
BUREAU FINANCIAL MANAGEMENT INITIATIVES

Bureau of Land Management (BLM)

- *Developing and Implementing a Management Information System:* Early in FY 1998, the BLM implemented the first module, Budget Execution, of its Management Information System (MIS). By the end of FY 1999, the Performance Measurement module, the Property, Space, & Motor Vehicle module, the Billing and Collections module, Customer Survey module and the Managerial Cost modules were all implemented. 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. With the modules already in place, the MIS provides on-line access and is updated daily from the bureau finance system. MIS uses low maintenance equipment, is web-based on the bureau intranet, and has ad hoc query capability. The MIS is already providing users with the capability of extracting data at whatever level of detail desired into individually designed report formats and is reducing the number of paper management reports distributed to the field.
- *Imprest Fund Reductions:* BLM reduced the total funds in its 138 imprest and currently only have change making funds. Reductions occurred as field offices have received and started using convenience checks. Through effective use of small purchase charge cards and convenience checks, and mandatory use of processing travel advances and awards through electronic payment systems, the closure of BLM imprest funds, as mandated by the Debt Collection Improvement Act, has effectively occurred.
- *Collection and Billing System:* In 1998, BLM had no common process for managing billing and collections in its State and District offices. As a result, each office has addressed the problem of processing bills and recording receipts in its own way. These offices then forward information, usually in the form of paper or email documents, to the BLM National Business Center (NBC) in Denver for manual entry into the Federal Financial System, resource tracking systems, and other Federal government systems.

Therefore, a project was initiated to create a new Billing and Collections system to standardize and automate the existing process. The project has the following vision: "To have a single system for billings and collections that is easy for the customer, provides BLM managers and staffs with accurate and timely information on collections and receipts, minimizes the opportunities for errors, makes funds available for BLM and Treasury use rapidly, meets electronic funds transfer requirements, and from the time of initial data input at the field level the data are processed and loaded into FFS without additional manual actions."

The design objectives of the project will support:

- ◆ Assisting BLM managers in recognizing business risks, consequences, costs, and solutions in analyzing processes and systems, and in making decisions;
- ◆ Providing accurate and timely collection information in order to more effectively manage receipts and collections;
- ◆ Meeting the increasing demands for data and service to customers;
- ◆ Providing on-line access by the public to purchasing BLM products;
- ◆ Providing information that will help managers make the proper investments in people, systems, and technology so that the agency will work better in the future;
- ◆ Reducing the amount of time needed to deliver services to customers;
- ◆ Meeting new requirements of the CFO Act and other recently enacted financially-oriented legislation; and
- ◆ Making BLM processes and procedures easier to understand and perform.

The BLM has also initiated the CBS project, which is a web-based intranet application with four phases spanning two fiscal years. Phase One consists of automating the collections process. This includes the establishment of an electronic "point-of-sale" system, computer generated receipts, automated reconciliation processing, electronic data sharing with other Federal agencies, on-line bill payment and purchasing of other BLM products (such as maps), and automated updating of FFS. Phase Two consists of establishing electronic data sharing processes with other Federal agencies as well as automating the sharing of collected funds with states and counties. Phase Three consists of automation of bill preparation, including one-time bills and bills that re-occur on a regularly scheduled basis. This will also include a process to identify unpaid bills and a "dunning" process. Finally, Phase Four consists of designing electronic data sharing processes with other BLM natural resource computer systems.

- *Deferred Maintenance Systems:* The BLM has initiated a major effort within the bureau to update the condition assessment of the assets within its purview and to systemically record and track the maintenance requirements of those assets, including that maintenance which has been deferred. Previous reviews by the OIG has determined that the system in place, the Facilities Inventory and Maintenance Management System (FIMMS), adequately records and tracks assets, but was not always kept current and was not designed to provide accounting information. In response to this shortcoming, the BLM has started an effort to assess every asset group (bridges, tunnels, roads and trails, recreation sites, administrative sites, and dams), to assure that adequate documentation is in place to support the assessments and the maintenance (current and deferred) cost estimates, and to improve the FIMMS to make property and financial data

more accessible and reliable. BLM completed administrative sites, recreation sites bridges and dams. In FY 2000, BLM will continue our schedule of condition surveys and begin on roads and trails.

