



Office of the Under Secretary of Defense (Comptroller)
Office of the Deputy Chief Financial Officer



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

FY 2008 NDAA, 110th Congress

Sec 1005. FINANCIAL MANAGEMENT

TRANSFORMATION INITIATIVE FOR THE DEFENSE AGENCIES

(b) Purposes – The purpose of the initiative shall be as follows.

- (1) To eliminate or replace financial management systems of the Defense Agencies that are duplicative, redundant, or fail to comply with the standards set forth in subsection (d).
- (2) To transform the budget, finance, and accounting operations of the Defense Agencies to enable the Defense Agencies to achieve accurate and reliable financial information needed to support financial accountability and effective and efficient management decisions.



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.

DAI Strategic Alignment Capability Heat Map



Strategic Initiative	Capabilities	Next Step
Universe of Transactions	<ul style="list-style-type: none"> 98% of DAI general ledger details are reconciled to the Unadjusted Trial Balance Feeder recons and financial statement recons available 	<ul style="list-style-type: none"> Automate the QDD as interface that can be sent via GEX
FBWT – Cash Accountability	<ul style="list-style-type: none"> Deployed 7 Agencies on direct treasury disbursing (DTD) 	<ul style="list-style-type: none"> Schedule remaining Agencies to DTD Foreign currency DTD will be available summer timeframe
SFIS/SLOA/USSGL Compliance	<ul style="list-style-type: none"> DAI is over 95% compliant with SFIS/USSGL SLOA complaint (P2P and O2C) 	<ul style="list-style-type: none"> Finish JITC assessment and review results for any SCRs
Property	<ul style="list-style-type: none"> Implemented DPAS at 5 Agencies 	<ul style="list-style-type: none"> Tririga implementation
Audit/IT Controls	<ul style="list-style-type: none"> DAI received a qualified SSAE-16 opinion with low risk findings Implemented GRC 	<ul style="list-style-type: none"> Continue audits Further roll out GRC capabilities
Journal Vouchers	<ul style="list-style-type: none"> < 3% of journal vouchers input into DAI 	<ul style="list-style-type: none"> Tracking recommendations from JV working group
Cost Management	<ul style="list-style-type: none"> Implemented cost management structure for all DAI agencies 	<ul style="list-style-type: none"> DCMO is creating cost management framework. May impact DAI Agencies
PPBE Standards	<ul style="list-style-type: none"> Implemented P2P handshakes 1, 3, 4, 7 & 8 Implemented budget formulation at 4 Agencies 	<ul style="list-style-type: none"> Further capabilities around additional appropriations and exhibits P2P HS 2 Deploy additional Agencies
Funds Distribution	<ul style="list-style-type: none"> Complies with USSGL funds distribution posting logic 	<ul style="list-style-type: none"> EFD

 Aligned

 Moderately Aligned

 Not Aligned

Legend:

- BEA E2E Business Processes**
- Increment 2 Business Processes**
- Delivered capabilities**
- Increment 2 capabilities**

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
- **DWCF**
- 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**

Budget to Report (B2R)

- Enter funds from Treasury
- Allocate funds to organizations
- **DWCF**
- 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

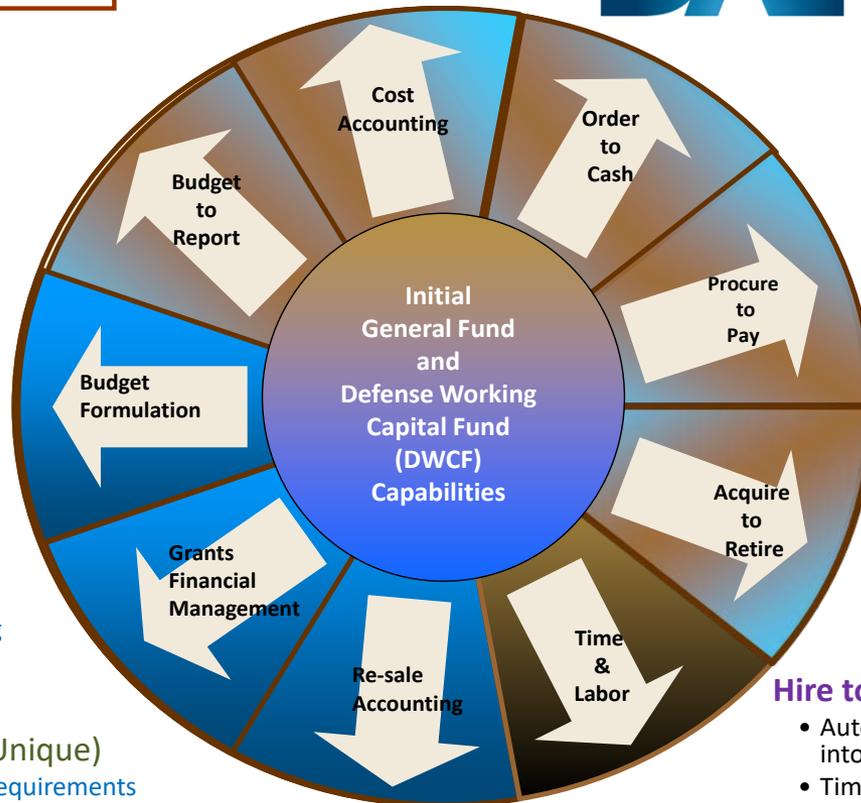
Proposal to Reward (P2R)

