

BUREAU FINANCIAL MANAGEMENT INITIATIVES

Fish and Wildlife Service (FWS)

The FWS finance community focuses on providing quality financial management services to its natural resource programs and on complying with accountability standards, while implementing the CFO Council's and the Department's priority initiatives.

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 government-wide and Department 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.

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 Improvement Act. New FWS policies mandate that travel and imprest replenishment vouchers be paid strictly through EFT.

Developing Innovative Financial Management Processes

Bank of America Charge Card: The Fish and Wildlife Service continues to expand the use of the Bank of America charge card as the primary mechanism for small dollar procurement, expediting both the payments and procurement process as well as reducing the need for imprest funds and travel advances. As the Bank of America MasterCard program continues to develop, the FWS will continue to implement new features that will make the FWS more effective in future periods. The service is implementing automated cost reallocation features available through the BOA EAGLS system and will be expanding use of EAGLS in many other areas of account maintenance and in the automation of the transfer transaction process. The FWS pilot test of convenience checks is exploring another method for making routine procurement/payments to small vendors in remote locations, and the automated capture of convenience check IRS Form 1099 data at the FWS finance web site is working to make these transactions as paperless as possible.

Integrating FFS with Other Management Systems: With the passage of the Federal Financial Management Improvement Act of 1996, there is an increasing emphasis placed on integrating financial and management information systems. In response, the FWS dedicated significant resources to successfully implementing an automated interface between FPPS and FFS. Also, the FWS implemented its automated Budget Allocation System (BAS), which 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. Further, the Service placed into production a new financial interface which will more effectively transfer fiscal information from the Department of Health and Human Services' Payment Management System through the Service's Federal Aid Information Management System to the FFS. This new interface ensures data integrity among these automated systems.

The FWS participated in the Department's effort to automate procurement processes by implementing the IDEAS-PD system. 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 resources to DOI's Office of Financial Management by participating in departmental 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 provides expertise to departmental or governmental working teams addressing the following priority issues:

- Benchmarking
- FFS Migration
- Charge Card Implementation
- Deferred Maintenance
- Managerial Cost Accounting
- Travel Management Centers
- Emergency Firefighting Payroll
- Reporting and Auditing Stewardship Land and Heritage Assets
- Natural Resource Performance Management

Stressing Management Accountability in Implementing Accounting Standards

The FWS is making significant advances in integrating financial and operational reporting. Improvements in real and personal property systems have been instrumental in enabling the FWS to maintain its third consecutive unqualified audit opinion. The FWS continues to improve data collection and reporting processes that facilitate compliance with Federal Accounting Standards Advisory Board standards. Recent emphasis has been on 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 example, an interdisciplinary team of FWS financial, program and administrative expertise has prepared a Statement of Net Cost for its Annual Reports since FY 1997, which allocates total costs to the strategic mission goals established under the Government Performance and Results Act. Also, internal and external program reporting and data verification processes are changing to meet the challenges of the new and evolving accountability standards.

Financial Management Training Initiatives

In partnership with the National Conservation Training Center (NCTC) in Shepherdstown, West Virginia, FWS financial managers developed two basic financial management training courses that are offered throughout the year at the NCTC campus. These courses, offered to field station and regional office personnel with financial responsibilities, help 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, "Financial Transaction Processing," 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 an effort to improve financial operations, other financial management training courses for FWS management professionals will continue to be developed. For example, the Service plans to develop courses aimed at educating managers about the Federal Accounting Standards and their impact on program financial and operational management.

Bureau of Reclamation (BOR)

Improving Financial Accountability

- Developed a land reconciliation plan to correct internal control issues and assure that accounting data and land inventory data is accurate. The estimated completion date is 2005.
- Adopted the standard software (Hyperion) for the preparation of financial statements.

Improving Financial Management Systems

- Continued to provide 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.
- Continued with an effort that will lead to replacing Reclamation's custom Labor Cost interface with Interior's FFS Labor Cost Interface System. Enhancements are needed to accommodate direct charging, leave surcharge, and general overhead.

Developing Financial Human Resources

- Participated on the core team to establish a Travel Summit for the Department where an exchange of knowledge, procedures and issues helped build a unified travel management program for the Department.

Managing Receivables, Costs, and Collections

- Continued to successfully transfer eligible delinquent debt to the Department of the Treasury for cross-servicing.
- Continued to successfully keep prompt pay interest below the Department standard.