- *Implementation of Activity Based Costing:* The BLM has chosen Activity Based Costing (ABC) as the methodology it will employ to develop managerial cost accounting data for reporting and performance measurement purposes. The ABC pilots demonstrated to management that ABC is an effective vehicle that BLM can use to meet the requirements of the cost accounting standards and performance measurement under the Government Performance and Results Act. This new system approach will provide managers with meaningful information regarding program effectiveness and will facilitate comparative measurement of programs across the bureau, so that best practices can be identified and emulated. In FY 2000, BLM will revise its cost accounting system so that it will not only track the source of funds but at the same time track the cost of output that it produces. All of the outputs will be aligned with its responsibility segments.
- *Implementation of IDEAS:* BLM has implemented the Interior Department Electronic Acquisition System throughout its major offices. Since it interfaces with FFS, IDEAS eliminates the need for separate data entry for commitments and obligations and provides the capability to track most procurements. In FY 2000, BLM plans to have the IDEAS data incorporated into the Management Information System.
- *Implementation of ASAP:* BLM plans to implement Treasury's Automated Standard Application for Payments system in FY 2000. This system will provide BLM's grantees the ability to draw down on payments through BLM's cooperative agreements.
- *Implementation of Southern Nevada Public Land Management Act:* Under the Southern Nevada Public Land Management Act, the BLM has begun an investment program in Treasury securities. The Act authorizes the disposal of certain federal lands in Clark County, Nevada with 10 percent of the proceeds paid to the Southern Nevada Water Authority, 5 percent paid directly to the State of Nevada, with the remaining 85 percent to the BLM. These monies collected by the BLM are being invested in Treasury securities until expended as authorized under the Act. The invested amounts will vary over time, due to the timing of the land sales and expenditures authorized under the Act. However, for FY 2000 we expect the invested amounts to approximate 20 million.

Bureau of Reclamation (BOR)

Implementation of New Processes and Procedures

- In FY 1999, Reclamation assisted the Department in the consolidation of its administrative centers. On April 1, Reclamation transferred management and financial balances and accounting responsibilities for the Denver Administrative Services Center to the Department's National Business Center, the purpose of which is to realize efficiencies and the benefits of consolidating similar activities under one management structure.
- In July 1999, Reclamation began successfully transferring eligible debt (60 days and older delinquent) to Treasury for cross-servicing. This process uses an in-house developed automated program to perform this function.
- Reclamation successfully implemented the PD-IDEAS/FFS interface in six major purchasing locations and all of the smaller field units in two of those major locations.
- Reclamation achieved a 98 percent electronic funds transfer rate to the financial institution accounts for all vendors and travelers it pay. Waivers have been kept to a minimum for employees and commercial vendors.
- Reclamation implemented a pilot program to centrally bill lodging costs with the Bank of America charge card program. This program has (1) streamlined the travel process, (2) provided improved service to traveling employees by reducing the complexity of the travel voucher eliminating lodging costs as an individual employee payment responsibility, and (3) obtained significant charge card rebates for the Department.

Improvements of Current Business Processes and Systems

- Reclamation received an unqualified opinion on its financial statements for the sixth consecutive year, which validates the integrity and reliability of Reclamation's accounting system, practices, and financial data.
- Reclamation is adopting the standard software used by the Department for the preparation of financial statements. Hyperion is expected to result in a streamlined approach for both the preparation and audit of the statements (quicker results and fewer people), and will convert from a manual to an automated communication protocol of financial data to the Department necessary for the preparation of its consolidated financial reports.
- Reclamation continued to successfully keep its prompt pay interest below the DOI standard. Total interest amounts paid are 66 percent lower than projected for FY 1999.

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- Reclamation continued efforts to improve the interagency agreement process for reimbursement with other federal agencies, and provide technical guidance, support, and training on the reimbursable standard general ledger reporting.
 - Reclamation made required changes to custom accounting report programs and procedures to ensure that all are Year 2000 compatible and has coordinated changes and Year 2000 systems requirements with other internal and external clients that access our accounting data, files, and reports.
 - FFS table clearing programs were executed to archive large volume of historical records from the Purchases, Payables, and Travel related tables and also the Auto Disbursement tables in an effort to reduce systems maintenance costs and enhance the performance of the accounting system. A total of approximately 4.8 million records were archived.
 - Reclamation continued to provided key resource support (dollars and staff) in assisting the Department in the development of a plan and strategy for the acquisition and implementation of replacement financial management system within the next five-to-seven years. Reclamation assumed leadership positions on three of thirteen sub-teams: core accounting, acquisitions, and facility management.
 - Reclamation converted to the standard budget object class codes adopted by the Department. The conversion will promote greater standardization throughout the Department and more easily accommodate data roll-up at a higher level.
 - Reclamation implemented improved controls over the source and disposition of certain project revenues. These controls will further protect the government's assets, help Reclamation comply with requirements established by project legislation, and more accurately identify proper credits to the project beneficiaries.
 - Reclamation initiated an effort in reviewing and testing the functionality and capability of Interior's FFS Labor Cost Interface System in an effort that will lead to replacing Reclamation's custom Labor Cost interface in the interest of being consistent with other Interior bureaus and in reducing operating costs and improving efficiency. The initial testing has surfaced a need for further enhancement of the DOI Labor Cost interface to allow Reclamation to provide for the cost accounting requirements currently in place and consistent with FASAB No. 4. Specifically, the system must accommodate direct charging, leave surcharge, and general overhead for Reclamation to consider converting to DOI's system.