(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



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



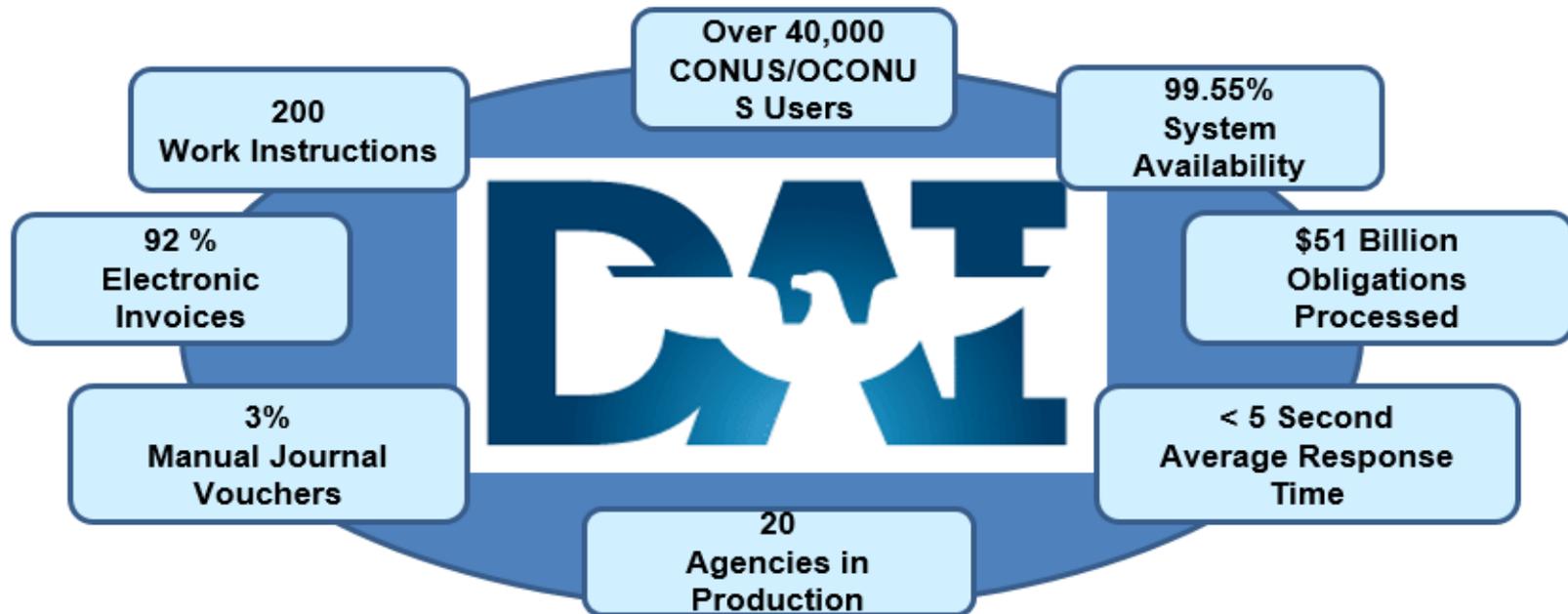
The Government is the Systems Integrator

(DAI once had a separate SI mode)

