



PROCURE-TO-PAY

TRAINING SYMPOSIUM 2019

Orlando

MOCAS Update

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MOCAS Data Analytics

- Cancelled Funds Working Group
- Unmatched Transactions/Prevalidation
- Internal Business Processes

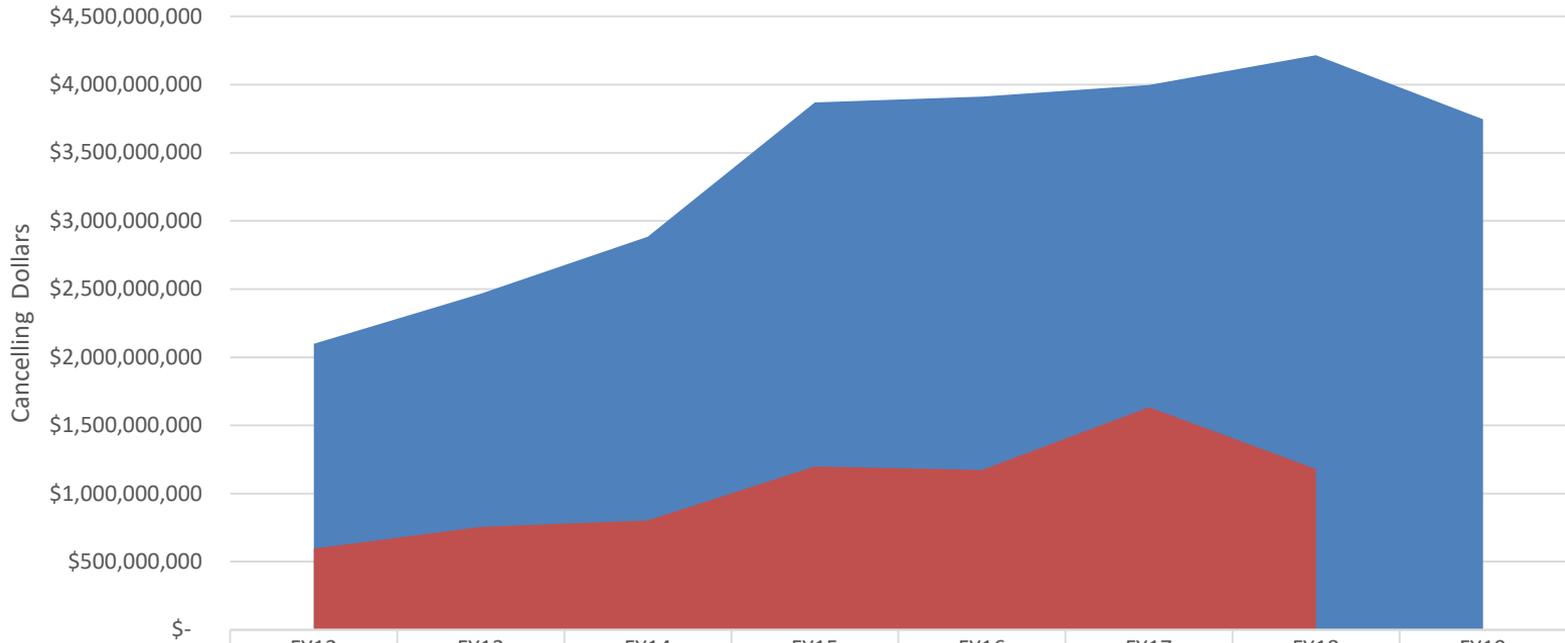


Overview of the Working Group

- Proposed Governance
 - Subgroup under P2PPAWG
 - Executive sponsors from OUSD(C), DFAS, DCMA, and DPC
- Establishment
 - The team will consist of SMEs and financial/procurement personnel at OUSD(C), DFAS, DCMA, and DPC
 - Representatives from the military departments will be part of the larger group
- Objective
 - Identifying actions and activities to decrease cancelled funds risk within the department
- Scope
 - Cancelled funds related to contract pay
 - Initial efforts will focus on MOCAS contracts but solutions will likely apply across the board



MOCAS Cancelling/Cancelled Fund Balances



	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Beginning Balance	\$2,098,412,8	\$2,466,902,5	\$2,885,077,7	\$3,870,003,2	\$3,911,715,6	\$3,998,613,5	\$4,215,927,71	\$3,744,908,90
Ending Balance	\$596,090,752	\$754,911,945	\$803,139,294	\$1,199,589,5	\$1,172,522,0	\$1,634,044,8	\$1,179,525,54	