Fish and Wildlife Service (FWS)

The FWS is focused on providing quality financial management services to its natural resource programs while implementing the CFO Council's and DOI's priority initiatives and complying with federal standards of accountability.

Improving Voucher Payment Processes

The FWS manages the payment of vouchers using a combination of innovative tools. The FWS has franchised vendor payments exceeding \$25,000, travel vouchers, imprest replenishment vouchers and OPAC transactions to the Department's National Business Center. Vendor payments under \$25,000 and construction payments are processed by individual FWS offices using Remote Data Entry.

Ensuring Prompt Payments: The FWS is continuing efforts to maintain a high level of performance in the area of processing payments promptly in accordance with federal and DOI prompt payment priorities. Prompt payment performance has been improved by expanding the types of payments that can be processed using Remote Data Entry and expanding by implementing the PAYTECH payment technology, which consolidates common vendor transactions into a bureauwide electronic payment. The FWS continues to emphasize the use of charge cards and contracting officers have been authorized to use the cards as payment instruments up to the limit of their warrant authority, not to exceed \$100,000. A new focal point that is being addressed is standardizing Remote Data Entry processing for the significant number of repetitive payments, such as utilities and local telephone services.

Monthly management reports on prompt pay are provided to each Regional Director for use in managing their payment processing. For the most recent quarterly period ending July 21, 1999, two percent of all payments incurred payment penalties.

Implementing EFT and Reducing Cash Transactions: The FWS expanded EFT as part of governmentwide and DOI initiatives to comply with the electronic payment requirements of the Debt Collection Act. New FWS policies mandate that travel and imprest replenishment vouchers be paid strictly through EFT.

FWS has also implemented Treasury's FedSelect checkwriting program at the regional level to handle localized reimbursement and small purchasing needs.

Developing Innovative Financial Management Processes

Bank of America Charge Card: As with DOI's implementation of the new purchase, travel, and fleet charge card platforms, the FWS will seek to develop new financial processes to take advantage of the new cards' capabilities. The FWS seeks to consolidate and centralize the billing and payment processes for certain categories of travel and fleet expenses. This will promote efficiencies as the total number of payments made will be reduced and will enhance overall prompt payment performance.

Integrating FFS with Other Management Systems: With the passage of the Federal Financial Management Improvement Act of 1996, there has been increasing emphasis placed on the integration of financial and management information systems. In FY 1998, the FWS dedicated significant resources to successfully implement an automated interface between the departmental payroll system, FPPS, and the core accounting system, FFS. In FY 1999, the FWS implemented its automated Budget Allocation System (BAS), which also will interface with FFS. The BAS, which is accessible on the FWS's intranet, provides users with allotment and allocation information for all appropriations. The software has query capability that enables users to search multiple combinations of budgetary information. The interface with FFS provides automated updates of carryover and recovery information.

The FWS participated in the DOI effort to automate procurement processes by implementing the IDEAS-PD system in FY 1998. This system enables users to electronically prepare and distribute procurement documents for approval and to distribute requests to vendors, receive quote responses, make awards, and issue award notices. The FWS is pilot testing an interface between IDEAS-PD and FFS. Overall, the system will enable the Service to take advantage of the latest technology to communicate with contractors while increasing competition and reducing solicitation and contract award turnaround times. The financial interface will promote accurate and timely transaction reports and ensure greater financial accountability.

Supporting DOI Financial Management Initiatives

The FWS provides considerable staffing resources to DOI's Office of Financial Management through its participation in workgroups that address priority financial management issues and initiatives. These commitments include participation on the following standing councils:

- Software Advisory Board
- Standard Accounting Classification Advisory Team
- Financial Statement Guidance Team
- Finance Officers' Partnership

In addition, the FWS has contributed resources to working teams addressing the following priority issues:

- Benchmarking
- FFS Migration
- Charge Card Implementation
- Deferred Maintenance
- Managerial Cost Accounting
- Travel Management Centers
- Emergency Firefighting Payroll

