



BSO-60 Prior Year Funds Analysis ***“Increasing Fleet buying Power”***

8 March 2018

Unclassified



USFFC Analysis

- Force Development
- Force Generation
- Force Employment
- Sailors / Civ / Fam
- Safety & Security

- **Process**

- Analyzed all years FY09-FY17
- Grouped data by AG/SAG, Command, Document Type, Grantor, Performing Activity to examine the nature of balances remaining after cancellation
- Looked for data trends in search for outliers and smoking guns

- **Lessons Learned**

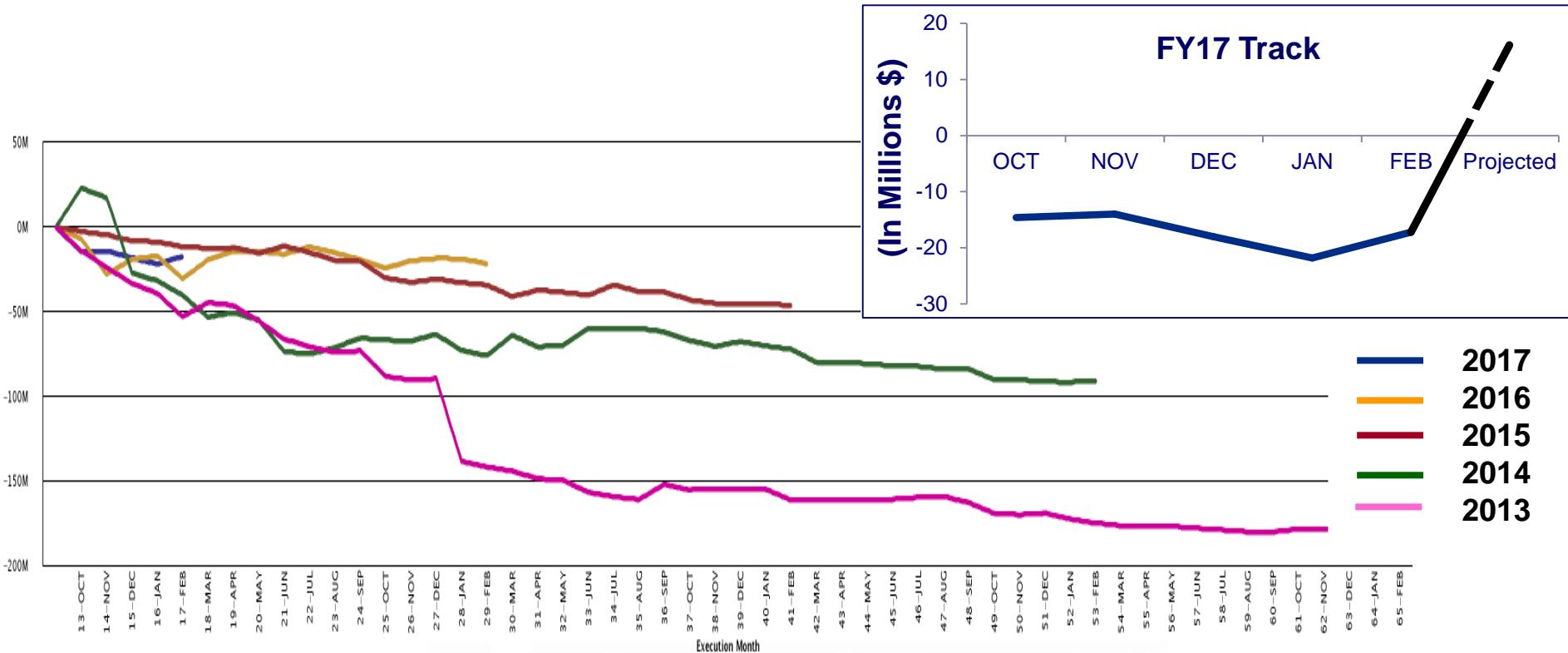
- Largest contributing document types
 - MILSTRIP
 - Reimbursable Work
 - Contracts
- No activities or AG/SAGs singled-out as smoking guns
- Some anomalies found
- USFFC has implemented new processes to decrease deobligations post-expiration
- While FY13-17 look improved over FY09-12, it is indeterminate where the balances will be at cancellation