Modernizing Payments and Business Methods

- Progressed from a pilot to full implementation of the central billing of lodging with the Bank of America charge card. This program continues to be a positive quality of life issue for employees and allows the Department to earn significant rebates.
- Entered into an agreement with Treasury to provide an online lookup and notification system of payments made to vendors (PAID).
- Entered into an agreement with the National Business Center to provide a Flashpoint application to assist in consolidating data for better customer service responses.
- Maintained a 98 percent electronic funds transfer rate to the financial institution accounts for all vendors and travelers.
- Conducted preliminary efforts to use credit cards for copy orders in 2001.
- Participated with the Department in selecting a nationwide contract for Travel Management Services that provides travel services at low cost and provides the opportunity to generate revenue for the Bureau.
- Completed the preliminary work to convert existing labor cost microfiche reports to CD-ROM. This will reduce storage costs and improve the efficiency of analysis work by providing better access to reports and historical data.

- Improved the interagency agreement process which included the issuance of a handbook to assist personnel who enter into these agreements.
- Initiated procedures to expand the use of EAGLS, the online charge card system provided by Bank of America, to include approval by reviewing officials and cost allocation by employees and administrative staff.

Improving Administration of Federal Assistance Programs

- Entered into an agreement with Treasury to provide an online drawdown system (ASAP) to all financial assistance recipients.
- Improved the internal control process for the reconciliation of federal obligations.

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 the ability to meet changing requirements in the federal financial management arena. The major Partnership accomplishments for FY 2000 are: (1) modification of the ABACIS General Ledger to comply with new requirements from Treasury and the Department; (2) implementation of an interface with IDEAS at OSM; (3) modification of the Hyperion download subsystem; and (4) modifications to several of the subsystems within ABACIS due to changing financial requirements. The Partnership plans to implement the interface between IDEAS and ABACIS for MMS during fiscal year 2001. The Partnership will continue joint efforts to accomplish mandated changes to the core accounting system.

Minerals Management Service

- ***Scanning Technology:*** MMS reengineered its front-end microfilming process by replacing the microfilm camera and reader with state-of-the-art data imaging (scanning) technology. This front end process 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. During fiscal year 2000, over 40,000 documents (i.e., invoices, obligations, travel vouchers) were scanned.
- ***Internal Customer Service:*** MMS dramatically improved customer service to its program staff by providing the following:

- Replaced distribution of monthly financial reports via mail with a web-based system. Through *Report.Web*, financial reports can now be accessed and printed through use of the Internet.
- Added additional reports to *Report.Web* to assist program staff in monitoring individual budgets.
- Provided interim closings during the month of September to eliminate numerous year-end adjustments in October.
- Drafted Temporary Duty and Relocation Handbooks.
- Volunteered to be a pilot agency to use Trip Manager, a web-based self-booking tool travelers.
- Started development of a Reimbursable Activities Guidance Manual to define responsibilities, duties, documentation requirements, and consistent procedures.
- *Electronic Fund Transfers*: MMS expanded its efforts to increase EFT payments to vendors and employees. Over 94 percent of disbursements to MMS vendors are made via EFT. Also, 99 percent of travel and miscellaneous payments to MMS employees are made via EFT.
- *Prompt Payment Act*: MMS continued to excel in adhering to the Prompt Payment Act. As of June 2000, only 0.5 percent of invoices required late payment interest penalties (total of \$747).
- *Cash Reconciliations*: MMS formed an internal task force to reconcile its Cash Balance with Treasury. After several months of reconciliations and identifying differences between funds, cash balances will be in complete agreement with Treasury by September 30, 2000. Reconciliations of current activity are performed monthly and timely.
- *Documented Procedures*: All activities and procedures within the Financial Management Branch have been formally documented. Testing and appropriate updates are ongoing.
- *Royalty Reengineering Initiative*: MMS is in the midst of a major effort to modernize the existing royalty collections systems infrastructure to implement reengineered business processes supported by a relational database management system, workflow/case management tools, and commercial-off-the-shelf accounting products. Future royalty collection activities will be radically different from those in use today. MMS is moving away from a functionally aligned operation to one that is based on business processes. This will result in improved timeliness and accuracy of payments to states, Indian tribes, and others. It will also improve the cost effectiveness of collections and disbursements and increase compliance with lease terms, regulations, and laws.