■ Beginning Balance ■ Ending Balance



FY18 MOCAS Cancelled Funds Breakdown

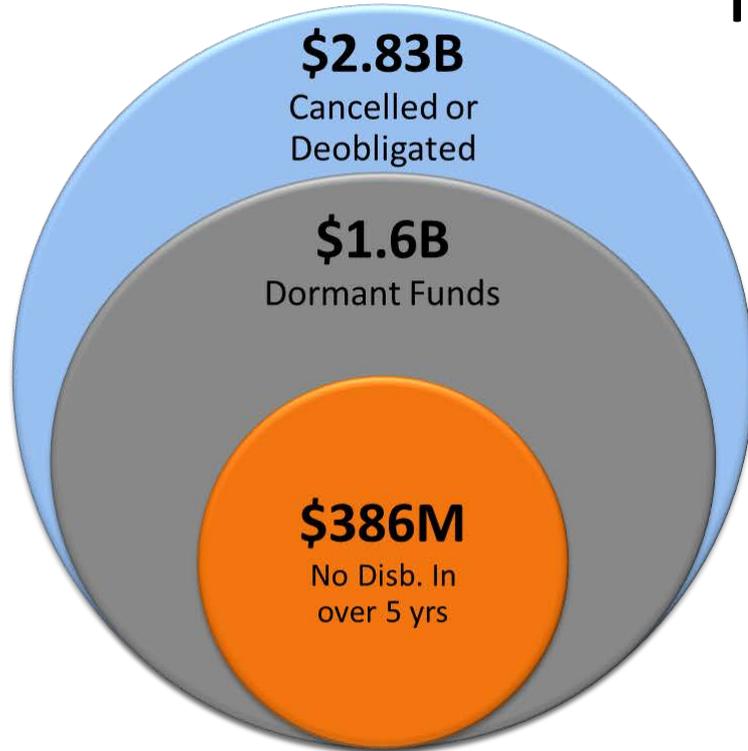
Cancelled Funds Breakdown - MOCAS FY2018				
Status	Count ACRNs	% ACRNS	Sum Dollars	% Dollars
1 - Active Contracts	7,608	36%	\$ 655,425,554	56%
2 - Pending Closure	11,500	55%	\$ 419,256,191	36%
3 - In Litigation	1,863	9%	\$ 104,646,372	9%
4 - Pending Adjustment	17	0%	\$ 197,422	0%
TOTAL	20,988		\$1,179,525,540	

Cancelling Funds Deobligated - MOCAS FY2018				
Status	Count ACRNs	% ACRNS	Sum of Dollars Deobligated	% Dollars
1 - Active Contracts	3,529	28%	\$ 826,184,671	50%
2 - Pending Closure	8,334	66%	\$ 708,612,409	43%
3 - In Litigation	743	6%	\$ 114,116,826	7%
4 - Pending Adjustment	12	0%	\$ 385,689	0%
TOTAL	12,618		\$ 1,649,299,594	

Preliminary Areas of Concentration



MOCAS Excess Funds: FY18 By the Numbers



- Lost opportunity to reuse funds
 - Limited if funds have expired
- Audit issue
 - Leads to inaccurate balances
- Inflates Replacement Funding Risk

Key Insights

- Funds Management needs to occur throughout the entire contract life
- Active contracts make up a large proportion of “dormant funds”

Active Contracts with Dormant Funds

Why do active contracts have dormant funds?

- ✓ Completed efforts/lines are not closed out, excess funds not removed
- ✓ Excess funds are sometimes not identified until closeout (rates settlement)
- ✓ Contracts with long lead items
- ✓ Older contracts with new money being added

303

contracts modified

\$6B

in obligations added

MOCAS query of contracts (over 8 years old) that had new money added to then in FY18

- \$144M cancelled on these contracts in FY18. That's 22% of the balance that cancelled on active contracts.
- Another \$217M in cancelling funds were de-obligated. That's 26% of the de-obligations on active contracts.