Financial Management is *COMMANDERS BUSINESS*



Prior Year Funds Balance

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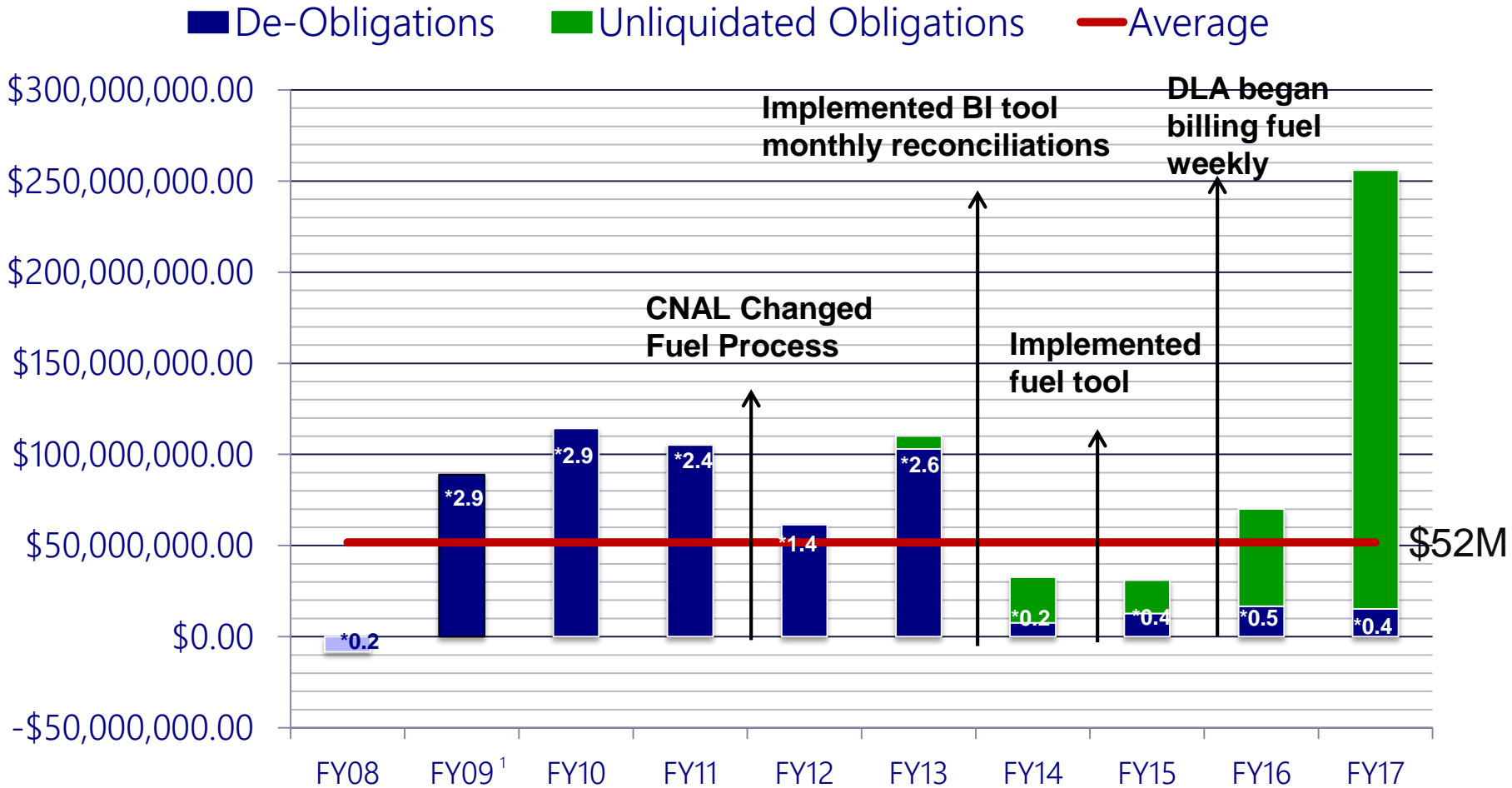
- Deobligation churn leveling out over previous years
 - “Big” pieces under control
- Aggressively getting after what we can control ... risk still remains from “other peoples” process/policies

