tr>
<tr>
<td>Total</td>
<td>297</td>
<td>183</td>
<td>33</td>
<td>861</td>
<td>611</td>
<td>184</td>
</tr>
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DEAMS
DEAMS Program Overview
System Overview

- DEAMS is the Air Force’s target accounting and finance system supporting:
  - Air Force General Fund and Transportation Working Capital (TWCF) Funds control, Execution & Reporting
  - Joint Commands, with Air Force as executive agent or supporting host base
  - DFAS services provided to Air Force customers

- DEAMS serves as target core financial & reporting system for all other functional system development with financial or mixed financial transactional data

- DEAMS is currently deployed to 82% of the expected 16,600 users
  - ~146 Active Duty, Reserve, and Air National Guard sites, and DFAS sites
  - All MAJCOMS have users processing on DEAMS

- DEAMS currently deployed to 146 Installations
- Outside Organizations using DEAMS:
  - HQ USCENTCOM
  - AFCENT - AOR
  - HQ USSOCOM
  - HQ USSTRATCOM
  - HQ USTRANSCOM
  - DFAS-Limestone (LI)
  - DFAS-Rome (RO)
  - DFAS-Japan (JA)
Deploy to USAFE - Jun 18
Software upgrade to Oracle R12 - Oct 18
Release remaining functionality and upgrades - 2019
FOT&E - late 2019
Deploy to AFMC and AFSPC with Inc 1 functionality - 2020
- Requesting accelerated deployment schedule
DEAMS Benefits

- Air Force’s only SFIS and USSGL compliant Financial System
  - Consolidates 3 suites of AF/DFAS legacy systems
  - Modern commercial software and hardware hosting
  - Full disaster recovery capability
  - Web based, CAC single sign on access

- Visibility of end-to-end processing, as well as supporting documentation, postures DEAMS as auditable financial solution for the Air Force
  - Air Force IPA and audit coach identified DEAMS as critical to support audit

- Adapted to Air Force unique business processes, policy and manpower

- SAF/FM’s integration tool with partner and stakeholder IT development programs
DEAMS P2P Handshakes

- HS1: Create Purchase Request
  - PRDS-O-001 Interface to CWS

- HS2: Accounting Funds Check (Pre-Award)
  - Future capability

- HS3/4: Electronically Record Contracts to Accounting and Entitlement Systems
  - PDS-I-001 Interface from CWS
DEAMS OUTBOUND CHANNELS

DEAMS (Receives PRDS 1.1, PDS 2.5, and sends PRDS 1.1)

Translation/Validation Acknowledgment

If SPS DoDAAC

Route based on DoDAAC in file name. PMRT/CCAR receives copy of all files

If CON-IT DoDAAC

Translation from PRDS v1.1 to PRDS v2.0

Translation from PRDS v1.1 to PRDS v2.0

FRDS 2.0 Validation

Translation from PRDS v2.0 to SPS xPROC

Translation/Validation Acknowledgment

SPS/PD2 (Receives SPS xPROC and sends PDS 2.5)

PMRT/CCAR (Receives PRDS v1.1 and sends PRDS 1.1)

CON-IT (Receives PRDS 1.0 and sends PDS 2.5)
SABRS
After a need is identified/bone fide, requirement defined, reconciled against the Federal Supply System, cost estimated, funds certification (purpose/time/amount-PTA) against a requisition/financial plan, an approved purchase request is forwarded for and accounting system funds check and LOA/SLOA validation via the PRB_UI.

1. The PR Builder Universal Interface (PRB_UI) routes PR_UDF to USMC Standard Accounting and Budgeting System (SABRS) for funds check or edit failures returns an error code.

2. The SABRS performs the funds check, validates/create LOA/SLOA and records a commitment (GLAC4710) and returns the LOA/SLOA to the PRB_UI.

3. The PRB_UI routes the LOA/SLOA back to PRBuilder for acceptance/approval by the contract manager.

4. The contract manager accepts the purchase request which is then routed to SPS via the PRB_UI.

5. The PRB_UI routes the purchase request to the standard procurement system (SPS) further contracting processing.
Future USMC P2P Handshake 2

1. Contract PRE-Award/PRE-Modification xProcurement Data to SABRS via the Universal Interface (includes PIID, CLIN, PSC, LOA/SLOA/SLOA/SLOA).

1a. DOD Contract Writing System send Contract PRE-Award/PRE-Modification Data to PRB_UI via the Global Exchange (includes PIID, CLIN, PSC, LOA/SLOA/SLOA/SLOA).

2. PRBuilder Universal Interface will accept PDS/PDS xPROC XML from GEX. The PRE-AWARD Data will be compared to the Original PR Data Validated by the Accounting System. The Update the PR Data to Match the PRE-Award Data. The Updated PR Data is Sent to the Accounting system for FUNDS Check and Commitment Adjustments.

2a. The Updated PR Data is Sent to the Accounting system SABRS Performs the Funds Check, Validates/Create LOA/SLOA and Records a Commitment adjustments (GLAC4710) and Returns the LOA/SLOA to the PRB_UI. SABRS Acknowledgement back to PRB_UI. Awaiting Handshake 3 (HS3).

3. Currently, SABRS forwards Contract Award/Mods (HS4) Data to CAPS-W/OnePay) for further action. Interface Sunset FY 2019
USMC/Navy SPS Servers Send Contract FULL Award/Modification Data to SABRS via the Universal Interface (includes PIID, CLIN, PSC, LOA/SLOA/SLOA/SLOA).

DOD Contract Writing System send Contract FULL Award/Modification Data to PRB_UI via the Global Exchange (includes PIID, CLIN, PSC, LOA/SLOA/SLOA/SLOA).

PRBuilder Universal Interface will accept xPROC XML from GEX Update the PRB info and Update SABRS (OBL). SABRS ACK (Later).

SABRS the FULL Accepts the FULL the Contract Data file. SABRS extracts the current required Contract data elements required post a updated Commitment and a new Obligation (USSGL 4801).

SABRS Acknowledgement back to PRB_UI (This ACK will be added to SABRS Later From SABRS to GEX via PRB_UI).

Currently, SABRS forwards Contract Award/Mods Handshake 4 (HS4) Data to CAPS-W/OnePay) for further action. Interface Sunset FY 2019