Stressing Management Accountability in Implementing Accounting Standards

The FWS has made a number of significant advances in the area of financial reporting. Improvements in reporting real and personal property assets have been instrumental in enabling the FWS to maintain its third consecutive unqualified audit opinion. The FWS is continuing to develop data collection and reporting processes to facilitate compliance with Federal Accounting Standards Advisory Board standards. These current efforts are directed at meeting the requirements for Property, Plant and Equipment (SFFAS No. 6), Supplementary Stewardship Reporting (SFFAS No. 8), and Managerial Cost Accounting (SFFAS No. 4). For its FY 1997 and 1998 Accountability Reports, the FWS prepared a Statement of Net Cost, which allocated total costs to the strategic mission goals established under the Government Performance and Results Act. The FWS uses an interdisciplinary approach with workgroups comprising financial, program, and administrative staff. FWS financial staff have undertaken steps to educate bureau officials on the critical role played by program officials and other senior managers in accountability reporting.

Financial Management Training Initiatives

In partnership with the National Conservation Training Center in Shepherdstown, West Virginia, FWS financial managers have developed two basic financial management training courses that will be offered throughout the year at the NCTC campus. These initial courses are intended for operational personnel at the field station and regional office level who have financial responsibilities. The objective of these courses is to ensure the continuity of quality financial processing skills at the operational level.

The first course, "Financial Fundamentals for Administrative Professionals", addresses the basic skills needed to succeed as an administrative professional with financial responsibilities. Course topics include: the federal budget cycle, types of funding authority, obligations and expenditures, document control numbers, cost structures, FWS financial reports, FFS, and credit cards. The second course is titled "Financial Transaction Processing" and focuses on the skills needed to input and process financial transactions in FFS. The course covers remote data entry of obligations and payments, payroll processing, and year-end processing.

In the coming year, efforts will begin to develop a financial management training course for FWS management professionals. The emphasis of this course will be to educate managers about the Federal Accounting Standards and their impact on program financial management.

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

The ABACIS Bureau Partnership which includes MMS and OSM jointly works on initiatives to streamline and automate financial processes. This partnership allows the bureaus 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 Partnership accomplishments for FY 1999 are: (1) conversion of ABACIS programs to be Year 2000 compliant; (2) implementation of the integrated credit card interface; and (3) implementation of data imaging at MMS. Logicon, Inc., a third party independent Year 2000 consultant for the Department, assessed the independent verification and validation compliance of ABACIS. Logicon determined that ABACIS either was fully Year 2000 compliant or adequately addressed all items in the contingency plan. A major partnership project currently underway is the development of an interface between IDEAS and ABACIS, with an implementation date of October 1, 1999. Bureau specific accomplishments and plans follow.

Minerals Management Service

- MMS re-engineered its front-end microfilming process by replacing the microfilm camera and reader with state-of-the-art data imaging technology. This front end is fully integrated with ABACIS, which allows accounting technicians and other users to access images based on any known information about the document. This initiative saves resources by making data images of documents easily available electronically for review by accounting technicians, program staff, and auditors.
- MMS expanded its efforts to increase EFT payments to vendors and employees. Over 94 percent of disbursements to MMS vendors are via EFT. Also, over 98 percent of travel and miscellaneous payments to MMS employees are made via EFT.

Office Of Surface Mining

- *Financial Statements/Accounting Standards:* OSM has fully implemented the managerial cost accounting standard. Managerial cost accounting reports are being produced at the output and office level, as specified by OSM managers. Managerial cost reporting will also continue at the segment and GPRA level. OSM has streamlined the compilation of its financial statements and has created a system of automated checks to simplify its quality assurance process. OSM anticipates receiving its ninth straight clean opinion on its financial statements.
- *Financial Management Systems:* In December 1998, OSM implemented a module to ABACIS for processing the integrated credit card centrally billed transactions. The cardholder inputs transactions which are matched against the invoice download from the Bank of America (Nations Bank) to allow next day pay of the invoice. All non-matched charges are automatically paid to default accounts. The module which is fully integrated with ABACIS allows for up to ten

default accounts and permits the cardholder to adjust the accounting information at anytime. Useful management reports are produced by the system including reports showing all the purchases by an office, a purchase report by cardholder, and reports that show detailed accounting information by purchase and cardholder.