Transparency and HQs Management of Expired Funds Risk



MILSTRIP De-Obligation Analysis

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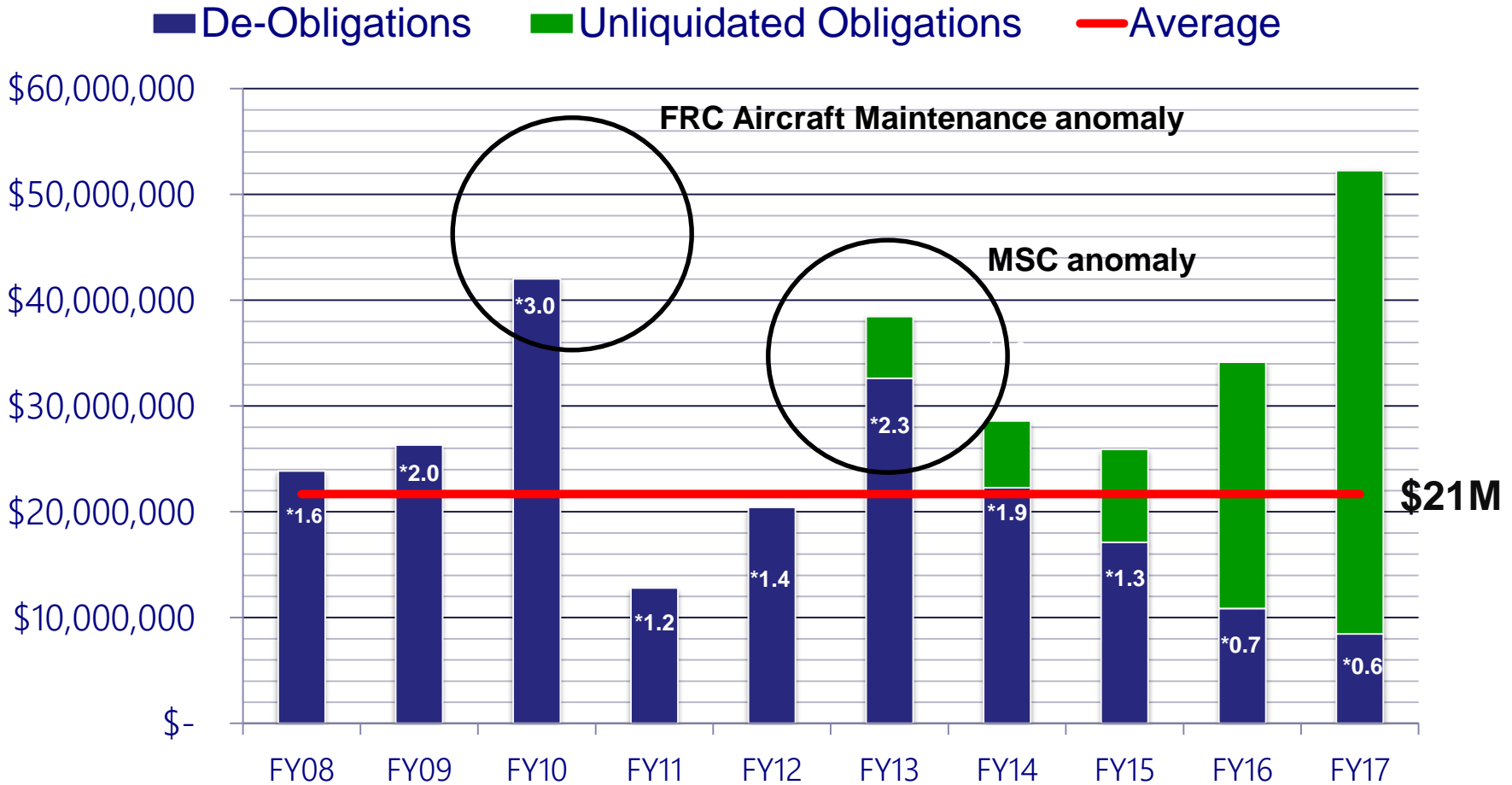