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 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:*** OSM continues to improve the Comprehensive On-Line Document System 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, 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. For management control purposes, reviewing/approving officials approve purchase transactions online within the module. Useful management reports are produced by the system. Some of the reports are: all purchases for 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 upgraded during FY 2000. MAPS is a data warehouse which uses ABACIS as a data source. Customers can access MAPS online to obtain reports. MAPS provides decisionmakers with valuable information regarding the status of funds, labor and payroll, grant and personnel management information. The upgrades made in FY 2000 include creating personnel data reports so that program managers and personnel staff have OSM and BIA data at their fingertips, in a point-and-click environment. Additional reports for budgetary monitoring were added, and system security was upgraded during the past year. MAPS will continue to be enhanced each year based on customer requests so that it can become the information tool program managers will use to manage their programs.
- ***Grant Payment System:*** OSM is moving to Treasury's Automated Standard Application for Payments (ASAP) for grant payments. Each bureau is required by the Department to migrate their grantees by October 2002. OSM plans to pilot three states or tribes by January 2001 and then implement other states and tribes to meet the required implementation date. We have already completed initial outreach with the states and tribes and have more than three volunteers to pilot the program.
- ***Clean Financial Opinions:*** OSM is in the process of obtaining another clean financial opinion for FY 2000. To achieve this goal, OSM is active in departmental teams so that we can remain on the cutting edge of financial policy to achieve our clean opinions. OSM was one of the first bureaus to complete audited financial statements and one of the few bureaus to comply with the cost accounting standard.

- *New Write-off Standards:* OSM reduced its accounts receivable balance by 85 percent during the first three quarters of FY 2000. New governmentwide debt collection standards were implemented that allow agencies to write-off debts over two years old; debts over two years old have a low collection rate. While many of these debts are still being pursued for collection through the bankruptcy courts, the new write-off standard allows agencies to remove the cases from active accounts receivable inventory. This reduces the number of cases that have to be reported and reconciled and provides a more accurate assessment of the accounts receivable.
- Initiated plans to use the 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 customer satisfaction by allowing alternative methods of payments.
- *Electronic Reporting of Coal Production and Reclamation Fees:* OSM is developing a new reporting mechanism that allows coal companies to report quarterly coal production and reclamation fee amounts over the Internet. The new system eliminates reliance on paper and gives on-line support to companies. The system will provide secure access to information, automatic calculation of fee amounts to reduce errors, and confirmation when company reports are received. The system will allow companies to get copies of previous quarterly reports. It will also provide deposit coupons that companies can submit with their payments, to streamline collection processing.
- *Payments And Business Methods:* OSM continues to reduce Prompt Payment Act interest. The cumulative rate for FY 2000 as of June 2000 was 0.15 percent. OSM continues with an aggressive policy to comply with the EFT provisions of the Debt Collection Improvement Act of 1996. During FY 2000, OSM increased vendor compliance from 73.5 percent to 85.1 percent and FY 2000 travel/miscellaneous payments have averaged 99.8 percent.

National Park Service (NPS)

Cash Management

- *Expansion of Third Party Draft Usage:* In FY 2001, the National Park Service plans to award a new third party draft contract. This Department of the Treasury sponsored payment mechanism provides the National Park Service with the ability to save approximately ten full-time permanent positions and reduces imprest funds in parks and offices without the risk of weakening internal controls. Over the last three fiscal years, the National Park Service has issued over 500,000 drafts for over \$166 million. The Service projects an increased utilization of the third party draft system of approximately 20 percent over the next five years.
- *Expansion of Bank of America Master Card:* During FY 2000, the National Park Service's use of the Bank of America's Master Card for purchases, travel, and fleet costs increased by nearly 50 percent. The Service processed an estimated 500,000 transactions totalling approximately \$102 million during FY 2000. The Service projects an additional increase in credit card usage of over 150 percent during the next five years.

Financial System Integration and Development

- ***Implementation of the Administrative Financial System 3:*** During early FY 2001, the National Park Service will implement Phase I of the AFS 3 system. The Administrative Finance System (AFS 3) is a web-based application for budget programming and financial tracking. Budget managers, finance managers and program managers in the parks, regional offices, centers, and the Washington Office will use the system. AFS 3 has a centralized application and Oracle database that is accessed by users through a Java-enabled web browser. An ad-hoc reporting mechanism is available for special reporting needs outside the scope of the AFS 3 application. AFS 3 is an open system that will be able to share data with other NPS applications. AFS 3 is being developed in two phases: the fiscal side being developed in the first phase and the budget in the second phase. A selected group of users are currently testing the fiscal programs. Phase II will be completed in spring of 2001. AFS 2 is running concurrently with AFS 3 until cross over to AFS 3 is completed in early 2002.
- ***Implementation of Web-Based Deposit System:*** During FY 2000, the National Park Service, Treasury and Key Bank entered into a Memorandum of Understanding to develop and pilot test a web-based deposit system. Parks will enter the revenue information into Key Bank's electronic deposit ticket system through the Internet. The major goals of this initiative are:
 - Streamline the deposit and reconciliation process;
 - Improve the audit trail, reporting, and data exchange process;
 - Interface the information from Treasury's Cash-Link System with the Federal Financial System; and
 - Reduce the number of Treasury General Accounts (TGA).