MOCAS Schedule Data – FY19-24

Funds at Risk for Cancellation

High	Wave 1: \$61M Wave 2: \$400M
Medium	\$463M
Low	\$279M

Funds at risk – delivery date is equal to or beyond the cancellation date of funds

Wave 1 (\$61M) – Analysis of remaining \$35.6M →

Status	Amount	Count CLINs	Count Contracts	Risk Classification
Delivery/Cancel Equal - Delay	\$ 8,388,391	12	2	High
Delivery/Cancel Equal - Initial	\$ 7,937,501	24	3	Medium
Delivery Beyond Cancellation - Delay	\$ 5,771,789	27	13	High
Delivery Beyond Cancellation - Initial	\$ 5,082,549	7	4	High
Possible excess funds	\$ 5,219,557	29	16	High
Unknown	\$ 3,251,381	17	7	Medium
Total	\$ 35,651,169	116	45	

Recommendations



Revise

policy to include language on excess funds management and language on delivery schedules and funds lifecycle



Increase

the visibility of dormant accounts using dashboard technology



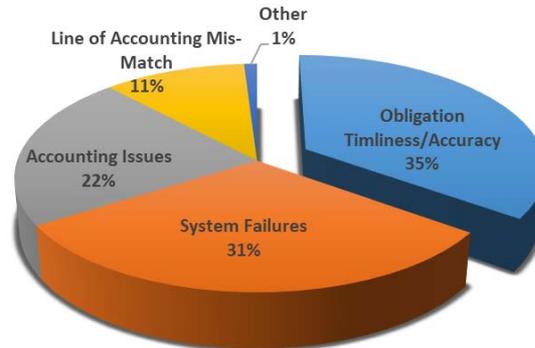
Investigate

further the overall impact of schedule delays and problematic contract structures

DCMA Funds Life Cycle Management – Tri-Annual Review Update – Vendor/Contract Pay Working Group – Contract Closeout Initiatives – Individual Service Efforts

Prevalidation by Station – Top Stations

FY18 Approval and Reject Analysis					
Station	System	Customer	Reject Count	Approval Count	Rejects to Total Requests Ratio
021001	GFEBs	Army	98,370	271,239	27%
050120	NERP	Navy	54,778	703,628	7%
Multiple	DAI	Multiple	13,666	77,375	15%
503000	GAFS	Air Force	13,005	392,403	3%
033189	EBS	DLA	3,605	7,829	32%
068732	STARS	Navy	2,523	19,550	11%
065916	NAVY FMS	Navy	2,102	62,784	3%
023204	LMP	Army	1,963	20,328	9%
Multiple	Other	Multiple	16,739	249,724	6%
	Total		206,751	1,804,860	



FY18 Reject Reason Codes



013 - Foreign Military Sales Program Year Mis-Match

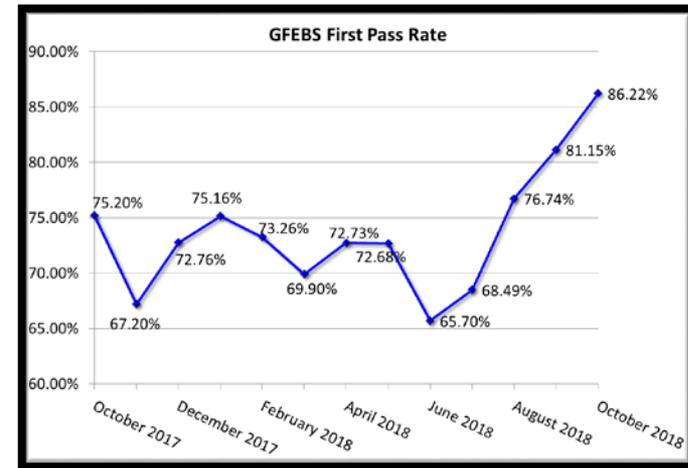
Background

Source	Line of Accounting
GFEBs LOA (within GFEBs)	9711 X8242 0
GFEBs LOA (in MOCAS)	9711 X8242 X

Not SLOA
Compliant

Solutions

- GFEBs SCR Submitted EUD
Emergency SCR:
IMPLEMENTED



Info-SLIN Usage

DFAS has identified a specific INFO SLIN structure where more than one INFO SLIN is used to “fund” a single CLIN ACRN combination fails prevalidation and regularly results in UMTs.