Merging Logistics and FM Data To Re-purpose Funds in the Execution year



Reimbursable Work (RWO) De-Obligation Analysis

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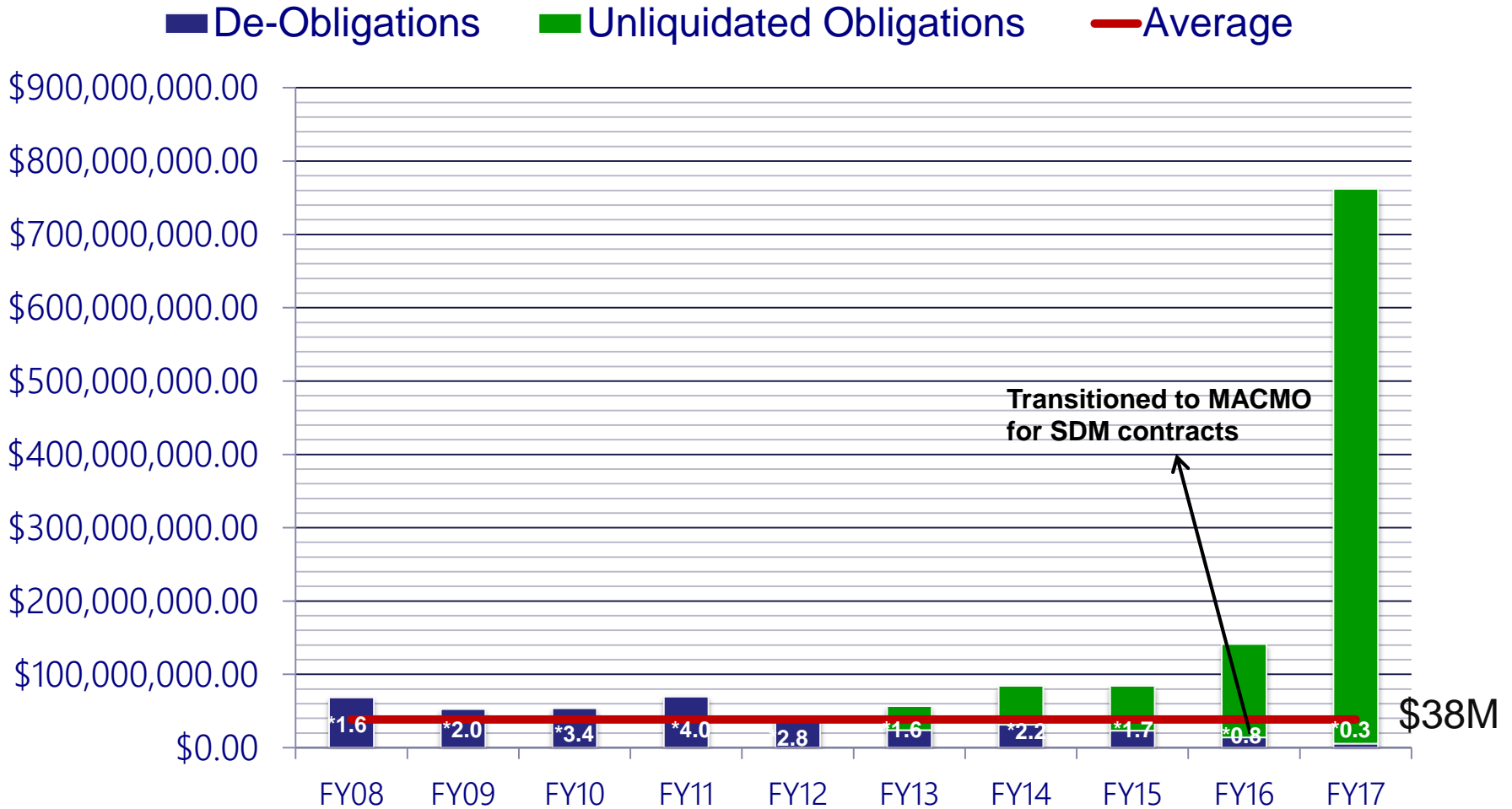


Aggressive Management of Programs ensuring PMs Actively Tracking Funds



Contract De-Obligation Analysis

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Awareness, Closeout and Impacts of Changing Contracting Strategies



Summary

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- **CRA increases workload...diverts attention from closeout**
 - In FY16 USFFC processed 610 NGEN orders. CRA caused increment funding resulting in 1827 funding documents and contract modifications
 - Contract awards are pushed to 3rd/4th quarters which extends the period of performance well into the next FY
- **USFFC changes expected to improve FY14 stats**
 - MILSTRIP BI tool merges supply system and financial data to identify requisitions with cancelled or bad status—TYCOMS can immediately deobligate and repurpose funds
 - CFMS fuel tool captures DLA point-of-sale fuel transactions and posts weekly vs estimates
 - Continue to pressurize PMs on closeout
 - BI-tool used as in integral part of mid-year
- **Continue to leverage “forensic accountants” to conduct detailed research to determine causes and effects across BLIs and processes; deep research will:**
 - uncover additional information and options
 - determine actions that are doable under current laws, regulations and policies
 - determine what laws, regulations and policies need to be changed
 - determine risk management strategies to better manage EOY spending decisions

**Long Term Sustainment in our IR Program:
*Process, Accountability in Execution, Workforce Knowledge***



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QUESTIONS?