- *The Management Accounting and Performance System (MAPS)* was enhanced during FY 1999. MAPS is an online reporting tool that utilizes a parallel data warehouse of ABACIS as a data source. MAPS provides decision-makers with valuable information regarding the status of funds, labor and payroll, grant and personnel management information. The effort involved enhancing internal and quality controls regarding data integrity, system availability, and increasing the user base. A report library was developed to ease data access to recurring information requests. During FY 2000, OSM plans to utilize MAPS as the platform to auto-generate quarterly GPRA/managerial cost accounting reports. Other planned enhancements include increasing the number of "canned" reports in the report library and enlarging the physical size of the data warehouse to accommodate future data.
- *Receivables:* OSM has established two performance goals and measures under the Government Performance and Results Act relating to receivables. The first one states that OSM will continue the reduction of outstanding delinquent debt (excluding bankruptcy and payment plans) over 180 days old. The base line date for this measure is 9/30/97. Since that date OSM has reduced the number of cases by 47.2 percent. The second measure states that OSM will attain a 98 percent debt processing rate within the first 180 days. For the quarter ended 3/31/99 this rate was 97.1 percent. The rate for the third quarter is being determined.
- In FY 2000, OSM will focus on determining the net realizable value of its accounts receivable. This is consistent with the Administration and Congress' focus on reducing the significant Federal non-tax delinquent debt. We estimate that approximately 50 percent of all outstanding debt over two years old is of dubious realizable value. By focusing on net realizable value, more accurate economic information will be reported to OMB in OSM's TROR.
- We plan to review the use of a credit card collection program. This may enable OSM to eliminate lockbox payments and decrease the number of collection officers in the field. It may also increase our customer satisfaction by allowing alternative methods of payments.
- *Electronic Data Interchange (EDI) Pilot Project:* OSM is developing a pilot project for the electronic transmission of information on the OSM-1 form, Coal Reclamation Fee Report, currently submitted on paper by all reporting coal companies. The information provided on the OSM-1 form determines the quarterly Abandoned Mine Land (AML) reclamation fee liability due. The completed form also provides additional information to OSM that is required by the Surface Mining Control and Reclamation Act of 1997 (SMCRA), as amended.

Information obtained from coal companies participating in the Electronic Data Interchange pilot will not differ in content from what is currently collected by OSM. The intent of the pilot project is to reduce reliance on paper and to utilize the input from our customers to fashion an EDI process that provides a convenient electronic alternative for the coal industry. In FY 2000, OSM plans to begin the pilot project.

- *Payments And Business Methods:* OSM reduced Prompt Payment Act interest from 1.2 percent at the start of FY 1999 to a cumulative rate of .95 percent in June 1999.
- OSM implemented an aggressive policy to comply with the EFT provisions of the Debt Collection Improvement Act of 1996. During FY 1999, OSM increased vendor compliance from 62.6 percent to 81.9 percent and travel/miscellaneous payments from 93.0 percent to 99.5 percent.

National Park Service (NPS)

Cash Management

- *Delinquent Debt Transfer to Treasury:* The National Park Service implemented the Treasury Offset program in FY 1997. As of the end of FY 1999, the Service has transferred 95 percent of the eligible debt.
- *Reduction/Elimination of Imprest Funds:* In compliance with the Debt Collection Improvement Act of 1996, the National Park Service reduced the maximum fund balance for most of its designated cashiers to \$100.
- *Travel Advance Management:* As of the end of FY 1999, 98 percent of the Service's outstanding travel advance balances are related to permanent change of station and emergency travel advances.
- *Prompt Pay Interest Reduction:* During FY 1999, the National Park Service successfully continued in its efforts to meet the Department's late payment goal of less than five percent. The prompt pay interest reduction was attributable to the corrective actions taken by both the field offices and the Accounting Operations Center.
- *Expansion of Credit Card Usage:* During FY 1999, the National Park Service's usage of the Bank of America's Master Card for purchases, travel, and fleet costs increased by approximately 63 percent. The projected totals for the credit card transactions and dollars that the Service will process are 383,000 transactions for nearly \$76 million during FY 1999.

Financial System Integration and Development

- *Implementation of Federal Financial System Fixed Assets Subsystem:* The National Park Service successfully converted from the Department of Agriculture's Property Management System (PROP) to the Federal Financial System's Fixed Asset subsystem at the beginning of FY 1999. Prior to conversion, Servicewide Fixed Asset training was provided to 600 over employees responsible for property management. Custom reports were developed for the parks and central office as inventory and reconciliation tools.
- *Job Corps Accounting System:* The National Park Service converted the Job Corps accounting to the Federal Financial System on July 1, 1999.
- *Client/Server Based System:* During FY 1999, the Accounting Operations Center continued its efforts in development and implementation of a client/server system to replace multiple outdated financial systems. The new client/server AFS 3.0 system replaces the Administrative Financial System (AFSII), the Financial Reporting and Reconciliation System (FRRS), while providing the Service with Servicewide GPRA data and the Accounting Operations Center and program offices with an ad-hoc reporting tool.

