

BUREAU FINANCIAL MANAGEMENT INITIATIVES

U.S. Geological Survey (USGS) Financial Management Initiatives

The USGS is pursuing the following initiatives as part of its efforts to meet the Government-wide CFO Council priorities and DOI strategic goals for financial management improvements:

A. Improving Financial Management Systems

Common Financial Desktop -- USGS has several mixed-use management information systems used extensively by program managers and support personnel for a variety of both programmatic and budgetary/financial management activities. These subsystems all obtain data from the DOI accounting and payment system, the Federal Financial System (FFS). Beginning in FY 1997 and continuing in FY 1998, USGS will explore an enterprise approach to working with the FFS, termed a common financial desktop. The effort entails the collection of data to define common end-user requirements, system standards, and the development of current and estimated future costs of financial systems activities and the future costs of moving forward to implement/operate a common financial desktop. Its scope is targeted to identifying common processes and systems tools for USGS budget formulation and budget execution activities. The initial phase consists of: conducting a comprehensive discussion with financial system users and customers at all levels (organizational and geographical) of the organization, to identify core customer requirements for obtaining financial information — considering enterprise-level, program-level, and transaction/account-level user data needs; defining a potential common system's technical characteristics, including potential integration links to other division systems; and, refining the set of functions to be included in the budget formulation and budget execution capabilities. Output of the initial phase will be a set of recommendations for a final list of financial desktop functions and characteristics and an estimate of implementation and operating costs of adopting an enterprise approach to the FFS. A decision whether and how to proceed with implementation will be made in early 1998.

FFS Enhancements -- USGS participates through the DOI Software Advisory Board in the identification of future FFS enhancements, as well as in software testing and implementation. For FY 1998, testing and implementation of software to convert the FFS database to four-digit fiscal years to resolve Year 2000 issues will be a major activity. Other significant issues on the agenda for FY 1998 include the DOI strategy for migration to a client-server financial management system, and the implementation of data clearing and archiving processes.

Implement FFS Cost Allocation Module -- USGS completed its evaluation and configuration testing of the subsystem software in FY 1997, and will begin use in FY 1998 for the automated redistribution of selected indirect costs.

Convert to FPPS/FFS interface -- USGS will implement a revised interface to pass labor cost data from DOI's Federal Personnel/Payroll System (FPPS) to FFS.

FFS/IDEAS Interface -- the bureau will implement processing changes related to the DOI interface between the Interior Department Electronic Acquisition System (IDEAS) and FFS.

B. Implementing the Government Performance and Results Act

Financial performance measures -- USGS will continue efforts to improve upon the initial implementation of the Government Performance and Results Act. Financial management efforts will focus on the development of cost information related to performance measures and outputs, and continued work with program managers to develop improved financial information in support of program performance reporting.

C. Accounting Standards and Financial Statements

Compliance with new standards -- In FY 1998, USGS will be implementing new Federal Accounting Standards Advisory Board (FASAB) standards, including Accounting for Property, Plant, and Equipment (SFFAS No. 6), Managerial Cost Accounting Concepts and Standards (SFFAS No. 4), Accounting for Revenue and Other Financing Sources (SFFAS 7), and Supplementary Stewardship Reporting (SFFAS No. 8). The last three in particular will require significant efforts from bureau financial management staff.

In addition, USGS will implement the DOI Standard General Ledger (SGL) team's recommendations for a revised SGL.

Financial Statement Improvement efforts -- USGS will continue efforts to improve the presentation and accuracy of the bureau's annual financial report.

D. Developing Human Resources and CFO Organizations

Process changes and restructuring -- the USGS Office of Financial Management (OFM) plans to carry out a realignment of positions and functions associated with the bureau's expansion of remote data entry; this effort was deferred due to higher priority activities in FY 1997. With the changing support mission of OFM, position descriptions and office organization will require change to reflect the transition from a high volume of data entry to an increased emphasis on quality control, post-audit review, and development of management information. Associated with this effort will be a need for process redesign and staff retraining.

E. Improving Management of Receivables

Implementation of Debt Collection Improvement Act of 1996 -- USGS will implement plans to comply with the requirements of P.L. 104-134, including actions to convert all employee payments to electronic funds transfer (EFT), shifting of vendor payments to EFT, and participation in the Treasury Offset Program.