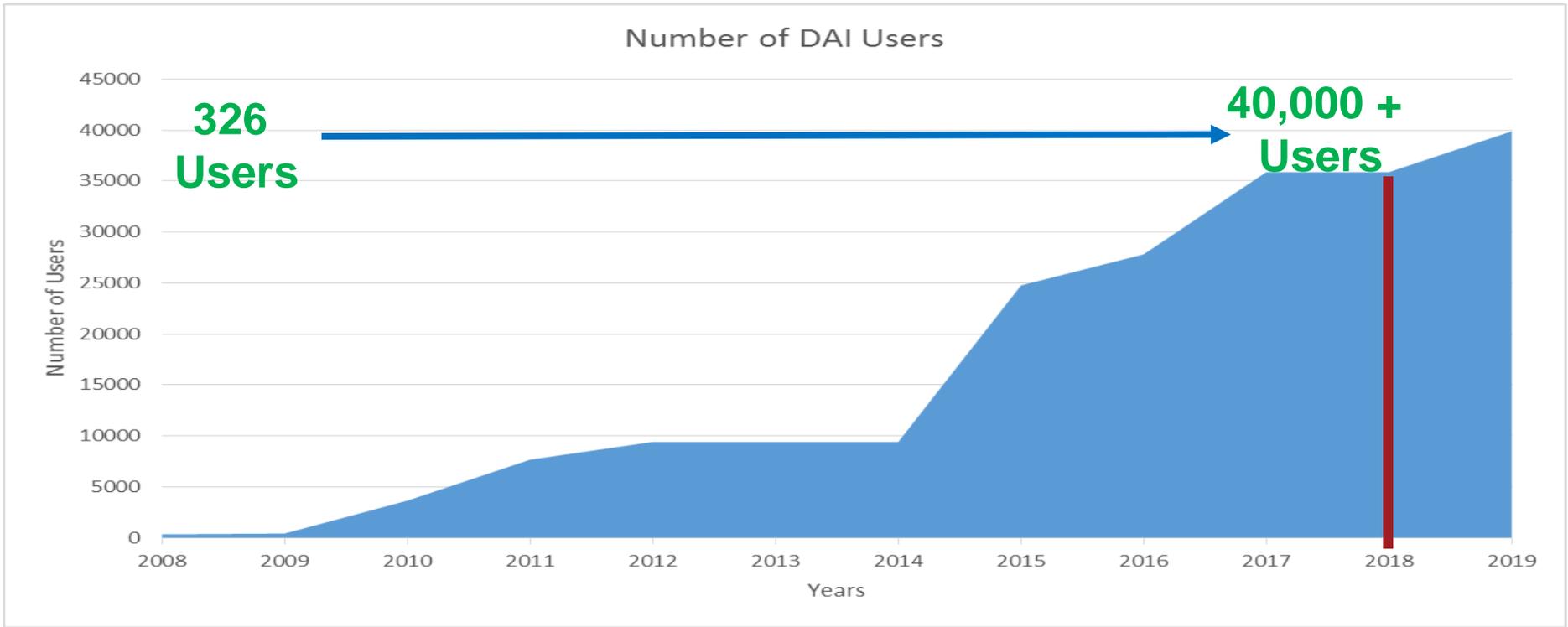
- Intense collaboration to manage risk, maintain scope, and deliver results.
- The Government has a higher stake in the program outcomes since they must meet their own performance objectives

Our customers steer the program

- 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.



DAI User Growth



Deployed to 20 Agencies



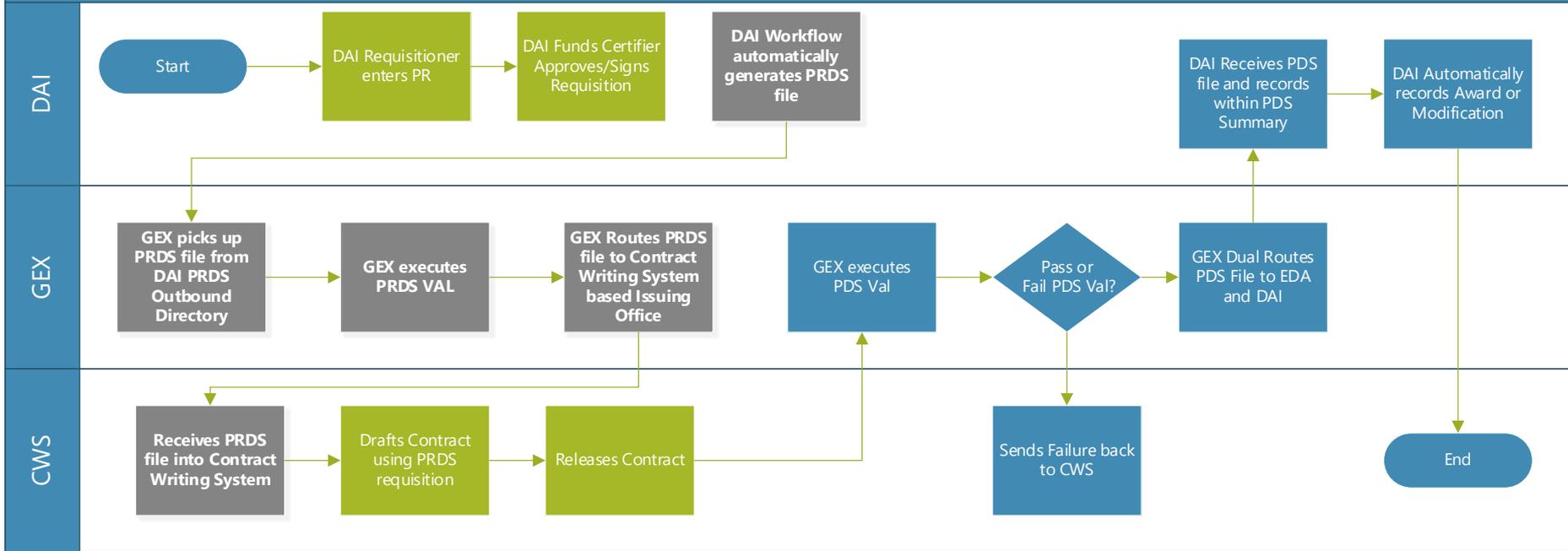


DAI Procure to Pay Handshakes

DAI P2P HS Overview



DAI Handshakes



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

Agency	Go-Live
DCMA	July 2016
DHRA	Oct 2016
DSCA	Oct 2016
DODIG	Jan 2017
DODEA	Feb 2017
DSS	April 2017
WHS	Oct 2017
DTSA	Jan 2018
OEA	Jan 2018
DAU	Jan 2018