Financial Management Training Program

The National Park Service, in partnership with Indiana University, continued developing a distance learning training curriculum for the financial management program. The following modules are now available to NPS employees via Internet:

- Budget Process
- Accounts Payable
- Accounts Receivable/Cash Management
- Payroll
- Travel
- AFSII/Commitment Control Register
- Year-End Closing

Each module contains a test to measure the trainee's knowledge and understanding of the respective subject matter.

During FY 2000, the Service plans to implement modules for the Federal Financial System, and a Miscellaneous Reports and Reconciliation Procedures.

U.S. Geological Survey (USGS)

Improving Financial Management Reporting

USGS supports the Department's goal of achieving and maintaining unqualified audit opinions on its financial statements. USGS has received unqualified opinions for the last three fiscal years' statements, and is positioning itself to continue this performance in the future. We also contribute to the Department's consolidated financial statements and Accountability Report by actively participating in the departmental financial statement guidance team, vigorously reconciling inter-departmental transactions, purchase of the Department's reporting software, and devoting personnel resources to contribute to the Department's report.

USGS made several improvements in pursuit of this goal. We are closing our accounts three weeks earlier than in past fiscal years to improve the timeliness of data. Real property transactions are more timely and personal property changes have been updated to comply with Federal Accounting Standards Advisory Board (FASAB) standards. Most of our internal reports have been updated to reflect the change to the standard general ledger and are also Year 2000 (Y2K) compliant.

Improving Financial Management Systems

Direct and Reimbursable Funding: Currently, USGS commingles direct and reimbursable funding and expenditures. USGS plans to improve this situation by reintegrating a software feature that allows us to account for each funding source separately. This change will improve the timeliness and accuracy of our reporting.

Oracle Reporting Database: The Y2K compliant version of the USGS accounting system software necessitated a change in USGS' ad hoc reporting capability. In response, USGS adapted a relational database to replace this lost functionality, as well as enhance users' access to their data. A new reporting tool to work in conjunction with this database has been purchased, users have been trained, and the database will be expanded to meet users needs.

Bureau Level Data Warehouse: The need for diverse bureauwide data is increasing as new demands are placed on managers. One proposed solution is a bureau level data warehouse to serve as the means for linking these data. The reporting database described above will be used as a springboard to implement a bureau level common database for financial and related data. A readiness review and definition of requirements is being performed with the goal of implementing a data warehouse for key financial management information across all USGS programs to facilitate quick, accurate responses to requests for data.

Grants Payments System: The Department of Health and Human Services' Payment Management System has been selected as USGS' grants payment system. Grantees have been sent information packets, grantee information is being registered on the system, and an automated interface to the accounting system is being developed. All USGS grantees should be using the Payment Management System by the end of FY 2000.

Financial Management Systems Migration: Financial management systems in the Department of the Interior are aging, were developed at different times using different technologies, do not seamlessly exchange data, and are becoming expensive to maintain and operate. The Department's Chief Financial Officers Council is sponsoring a comprehensive review of these systems with the goal of migrating to newer, compatible systems. USGS is actively participating in the Department's first stage of this migration, a three phase review of current financial management processes culminating in a budget strategy. USGS is participating in the migration steering committee, budget and accounting staff have led or participated on process review teams, and USGS Divisions have actively reviewed and commented on team products.

Implementing the Government Performance and Results Act (GPRA)

USGS developed its first GPRA strategic plan in September 1997, using it as the basis of the FY 1999 Annual Plan and Budget. OMB and congressionally mandated reviews of all agency plans led to recommendations to most agencies, including DOI, to streamline and clarify. USGS refocused its Strategic Plan as the basis for the FY 2000 Annual Plan and FY 1999 Operating Plan. A performance reporting system has been developed and is currently operational for tracking FY 1999 performance. USGS has also prepared a strategic management plan that lays out future strategies and quantitative goals for USGS customers, programs, people, and operations to underpin and guide implementation of the GPRA Strategic Plan. Under GPRA, the Strategic Plan is due for revision every three years, and USGS is on schedule to complete that revision in 2000. USGS actively participates with the Department in developing its measures for reporting in the Department's Accountability Report and will include these same measures in our annual financial report.

Developing Financial Human Resources

The USGS plans to implement an organization structure in the central finance office that is more closely aligned to both CFO Act and customer service needs. It will include the establishment of a position structure which clearly identifies career-ladder positions. USGS will also identify and provide training for employees to broaden their knowledges and skills and enable them to better serve the organization's needs. The accounting function will be strengthened by staffing existing vacancies and cross-training the employees in all responsibilities and tasks of the group.

The central finance office will also emphasize leadership for bureauwide financial management over the next five years. This includes efforts to improve customer satisfaction, a commitment to the provision of quality service, the implementation of innovative bureauwide financial support programs, systems, and processes, and the streamlining of existing ones.