MOCAS has:

- CLIN 0001 AA \$20,000

Accounting System has:

- INFOSLIN 000101 AA \$10,000
- INFOSLIN 000102 AA \$10,000

Root causes: *Improper incremental funding, improper line item structure*



Key Insights

- Number one reason for MOCAS GFEBs Prevalidation Failure
- Contributes to 14% of GFEBs UMT count



Internal Business Processes

- Invoice Automation Improvements (API Rate)
 - ELIN Automation Project - ELIN input has been partially automated making the process **1,000%** more efficient. Reduces three-way match failures.
 - Mandatory Review Indicators - System and Process Updates (**+2% API Rate**)
 - We need your help!
 - *Reduction in number of modifications (price/quantity changes)*
 - *Reduction in use of PGI OTHER*
 - *Closure/continuance of older contracts (no PGI, multiple lot billings)*
 - *Warn DFAS of large invoice volumes*
- Improved reporting for workload management
- Statistical modeling
 - Enhancing predictive capabilities
 - Triggers management action using metrics that predict out-of-tolerance conditions



Questions?





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MOCAS SFIS/SLOA and Daily Reporting Implementation

Benjamin Novotny, DFAS

Release Overview

- 3 Major SCRs In This Release

- MOCAS 13-004 Standard Line of Accounting (SLOA) - 26 data elements are used to establish a standard LOA. Supports DoD's objective to improve business practices and enable clean interoperability for the passing of financial data between target systems
- MOCAS 14-002 Payment Information Repository (PIR) – satisfies a Government Wide Accounting (GWA) initiative requiring all federal agencies to report daily disbursements
- MOCAS 16-003 Financial Reporting Module (FR) – SLOA requires MOCAS to transmit data to single source systems (DCAS), and then DCAS will be performing accounting distribution using the MOCAS standard source.

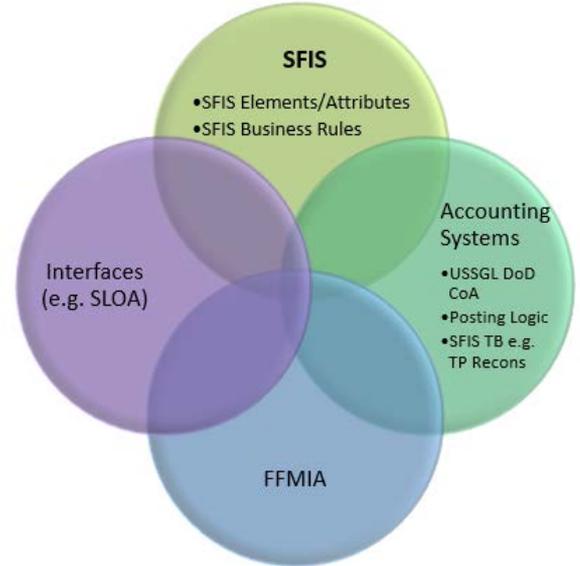
- High Level Benefits

- Implements a standard line of accounting format in MOCAS, removing the current 4 format legacy structure
- Moves reconciliation of MOCAS transactions from a monthly to a daily basis
- Streamlines distribution of MOCAS transactions to accounting via the DCAS Pay/Collect Format

SFIS Compliance

- **Standard Financial Information Structure (SFIS) is the DoD's common business language that enables budgeting, performance based management, and the generation of financial statements.**
- Areas of SFIS Compliance:
 - 1) SFIS Business Rules with Attributes/Elements**
 - 2) Reporting Chart of Accounts (Acct Sys only)
 - 3) Posting Chart of Accounts (Acct Sys only)
 - 4) Posting Logic (Acct Sys only)
 - 5) DDRS SFIS Trial Balance with edits/validation (Acct Sys only)
 - 6) Interfaces (e.g. SLOA)**
 - 7) Independent third party assessment of FFMIA compliance**
- Some DFAS systems will implement SFIS in phases.

The first phase will be the implementation of the subset of SFIS elements that comprise the SLOA. The second phase will address the additional SFIS elements and requirements.



SLOA Compliance

- **Standard Line of Accounting (SLOA)**
 - DoD Standard Line of Accounting (SLOA) is used to identify the funding source associated with an organization's budget and to ensure accurate accounting transactions.
 - SLOA elements are a subset of SFIS elements. The Standard Line of Accounting is comprised of 26 data elements from the 70 data elements in SFIS.
 - An initiative within the Standard Financial Information Structure (SFIS) which mandates a standard line of accounting for all agencies across the Department of Defense.
- **SLOA Ready** - Systems are “SLOA Ready” when they are “capable of” sending and receiving SLOA data with interfacing partners.
- **SLOA Compliant** - Systems are “SLOA Compliant” when they are “actually” exchanging SLOA data with interfacing partners.