Handshake 3/4 - PDS

14 Agencies live on PDS

Agency	Go-Live
DCMA	July 2016
MDA	July 2016
DHRA	Oct 2016
DSCA	Oct 2016
DODEA	Feb 2017
DSS	April 2017
DODIG	May 2017
DAU	July 2017
DTRA	Oct 2017
DARPA	Oct 2017
WHS	Oct 2017
DMEA	Nov 2017
DTSA	Jan 2018
OEA	Jan 2018

Handshake 1 Validation Results FY18



Agency	Pass	Fail
Total %	83.09%	16.91%
DAU	26	3
DCMA	13	12
DHRA	178	35
DMEA	144	2
DODEA	701	176
DODIG	18	19
DSCA	141	70
DSS	46	30
WHS	1131	141
Total	2398	488

Handshake 3 & 4 Obligation Recording Results FY18



Agency	Awards Automatic	Awards Partial	Awards Manual	Mods Automatic	Mods Partial	Mods Manual
Total %	57.89%	6.43%	35.67%	51.99%	11.11%	36.9%
DARPA	26	24	0	189	170	4
DAU	4	0	0	9	7	2
DCMA	4	4	0	15	12	13
DHRA	16	19	2	6	21	6
DMEA	10	4	1	39	7	31
DODEA	92	53	19	46	11	25
DODIG	8	7	0	2	2	1
DSCA	25	14	1	2	25	10
DSS	2	2	1	13	14	5
DTRA	44	15	1	192	157	25
MDA	25	12	4	233	85	31
WHS	41	29	4	115	100	31
Total	297	183	33	861	611	184

DEAMS



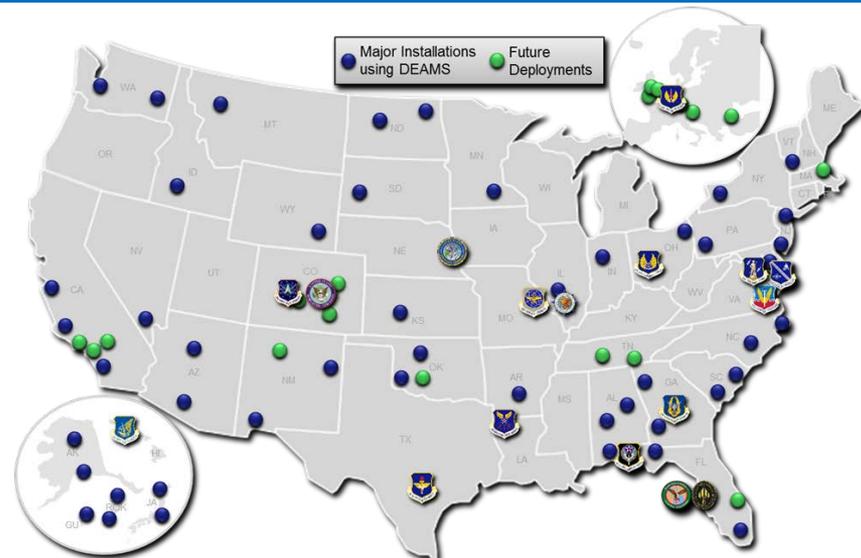
DEAMS Program Overview

System Overview

U.S. AIR FORCE

- **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)





U.S. AIR FORCE

Moving Forward

- **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

U.S. AIR FORCE

- **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 manning**

- **SAF/FM's integration tool with partner and stakeholder IT development programs**