F. Ensuring Management Accountability and Control

Management control improvements -- USGS revised its sample selection process in FY 1997; efforts in FY 1998 will focus on improved end-user reporting, further revisions to statistical sample for travel payments, and development of corrective action plans as may be indicated by the statistical analysis of payment transactions.

Program coordination improvements -- USGS will continue to focus on efforts to improve reporting tools and management controls in such areas as Government travel charge card expenditures and purchase card expenditures, both to ensure that cards are used for appropriate purposes and to provide effective oversight of credit card expenditures and employee debt.

G. Modernizing Payments and Business Methods

Electronic receipt of commercial invoices (Electronic Data Interchange) -- As a longer-term initiative, OFM will work with additional vendors to implement electronic invoicing procedures in order to further reduce manual processing and speed payments.

Implementation of DOI Travel Lab recommendations -- USGS will complete implementation of DOI travel policy and process changes in FY 1998.

Customer outreach efforts -- OFM will continue current efforts to provide improved financial information and better customer access to financial data, with a particular emphasis on Intranet-based process tools and information dissemination. A specific goal is the implementation of electronic notification to travelers of impending reimbursements and expanding use of electronic communications to customers via E-mail and Internet access.

Expansion of USGS remote data entry -- USGS in FY 1998 will expand remote data entry (RDE) authority for processing FFS transactions to the Biological Resources Division, Geologic Division and the Office of Program Support; other divisions will be included in the expansion of RDE as resources allow.

Benchmarking -- USGS will participate in a DOI-wide financial management benchmarking effort, intended to collect basic data (transaction volumes and resource requirements) regarding the full range of financial management processes within the Department. Data will be compared to a database of comparable private sector performance and best practices, to identify areas for improvement and help establish priorities for process change.

Reviewing and streamlining of financial reports process and tools -- USGS FFS reports will be reviewed to identify opportunities for improved management and production cost savings, as well as for opportunities to better meet program customers' information needs. In addition, OFM will seek improved information retrieval tools to reduce time and effort and simplify user access to FFS for queries.

Imprest Fund Reductions -- In FY 1997, USGS carried out an analysis of payment transactions at selected imprest funds, aimed at identifying transactions which could readily be accomplished via electronic or other non-cash means. In FY 1998, USGS intends to apply the results of this study in order to reduce fund amounts and eliminate imprest funds wherever possible.

Bureau of Land Management (BLM) Financial Management Initiatives

A. Improving Financial Reporting

The BLM has worked closely with the DOI Inspector General's staff to correct deficiencies in accounting for real and personal property and firefighting operations inventory. The Bureau's has successfully implemented the personal property component of the FFS Fixed Asset Subsystem during FY 1996 and fully reconciled it to the General Ledger. The BLM is now working on implementing the Real Property component of the Fixed Asset Subsystem and plans to have both operating in synchronization with the General Ledger quite soon. Efforts are continuing to reduce the number of inventory stores accounts. The firefighting operations inventory has been closed and the number of stores accounts has dropped from 45 to fewer than 15, and more closings are planned.

B. Redesigning Billing and Collection Systems

The BLM is pursuing consolidation and integration of its existing billing and collections systems into a single system that manages all billing and collection processes in an efficient and cost effective manner. A redesign team developed a conceptual design model and implementation plan for one system that meets the needs of the BLM's diverse customer base. An implementation team has now been formed consisting of accountants and systems staff from the Business Center and representatives from the field user community. When implemented, the system and the new procedures will simplify work, provide one entry point for data common to the program and accounting systems, and provide managers with alternatives in accomplishing their mission.

C. Redesigning the Acquisition Process

The Acquisition Redesign Team was established to identify, evaluate, and recommend "radical" procedural and organizational changes in acquisition of goods and services in BLM. The Team focused on internal changes that BLM could make, rather than proposing legal and regulatory change where there would be nominal opportunity for change. A

number of the recommendations are now being implemented, including submission of a plan to GAO to allow for an increase to the limit of \$2500 for statistical sampling of invoices and the use of VISA checks in the field in lieu of imprest cash funds.

The increase in the sampling level will reduce workload in the finance office and will accelerate payments, reducing the prompt payment interest penalties paid by the BLM. The use of VISA checks, which has been implemented for emergency firefighter payroll and incidental needs at fires, will, when expanded to the entire bureau, reduce processing costs because the costs can be processed through the IMPAC interface, and will significantly reduce the number of imprest funds and the cash needed in those that remain.