Implementation Overview

- Must be implemented at the end of one accounting month and beginning of next, to close out monthly reporting process and transition to daily reporting in new month.
- Releases coordinated between PIR, MOCAS, SCRT, EAS, EUD, SDW, GEX, DCAS, and partner accounting systems.
 - List not all inclusive.
- All data in MOCAS will be stored in SLOA compliant format once implementation occurs.
- Has been tested end to end to ensure interoperability between systems
 - Contract input through reporting to Treasury and posting at accounting
- Will position Contract Pay environment to be ready for additional SFIS/SLOA implementations across the accounting system environment



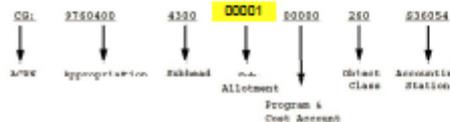
Line	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	
SLOA	XX	XXX	XXX	XXXX	XXXX	X	XXXX	XXX	XXXXXXX	XXXXXX	X	XXXXXXXXXXXX	XXX	X	XXXX	Security	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXXXXXXXX						
DLA Legacy Line		XXX	XXX	XXXX	XXXX	X	XXXX	XXX	XXXXXX	XXXXXX																	
Army Legacy Line		XXX	XXX	XXXX	XXXX	X	XXXX	XXX	XXXXXX	XXXXXX		XXXXXX	XX	X	XXX	Security	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXXXXXXXX						
Air Force Legacy Line		XXX	XXX	XXXX	XXXX	X	XXXX	XXX	XXXXXX	XXXXXX		XXXXXX	XX	X	XXX	Security	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXXXXXXXX						
Navy Legacy Line		XXX	XXX	XXXX	XXXX	X	XXXX	XXX	XXXXXX	XXXXXX											XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	

Red boxes indicate data elements 1 through 9 are required for the Payment Information Repository (PIR)

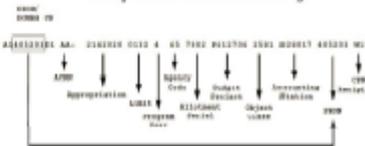
*If Legacy Transfer Dept. exists (i.e. 11, 09) then move that into Reg. Dept w/ Prefix 0. Then move Reg. Dept. (i.e. 97, 21, 57, 17) into Transfer Dep w/ Prefix 0. (Example: 097 011 X8242)

Example Lines of Accounting:

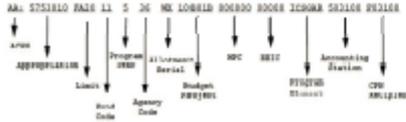
DLA Line of Accounting



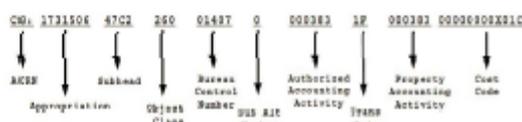
Army Line of Accounting



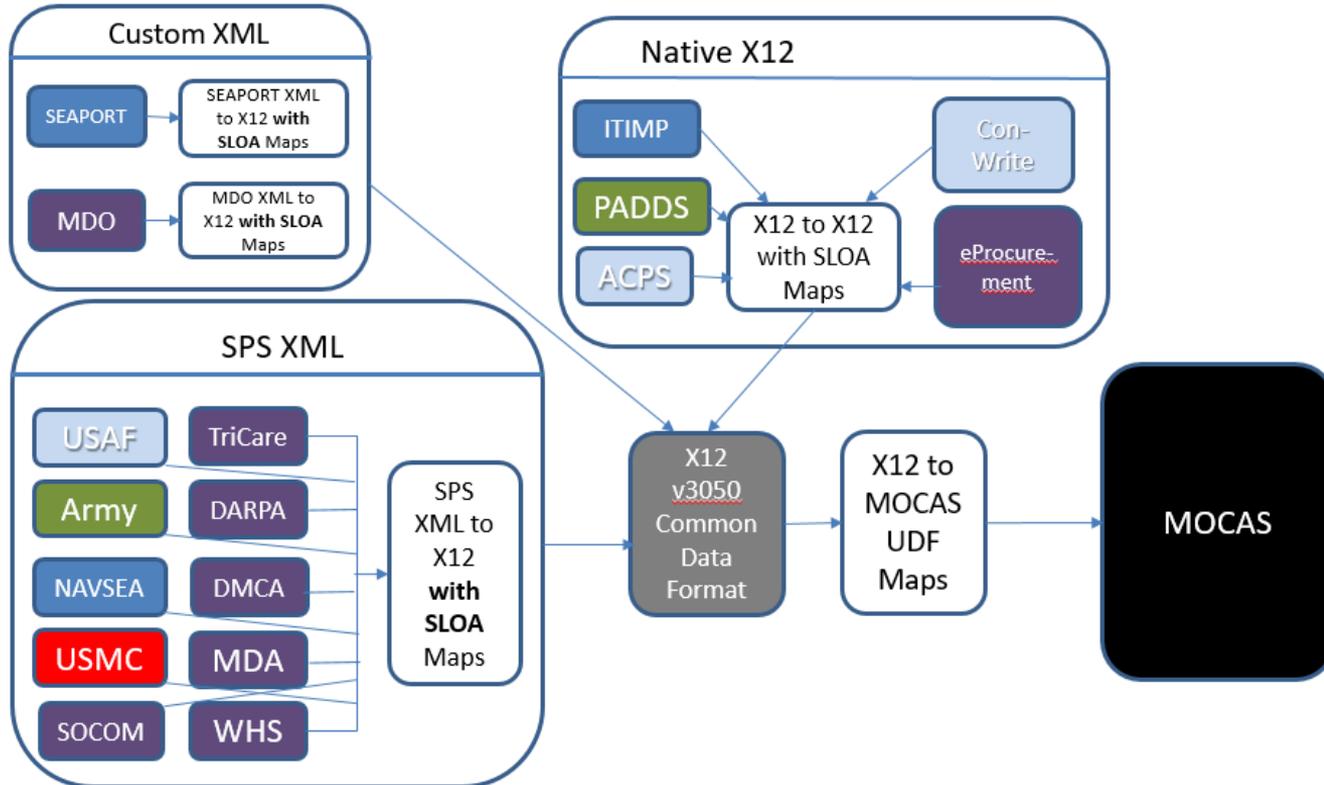
Air Force Line of Accounting



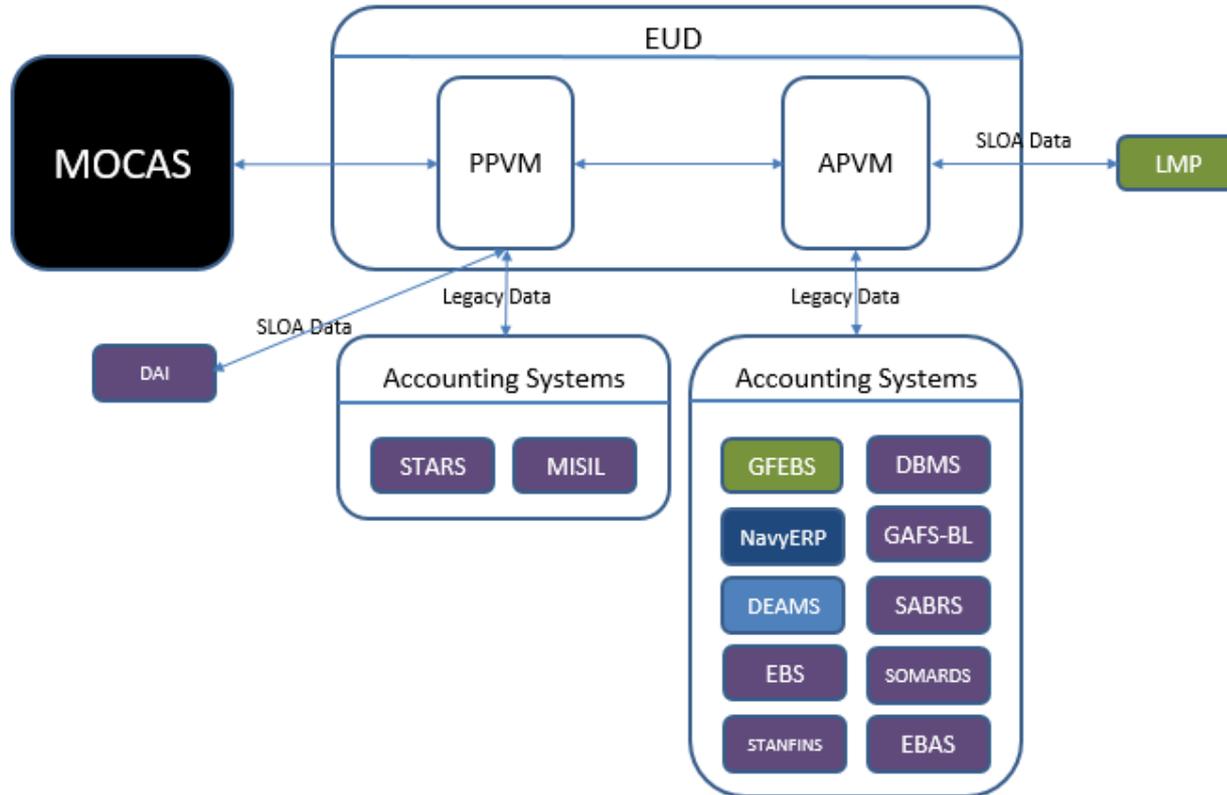
Navy Line of Accounting