DEAMS P2P Handshakes

U.S. AIR FORCE

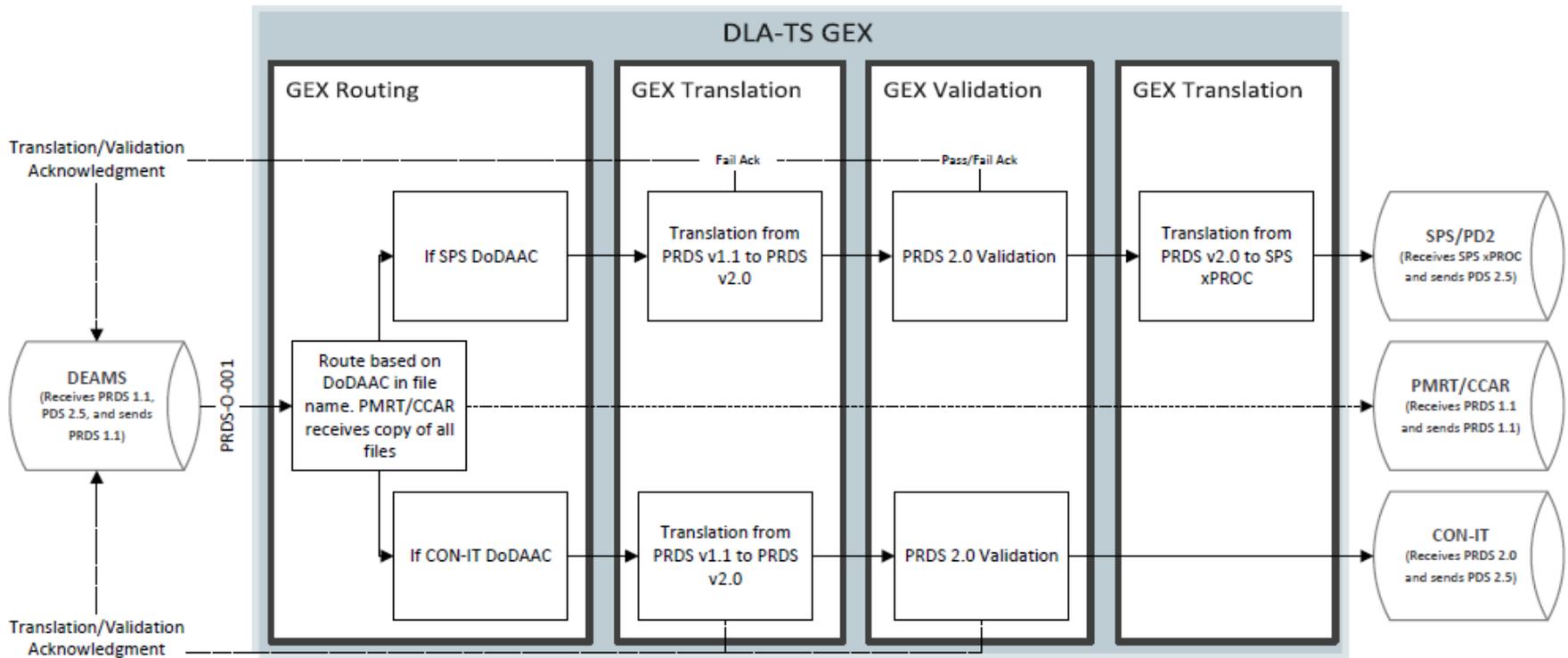
- **HS1: Create Purchase Request**
 - PRDS-O-001 Interface to CWS
- **HS2: Accounting Funds Check (Pre-Award)**
 - Future capability
- **HS3/4: Electronically Record Contracts to Accounting and Entitlement Systems**
 - PDS-I-001 Interface from CWS