D. Developing and Implementing a Management Information System

The BLM has launched a project to develop a Management Information System which will incorporate financial data, billings and collections data, managerial cost accounting information, performance measurement data, and other business data in a single system. This system will meet the requirements of a finance system with integrated cost accounting, and will provide timely, meaningful business information to managers in the field. It will provide on-line access and be updated daily, it will use low maintenance equipment, it will be web-based on the bureau intranet, and it will have ad hoc query capability. Another key feature being planned is that it will have historic data in the data warehouse. The MIS will have the capability of allowing field users to extract data at whatever level of detail desired into individually designed report formats.

Bureau of Reclamation (BOR) Financial Management Initiatives

A. Human Resources

BOR's downsizing efforts in its financial management organization during the past three years resulted in reduced costs and FTEs, but raised employee concerns with job security, additional workloads, new duties, reorganizations, etc. To address these concerns, BOR implemented a Human Resource effort aimed at providing additional training needed to accomplish new duties and responsibilities; providing cross-training to enhance career opportunities; sponsoring team building activities to empower employees at all levels to best accomplish and manage new duties and additional workloads; and improving communication within the organization. This initiative has been adopted and promoted by the organization and has raised the morale and enthusiasm of employees. The features of this program have been assimilated into the organization's human resource policies and procedures, and will be adjusted as necessary to maintain a high level of employee well being.

B. Conversion to New Programmatic Budget Structure

Effective October 1, 1998, Reclamation is implementing a new Programmatic Budget (appropriation) Structure to better meet the requirements of GPRA, NPR, and the CFO Act. This will result in a change to Reclamation's budget and account structures, and require a major conversion of all systems collecting, processing, and/or reporting budget and finance data. The expectation is that Reclamation's financial management data will link more consistently with its mission goals and objectives, and will provide managers with better and more relevant data with which to manage their programs.

C. SGL Improvement Effort

Reclamation has an effort underway to improve its use of the Treasury Standard General Ledger in accordance with the Treasury Financial Manual. This is necessary to accommodate the accounting and reporting requirements of FASAB, Treasury, OMB, CFO, and DOI. Many of the changes are a result of new FASAB accounting standards and others are in response to OMB's reporting requirements for the new SF-133 in accordance with Circular A-34.

D. Fed Select Initiative

Reclamation has begun implementation of Treasury's Fed Select program and plans to complete this Reclamation-wide effort by the close of FY 1998. The objective is to eliminate the majority of cash held by Imprest Fund Cashiers throughout Reclamation and to reduce the cost of administering the imprest fund activities. In addition, Reclamation hopes to migrate from the use of Third Party Drafts, and thereby reduce the cost of that program as well. With the Debt Collection Improvement Act requirement to process all payments via direct deposit to payee bank accounts effective January 1, 1999, Fed Select provides an excellent alternative to direct deposit, while still meeting the requirements of the Act.

E. Improvements in Management of Working Capital Funds

Reclamation has undertaken a significant effort to improve the use and management of its Working Capital Fund program, and apply business-like principles in its operation. To date, the management and oversight of the fund has been centralized; management roles and responsibilities have been more clearly defined; guidelines have been revised and issued; policies and procedures have been defined and communicated throughout the organization; budget and financial data has been, and continues to be, analyzed for accuracy and compliance with policy and procedural requirements; and the reporting of financial management data has been improved. In addition, review and oversight of the budget formulation process has been assigned to the Reclamation's CFO Council for those Working Capital Fund activities affecting Reclamation-wide programs.

F. Improvements in Accounting for Receipts and Revenues

To improve its receipt and revenue accounting and reporting process, Reclamation has initiated an effort to identify and implement needed improvements to this process. Reclamation will review and act on the results of this effort, with the objective of implementing a new and improved process in FY 1998 that will satisfy customer and stakeholder needs for more accurate and timely receipt and revenue information.

Fish and Wildlife Service (FWS) Financial Management Initiatives

During FY 1997 the FWS accelerated its efforts to streamline its financial processes while improving the quality of financial and management information available to its managers. Efforts were concentrated on making more effective use of financial resources, managing processes better, and developing management systems to promote efficiency of operations in program areas.

A. Using Financial Resources More Effectively

Central voucher processing services were eliminated within the FWS. Such services are now provided under a memorandum of agreement with the Bureau of Reclamation's Denver Administrative Service Center. As a result of this action, 35 FTEs were saved. Moreover, financial resources formerly consumed in managing voucher processing staff were redirected toward improving FWS financial management processes and information, and strengthening accountability for financial operations.