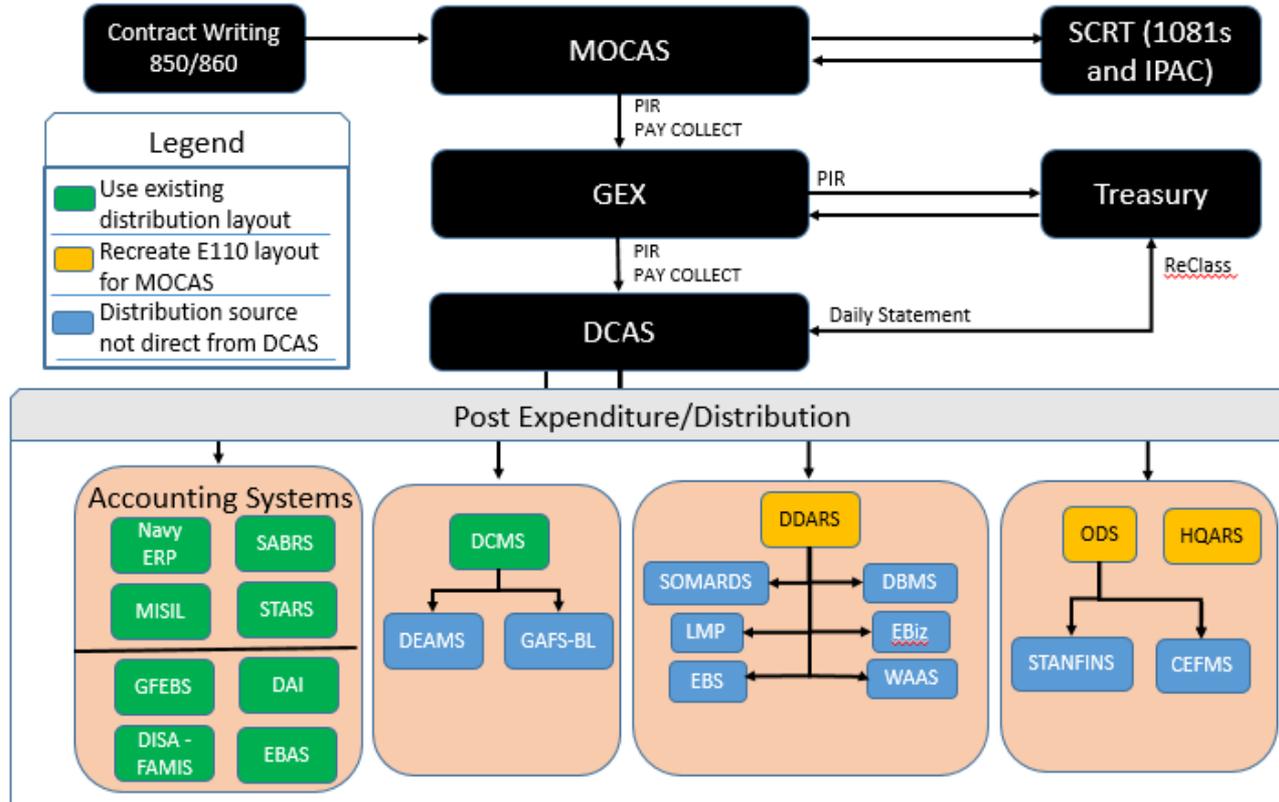
Contract Writing to MOCAS



Prevalidation



MOCAS Daily Reporting – Future State



Questions?





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Training Symposium

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