PRDS/PDS Interfaces

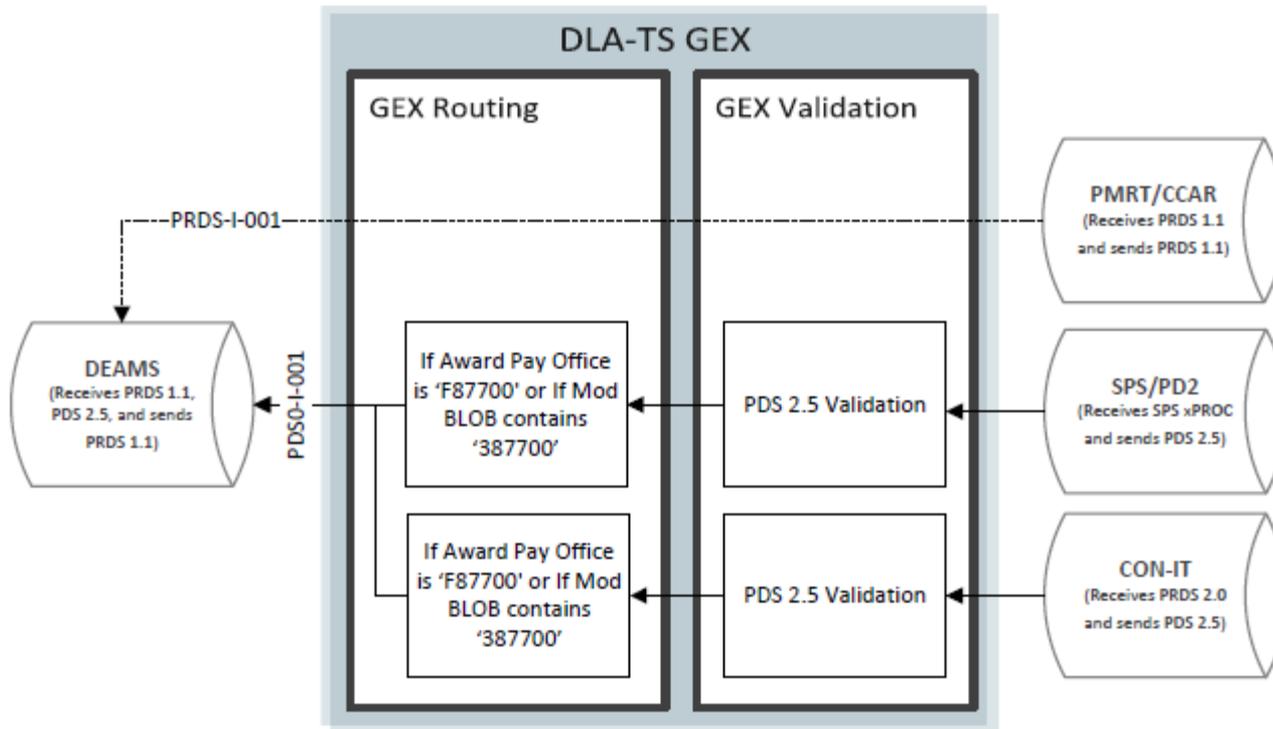
U.S. AIR FORCE

DEAMS OUTBOUND CHANNELS



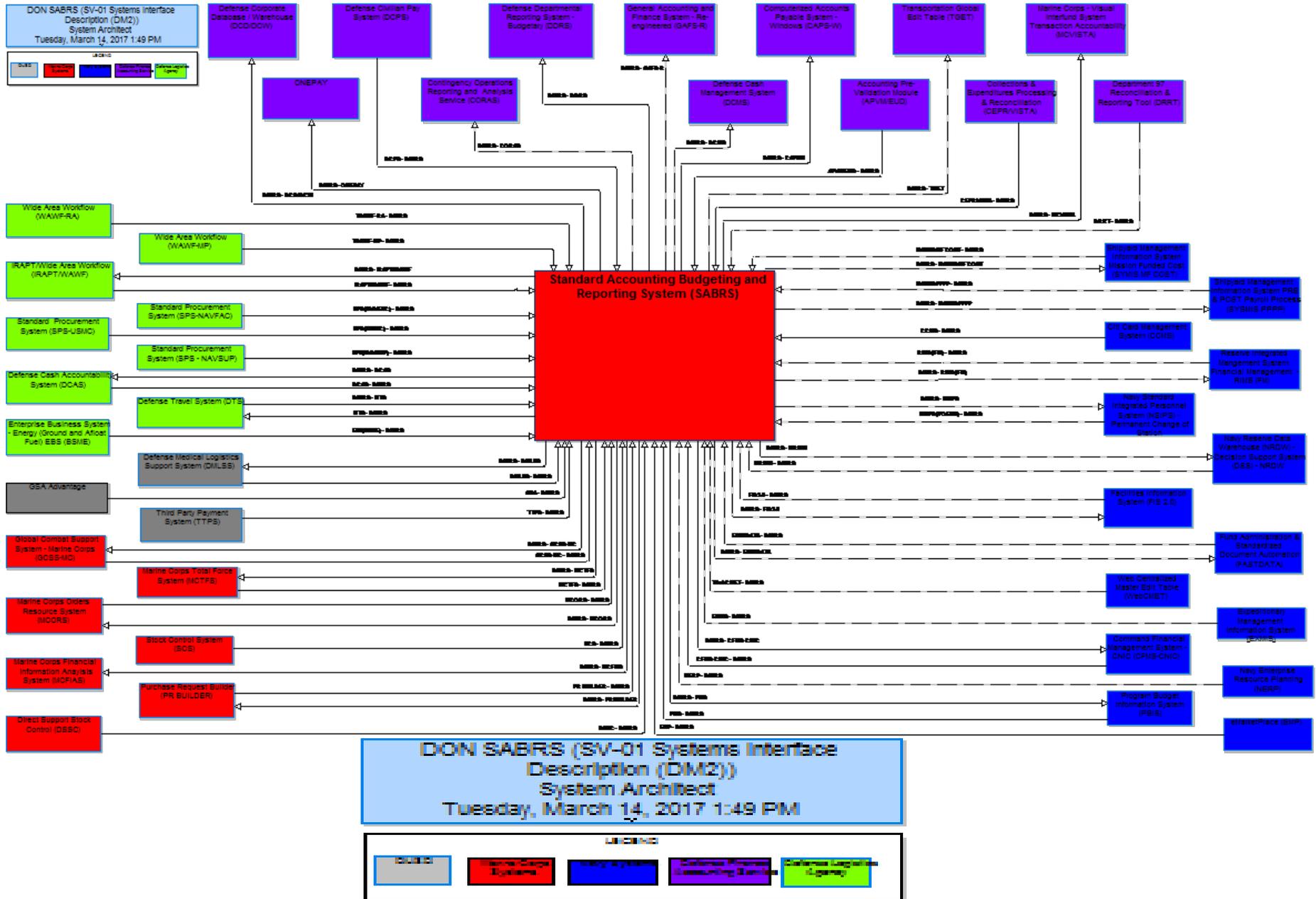


DEAMS INBOUND CHANNELS

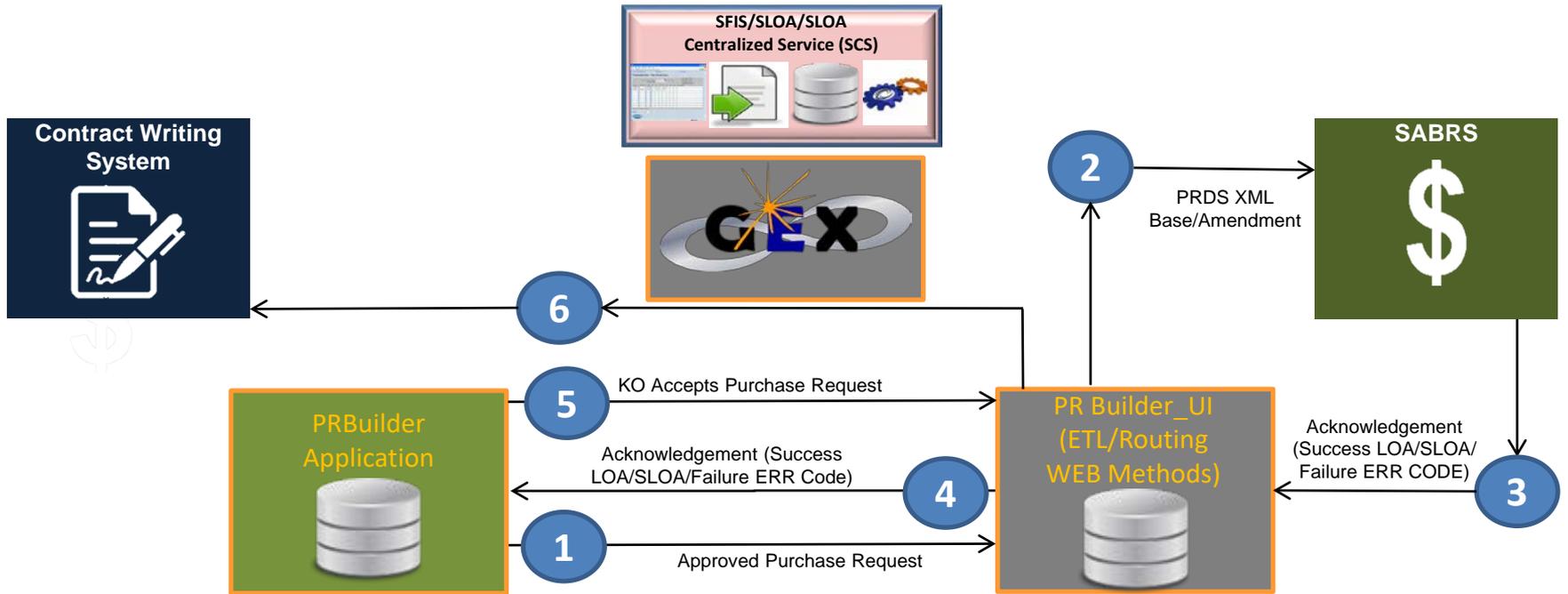


SABRS

SV1 USMC Standard Accounting and Budgeting System



Current USMC P2P Handshake 1



1

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.

2

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.

3

The SABRS Performs the Funds Check, Validates/Create LOA/SLOA and Records a Commitment (GLAC4710) and Returns the LOA/SLOA to the PRB_UI.

4

The PR Builder Universal Interface (PRB_UI) Routes LOA/SLOA back to PRBuilder for Acceptance/Approval by the Contract Manager.