B. Improving Financial Processes

Remote data entry expansion continued. Payments of up to \$25,000 are now made through remote data entry. Additional types of adjustments to obligations are made at field locations. The results are a decrease in prompt pay penalties and a significant improvement in the quality of financial information.

Improved payment processes were developed and are being implemented to permit the issuance of checks at field locations and to automate completely the payment of Federal Express shipping charges. The FWS is implementing the Treasury FedSelect payment system to provide for small dollar value and emergency payments to be made at field offices. When fully implemented, a proportionate reduction in imprest balances is planned. Federal Express bills will be examined for accuracy through third party software which extracts information directly from Federal Express systems, records data into the Federal Financial System, and pays electronically. The result will be a automated payment system which improves controls, saves money and reduces work.

VISA card use in the FWS continues to expand with substantial savings in the efforts necessary to procure goods and services. Although an automated interface is used to

transfer information from VISA systems into FFS, additional improvements are underway. Payment approval and verification processes still depend largely upon comparison of paper documents to recorded payment information. Processes necessary to correct erroneous charges are also time-consuming and laborious. To reduce efforts necessary to verify and correct charges, the FWS is implementing a stratified statistical sampling process.

Improvements in travel processes were accomplished through implementation of the DOI travel lab. Individual trip authorizations are no longer required for temporary duty travel. Accountability was strengthened by travelers and supervisors acknowledging responsibility for efficient travel planning and execution.

C. Increasing Efficiency in Program Operations

Efficiency in program offices was improved through the elimination of paper and microfiche reports. Essential reports are distributed electronically. More comprehensive reports are distributed on CD-ROM. These information distribution mechanisms allow field offices to more readily locate necessary information and transfer data into spreadsheets for additional analysis. In addition to eliminating 350,000 pages of paper, program offices can conduct analysis more efficiently and have the capability to better utilize funds.

National Park Service (NPS) Financial Management Initiatives

A. Conversion to the Federal Financial System Fixed Assets Subsystem

During FY 1998, the Service will convert its personal property inventory from the Department of Agriculture's Property Management System (PROP) to the FFS Fixed Assets Subsystem. The conversion will integrate the property and accounting data and eliminate the need to develop an interface or reconcile the data currently captured in two different systems.

B. Administrative Financial System II

AFS II is a microcomputer-based software package used by most parks and offices for budget planning and execution utilizing accounting data downloaded from and uploaded to FFS. During FY 1999, the Service is planning to improve AFS II to provide additional capabilities to support GPR requirements, and to convert the program to a Windows environment.

Bureau of Indian Affairs (BIA) Financial Management Initiatives

The Bureau of Indian Affairs has the following initiatives underway or planned in its effort to meet CFO Council priorities and mission responsibilities:

A. Improving Financial Management Systems

Loan Management and Accounting System (LOMAS): After several years in design and development, the LOMAS system is finally reaching full implementation. This has been a joint effort by the Bureau and the old FMIP staff, and later by the WASC-West, that upon completion provides a mechanism for effective management of the Bureau's loan portfolio. It replaces an older "batch" system that was difficult to use and provided a limited set of reporting capabilities; the new version is network-based and greatly improves management tools and reporting and includes a quality and easy-to-use interface with the FFS. Anticipated completion is September 30, 1997.

National Irrigation Information Management System (NIIMS): NIIMS is currently operating in production mode at individual bureau irrigation project offices; however, in order to provide a more complete picture of the financial (receivables) side of each project, the Division and the Office of Trust Responsibility have been developing an interface between NIIMS and FFS. Scheduled for completion later this calendar year, the interface is designed to record irrigation billings and collections for each irrigation project and detailed reporting for audit purposes.

B. Modernizing Payments and Business Methods

Improving Remote Data Entry Capabilities: During this fiscal year, the bureau continued its implementation of Remote Data Entry by introducing selected payment capabilities at three pilot offices. The pilot phase began in March, 1997, and included the Anadarko and Navajo Area Offices and Central Office in Washington DC. With the valuable assistance of staff from the WASC-West, the Division was able to develop a quality implementation plan, training program, and implementation effort. The pilot phase was an invaluable learning experience for everyone, especially the staff of the pilot offices, and corrected many of the processing difficulties that contributed to elevated levels of prompt payment penalties in previous years. Pilot implementation ended in August, followed by an overall evaluation report and subsequent request to the Department for full Bureau implementation during FY-98. A unique aspect of this project was the joint development by the Division and the WASC-West of a quality Windows-based software utility that greatly improves on standard FFS data entry, researching, and reporting capabilities.