Improving Asset Management

Treasury Reconciliations: Both the Office of Management and Budget (OMB) and the General Accounting Office (GAO) have reported that reconciling agency

accounts with the Department of the Treasury (Treasury) is one of the three most common financial management problems in the Federal government. While USGS has improved the reconciliation of our accounts, the bureau will be devoting additional resources to this effort to get current with Treasury.

Property Accounting: USGS has made improvements in property accounting by recently raising the capitalization threshold for real and personal property and improving the timeliness of recording these transactions. USGS integrated its personal property and accounting records in FY 1996, and its property accountability records and general ledger balances are reconciled. The capitalization threshold for personal property was recently raised to \$15,000, although the accountability threshold remains unchanged. Finally, USGS' procedures for valuing property acquired from excess have also been updated to comply with FASAB standards.

Accounts Receivable: Management of delinquent accounts receivable was another area mentioned by OMB and GAO as a financial management problem area across the Federal government. Senior USGS management is actively engaged in improving the bureau's accounts receivable portfolio, and USGS has increased the accountability and involvement of local managers in collecting debt. USGS delinquent debt has decreased 37 percent in the last three years. USGS now routinely refers all eligible delinquent debt to Treasury for collection action.

Improving Management Accountability and Control

Standard General Ledger (SGL): The governmentwide standard general ledger was developed by Treasury to improve the timeliness and compatibility of financial management data. USGS implemented the governmentwide SGL in FY 1999. USGS now records all accounting events at the transaction level rather than at the summary level.

Audit Resolution: Resolution of audit findings continues to be a USGS priority. USGS implemented 88 percent of all financial management audit findings more than one year old, and is actively working on findings and management letter issues from the current audit report.

Working Capital Fund (WCF) Improvements: The Office of Inspector General and USGS have cooperatively defined improved methods of accounting for equipment purchased for the WCF. Procedures and general ledger postings have been changed to reflect these improvements. In addition, USGS published an updated WCF handbook and is devoting more resources to managing the WCF.

Modernizing Payments

Electronic Funds Transfer Implementation: USGS completed implementation of the electronic funds transfer (EFT) portion of the Debt Collection Improvement Act (DCIA) in FY 1999. Systemic changes were made to increase compliance with this portion of the Act and procedures put in place (including a waiver process) to ease implementation. As of 6/30/99, 99 percent of all employees' salary payments were made electronically. In addition, 88 percent of all other USGS payments were

made electronically, up from 38 percent of payments at the end of FY 1998. The taxpayer identification number (TIN) provisions of the DCIA were implemented simultaneously; 95 percent of all USGS non-salary payments at 6/30/99 included a TIN.

Bankcard: The Federal government implemented a new and enhanced bankcard during FY 1999. The Department selected the Bank of America Master Card for use by all Interior bureaus. Problems with the bankcard have been rampant, requiring enormous expenditures of resources on approving, tracking, and reconciling bankcard transactions. These problems are expected to diminish in the next two fiscal years.

Imprest Funds: USGS is closing nearly all of our imprest funds as part of its implementation of the DCIA. Alternative payment mechanisms are being used, primarily the Bankcard. As of 7/31/99, USGS has closed 80 of our 104 imprest funds.

Prompt Payment: Senior USGS management committed to making payments more timely, and that commitment resulted in dramatic improvements in USGS' on-time payments. As of 7/31/99, almost 98 percent of our payments were made on-time, a significant increase from our traditional average of about 95 percent.

Electronic Commerce: USGS is participating with DOI's National Business Center to make electronic commerce a reality. At its best, electronic commerce will permit paperless transactions to occur between USGS and our vendors.

Contract Payments: These type of payments will be paid via remote data entry, streamlining the payment process and placing the function closer to the point of origination. Contract payments will join most other commercial payments as being made at our distributed office sites.

Procurement Interface: Procurement actions are being input to our accounting system via an automated interface, eliminating duplicate data entry and freeing staff resources. An enhancement allowing the obligating of property items is under development.

Bureau of Indian Affairs (BIA)

Imprest Fund Reductions: In compliance with the Debt Collection Improvement Act of 1996, the BIA, with the exception of one centrally located Law Enforcement fund, has been working effectively to close imprest funds across the BIA. Offices are increasing usage of convenience checks, the charge card is being utilized more frequently and efficiently to make small purchases, and increased ATM charge card usage has all but replaced travel advances through imprest cash.