The system is scheduled to be pilot tested in early FY 2001.

- ***Other Planned Automation Initiatives:*** During FY 2001, the National Park Service plans to begin the development and implementation of the following interfaces with the Federal Financial System:
 - Plastic Credit Card Network (PCCN) receipts;
 - Passport Program receipts;
 - GSA motorpool costs;
 - FPPS payroll debt collections; and the
 - Park Reservation System receipts.

Other Financial/Budget Initiatives

National Parks Business Plan Initiative: The NPS's Business Plan Initiative (BPI) represents a unique partnership between the National Park Service, the National Parks Conservation Association, and a consortium of private foundations led by the Kendall Foundation. The BPI's purpose is to increase the financial management capabilities in park units thus enabling the NPS to more clearly communicate its financial status with principal stakeholders (i.e., Congress, state and local governments, corporate and other partnership entities).

Formally begun at Yellowstone National Park in 1997, the BPI continued during FY 1998 and 1999 at 13 other park locations, and again in 13 different locations during FY 2000.

It is the goal of the Service to make the BPI the standard medium through which park managers can communicate financial need in a clear and concise forum.

Financial Management Training Program

The National Park Service's Accounting Operations Center and Training Center, 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 the Internet:

- Budget Process
- Accounts Payable
- Accounts Receivable/Cash Management
- Payroll
- Travel
- AFS 2/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 2001, the Service plans to implement modules for the AFS 3, Internal Controls, and Miscellaneous Reports and Reconciliation Procedures.

U.S. Geological Survey (USGS)

Improving Financial Accountability

USGS is committed to producing quality financial statements in a timely manner that withstand the test of audit. For the past four fiscal years, the USGS has met this objective. The FY 1999 statements were prepared by the departmentally requested due dates, all applicable accounting standards were met, and the statements received an unqualified audit opinion.

Meeting this objective is a management challenge that USGS has vigorously pursued. We have advanced the traditional closing schedule by three weeks to improve the timeliness of the data. We have improved our property procedures and are improving our accounting for unliquidated obligations and accounts payable. Other accounts, including advances and accounts receivable, are also being improved. We performed a massive data review to identify trading partners for the purpose of departmental reporting. We are also actively supporting the Department's financial statements through participation in the DOI financial statement workgroup, conducting a departmentwide review of the financial statement preparation and audit process, and adopting the Department's standard consolidated financial statement software. Our accountants have exercised departmental leadership in all these areas.

The USGS continues to devote the resources necessary to produce quality financial statements and comply with applicable accounting standards, OMB mandates, and audit requirements. We are developing innovative techniques for implementing new standards and interpretations of existing standards. For example, we currently align our responsibility segments with our strategic plan and our cost accounting schemes support that segmentation. Our particular stewardship reporting requirements are met through a unique adaptation of our accounting system. We are also developing policies and procedures to implement the new internal use software accounting standard.

Improving Financial Management Systems

Dependable, well-managed financial management systems are the key to providing management with timely, reliable data. The USGS has a cadre of devoted professionals that continually manage our data and systems to ensure their reliability. Through their efforts, the accounting system was available over 99 percent of the scheduled time last fiscal year. Improvements were also made to some automated processes that allowed the system to be available almost 10 percent longer each day. In addition, the planning and preparations that went into the century conversion (Y2K) activities were very successful as there were no significant problems at the start of the year.

Data timeliness and accessibility are also indicators of a well-managed system. The nightly update cycle operated almost flawlessly last fiscal year and the periodic uploads and downloads of data from/to subsidiary systems operated smoothly. USGS also developed a database of financial data that is easily accessible to users; the database is continually monitored and refined based on user needs. An increasingly larger base of users is being trained on accessing the database.

The need for diverse bureauwide data is increasing as new demands are placed on managers. The USGS will pursue a bureauwide data warehouse to serve as the means for linking these data. The reporting database described above will be used as the basis for implementing a Bureau level common database for financial and related data. The goal of this data warehouse is to make key financial management information across all USGS programs easily accessible to facilitate quick, accurate responses to requests for data.