Prompt Payment Reduction Initiative: The bureau is dedicated to greatly reducing its overall prompt pay penalty percentages during the current and following fiscal years and ultimately reach levels commensurate with Departmental recommendations. The Bureau has obligated staff to participate on intra-Department improvement teams and developed a Bureau action plan to monitor progress. The expansion of the Remote Data Entry project described above is a key element in the bureau's reduction effort and significant decreases are expected as that implementation effort progresses.

Updating Vendor Information: During the third quarter of this fiscal year, the bureau contacted over 14,000 vendors for updated W-9 and ACH payment information. The updated information is currently being entered into the FFS and allows the bureau to comply with Department of the Treasury payment initiatives and associated deadlines.

Implementing Travel Lab Recommendations: The Bureau plans to implement a sizeable number of Travel Lab recommendations that streamline voucher preparation, review, and payment processes. Most are planned for completion early in FY-98. Current travel payment processing and payment statistics indicate that significant improvement should result by implementing Travel Lab recommendations.

C. Improving Management of Receivables

Debt Collection Improvement Act of 1996: The Division has initiated a Memorandum of Agreement with the Department of the Treasury that facilitates debt collection of delinquent accounts receivables. This has provided an immediate economic impact in FY-97 and we envision continued reduction of delinquent accounts that eventually resolves a long-standing financial weakness for the bureau.

Office of the Secretary (OS), Minerals Management Service (MMS) and The Office of Surface Mining Reclamation and Enforcement (OSM) ABACIS Bureau Partnership

During FY 1995, the OS, MMS and OSM established a partnership (ABACIS Bureau Partnership) to work jointly on several initiatives to streamline and automate financial processes. This partnership allows the three organizations to share both personnel and computer resources in order to optimize our ability to meet changing requirements in the federal financial management arena. The major accomplishments for FY 1996 and FY 1997 (to date) are: (1) joint acquisition of a fourth generation language, SpeedWare, for use with ABACIS; (2) joint acquisition of a report writer, EasyReporter, for use with ABACIS; (3) consolidation of all source code to one location; (4) implementation of a new Budget sub-system for ABACIS; (4) development of a new Property Management Information System (PMIS); (5) development of the Rocky Mountain Bank Card (RMBC) sub-system for ABACIS; (6) completion of a requirements analysis for an interface between PMIS, IDEAS, and ABACIS; and (7) enhancements to the ECS sub-system on ABACIS. Projects currently underway include: (1) modifications associated with the implementation of the new Standard General Ledger (SGL); (2) modifications associated with the Year 2000; (3) implementation of the PMIS at MMS and OSM; (4) implementation of the RMBC sub-system at all three bureaus; and (5) modifications associated with the new Standard Departmental Budget Object Classifications. In addition, all three ABACIS bureaus received unqualified audit opinions on their financial statements for FY 1996.

The MMS has expanded its FedSelect Check program to its Denver and New Orleans field offices. FedSelect is a Treasury cash management initiative that allows MMS to use checks for payments normally made from imprest funds. After implementing FedSelect in

these offices, the imprest funds there were closed. MMS expects to replace all of its imprest funds with FedSelect stations by December, 1997. The MMS also expanded its efforts to reimburse employees for travel and other expenses via EFT. About 50 percent of MMS travelers now receive their travel reimbursements via EFT.

OSM implemented FASAB's financial reporting standards and received an unqualified audit opinion for the sixth year in a row. OSM also implemented the Government Performance and Results Act's (GPRA) requirement to track and relate expenses to program activities. OSM generated management reports for GPRA, using SpeedWare's EasyReporter product.

OS expanded the use of the travel charge card to include ATM access for all travelers. This significantly reduced usage of the imprest fund and virtually eliminated all travel advance payments. OS also implemented DD/EFT requirements for all travel reimbursements with automated electronic mail notification to travelers. OS cooperated with the Departmental Personnel Office in implementation of the ARTS (Automated Requisitions for Training Services) and receives SF-182's electronically for posting obligations.