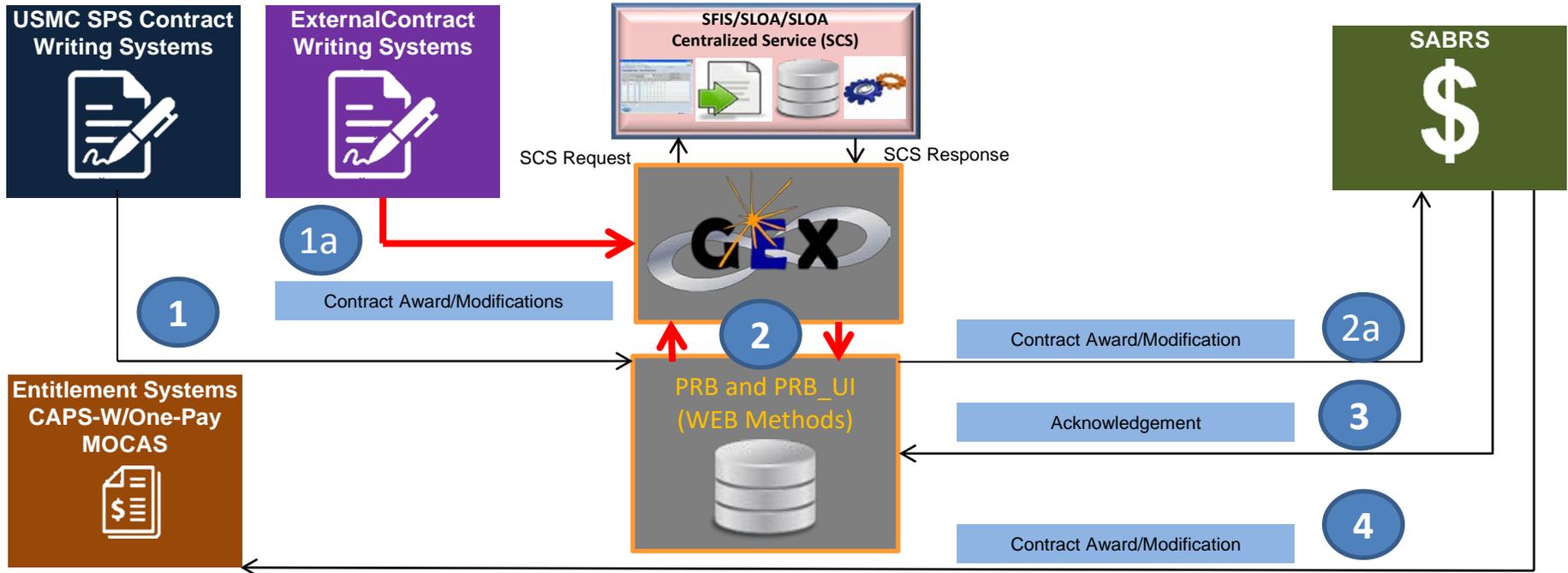
5

The Contract Manager Accepts the Purchase Request which is then routed to SPS via the PRB_UI.

6

The PRB_UI routes the Purchase Request to the Standard Procurement System (SPS) Further contracting processing.

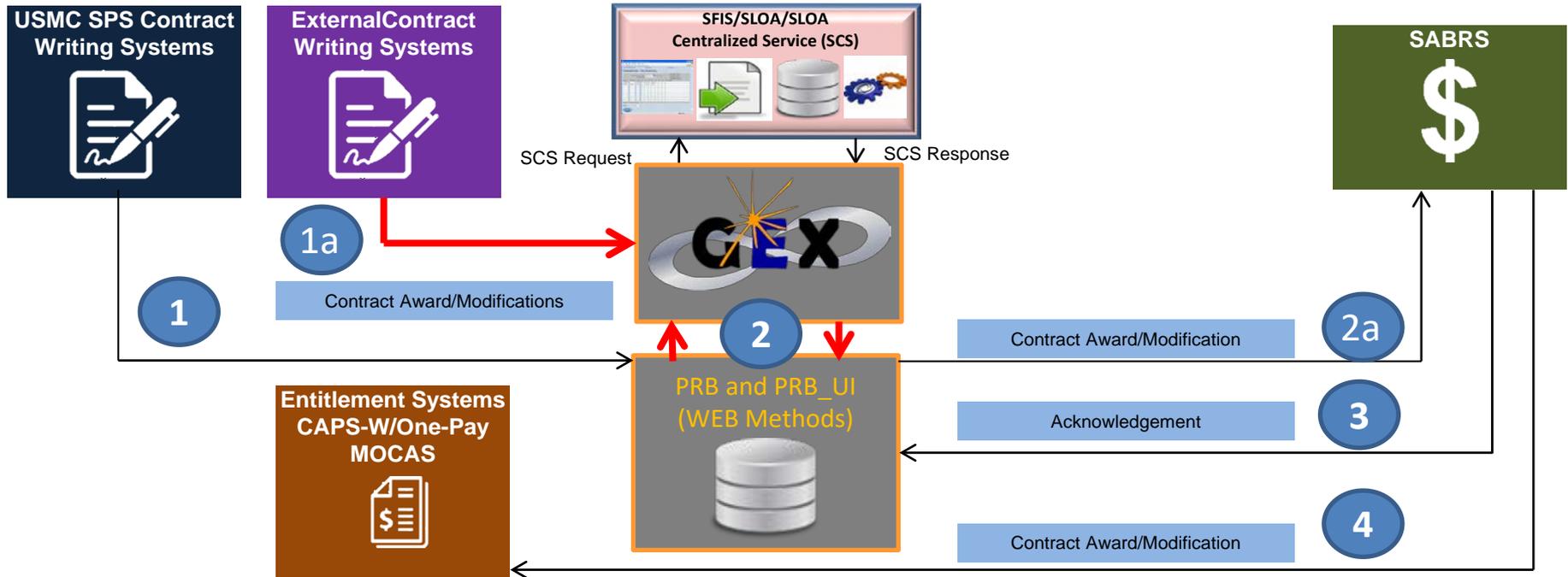
Future USMC P2P Handshake 2



- 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.
- 3 SABRS Acknowledgement back to PRB_UI. Awaiting Handshake 3 (HS3).
- 4 Currently, SABRS forwards Contract Award/Mods (HS4) Data to CAPS-W/OnePay) for further action. Interface Sunset FY 2019

Interim USMC P2P Handshake 3

Handshake 3 (HS-3) Contract Award/Modification



1

USMC/Navy SPS Servers Send Contract FULL Award/Modification Data to SABRS via the Universal Interface (includes PIID, CLIN, PSC, LOA/SLOA/SLOA/SLOA).

1a

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).

2

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

2a

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(USSSL 4801).

3

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

4

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