Collection and Billing System: During 1999, the BIA continued transferring eligible debt to the Department of Treasury for cross-servicing. The BIA has been aggressively working to implement and complete an automated interface between the Treasury and BIA financial systems. It is expected that approximately 3,700 debts totaling \$2.3 million will be transferred. Once this is accomplished, the BIA plans to begin automatic transfers on a monthly basis; this will greatly reducing the tremendous amount of manhours spent manually completing this process.

Electronic Funds Transfer: The BIA has expanded its efforts to increase Electronic Fund Transfer (EFT) payments to employees and vendors, culminating in increased participation by vendors and BIA employees. In addition, during 1999, the BIA has been working with the U.S. Treasury to implement the Payment Advice Internet Delivery (PAID) system. Effective October 1, 1999, the BIA will go live with PAID which is an immediate Internet source that vendors will be able to access and identify payments being deposited to their accounts by EFT. Lack of payment information has been the biggest deterrent in getting vendors to participate in EFT. Further increases in EFT participation are expected from vendors once PAID is implemented.

Prompt Pay Interest Reduction: In 1999, the BIA has accomplished its greatest improvement in reducing the percentage of prompt pay penalties. Since October 1, 1998, the BIA's overall percentage rate has decreased to nine percent. The BIA has also completed Remote Data Entry (RDE) implementation at all 12 Regional Office locations. In addition, the BIA has implemented a RDE pilot program at four education facilities. This will assist in increasing the percentage of invoices paid timely.

Interagency Agreement Process: In 1999, the BIA streamlined its efforts to improve the interagency agreement (IA) process for reimbursement with other Federal agencies through clarification and definition of the types of agreements and consolidation of major IAs through headquarters for development and approval.

Departmental Workgroups: The BIA continues to participate in the Department's efforts to develop a plan and strategy for the acquisition and implementation of a new financial management system within the next decade.

Management Reports: Monthly management reports were initiated in FY 1999 to provide feedback to managers on various administrative areas, including prompt pay, property management, undelivered orders, Electronic Fund Transfers, and Status of Obligations.

Undelivered Orders: Since December 1998, the BIA has made major improvements in the amount of Undelivered Orders (UDOs). UDOs have decreased 50 percent from the December level of \$111.6 million to \$55.3 million. Efforts are ongoing to continue to reduce UDOs on a nationwide basis.

Policies and Procedures: To assist in streamlining and clarifying existing policies and procedures, the BIA has published its Administrative Handbook outlining current policy and procedures for administrative areas. Some of these areas include property management, construction in progress, debt management, contract retainage, and travel.

638 Manual: The BIA, in conjunction with the Department of Health and Human Services' Indian Health Service, has published a manual on internal agency procedures for non-construction contracting under P.L. 93-638, as amended (Title I, Indian Self Determination and Education Assistance Act). This publication will help to ensure that agencies under the Department of the Interior and the Department of Health and Human Services adhere to the same procedures to facilitate and enhance contracting with Tribes and tribal organizations. This will assist BIA's financial reporting in areas such as contract monitoring, contract closeout, and the Federal payment process.

Credit Card Usage: In 1999, the BIA began implementation in the change of policy with regards to increased usage of the credit card to cover obligations previously required to have purchase orders (e.g., Federal Express, Government Printing Office printing, and service contracts). The BIA has also increased participation by BIA employees in use of the NationsBank card. Under the former IMPAC Charge Card program, the BIA had 1,096 cardholders with purchase authority. As of August 1999, the BIA had a total of 1,171 cardholders under the NationsBank program with purchase authority, an increase of 6.5 percent increase over the former program. Those with purchase authority represent 28 percent of the total number of BIA cardholders.

Interior Department Electronic Acquisition System (IDEAS): In FY 1999, the BIA completed installation of the IDEAS software at all of its major acquisition offices (12 Region and Central Offices). The BIA has also completed a "Train the Trainer" program for five Functional Systems Administrators to provide basic training to the BIA's requisitioning staff. These individuals will also be responsible for training any additional sites below the Regional Office level. The installation of the IDEAS software in the BIA's small procurement sites will proceed in support of the Office of Indian Education Programs and other Agency Office support, as determined by the Regional Offices. Continued implementation below the regional level will be carried out in 2000 and 2001 based on regional decisions. The BIA has also activated the "switch" within IDEAS which will require the completion of the required reporting form prior to the release or issuance of a contract award. This action will facilitate improvements in the BIA's reporting of contract awards. In addition, the BIA is continuing its testing of interfacing IDEAS with the Federal Financial System (FFS). The BIA is hopeful that in FY 2000, it will be able to obligate awards in the FFS at the time of the award. This will greatly assist in obligation of funds in a more timely manner as well as overall reporting of contract awards.

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