The USGS has several program planning and budget formulation systems, as well as several management information systems, that use financial data. These systems were developed over time to meet the unique needs of our different scientific disciplines. The USGS Director's vision of integrated science is being extended to these financial management systems whereby the best features of the planning and budget formulation systems are being melded into a single system. The accounting system is likewise being adapted to serve many of the requirements currently being met by the management information systems.

The Department's Chief Financial Officer's Council is sponsoring a comprehensive review of financial management systems with the objective of migrating to newer, more compatible systems. USGS wholeheartedly supports this initiative and is actively participating with the Department in developing the migration strategy.

Implementing the Government Performance and Results Act (GPRA)

In accordance with the law, the USGS has revised its Strategic Plan for 2000-2005. The revised plan reflects a renewed commitment to meeting customers' needs for reliable, impartial scientific information in our role as the Nation's principal natural sciences and information agency. This focus was achieved through an interactive process, engaging stakeholders - including employees and the public and private sectors. For the most part, these consultations supported USGS's new simplified mission and long term goals. In response to comments and program evaluations, however, USGS added a customer satisfaction measure to each GPRA Program Activity and modified the performance measure for real-time flood hazards monitoring and data delivery. The USGS mission and long-term goals support all five of the Department's strategic goals, but are most directly related to Goal 4 - Provide Science for a Changing World.

Interior produced the first annual performance report under GPRA for FY 1999. USGS met or exceeded nine out of 10 program performance measures and met within 1 percent the target for funding balance between the two GPRA Program Activities. The USGS is tracking FY 2000 performance against 12 performance measures (now including a customer satisfaction pilot) and is entering these data in a web-based departmentwide tracking system. A subset of these measures is reported in the USGS Annual Financial Report and the Department's Accountability Report.

Ensuring Management Accountability and Control

The highly decentralized business processes in USGS create a unique management challenge to ensure that the processes are operating properly without fraud or abuse and comply with applicable laws. The decentralized accounts payable and disbursement functions in USGS are monitored through means of statistically valid samples of payment vouchers. USGS reengineered this process last fiscal year to make it less burdensome and more reliable. Future plans call for more frequent sampling of these payment vouchers.

USGS' conversion to the standard general ledger revealed some accounting posting issues that were addressed last fiscal year. Working with the financial statement auditors, we made general ledger posting improvements for unbilled accounts receivable, accounts receivable write-offs, and working capital fund investment components.

Developing Financial Human Resources

The USGS finance office participated with the Department on financial management training initiatives. We represented the other Bureau finance officers in conducting a review of the financial statement preparation and audit process as well as developing the curriculum for the financial statement training session held last year. We also partnered with the other Washington, D.C. area DOI finance offices in hiring entry level accountants.

The USGS's strategic change presents some unique challenges and opportunities for developing and improving financial management skills. As employees move into new organizational structures with differing expectations, management needs to ensure that financial management activities are not neglected. USGS needs to ensure that all financial management duties are being accomplished and that our employees performing these duties have the requisite knowledge and skills.

Managing Receivables, Costs, and Collections

Management of accounts receivable is critical to USGS' ability to operate programs. USGS' accounts receivable balance has increased by about 27 percent over the past three years (on a revenue base of approximately \$350 million), but our seriously delinquent accounts receivable (over 180 days delinquent) has decreased by about 47 percent. Decreasing delinquencies of an increasing accounts receivable program is a good indication of an aggressively managed accounts receivable portfolio.

The Debt Collection Improvement Act requires federal agencies to refer seriously delinquent debt to the Department of the Treasury for collection or offset against other federal payments. The Department has a goal of referring 90 percent of all such debt when it reaches 180 days delinquent. USGS met this goal last fiscal year and has exceeded the goal for the last five consecutive months.

Modernizing Payments and Business Methods

Reengineering of payment processes have resulted in significant improvements at USGS. Distributed data entry of most payment documents was expanded to the entire Bureau last year, as well as expanding the number of document types (e.g., contracts) that are paid this way. Statistical sampling of these documents was likewise reengineered to improve management of the function and to fulfill fiduciary responsibilities. Increased use of the government issued bankcard was encouraged which resulted in more efficient procurement and payment activity. Many of the remaining procurement actions are now interfaced directly from the automated procurement system to the accounting system. Drawdowns for grants and cooperative agreements are being made electronically. Finally, all imprest funds have been closed in favor of more efficient procurement mechanisms, thereby eliminating our cash held outside of Treasury.

Significant reengineering of the travel reimbursement process has had dramatic results for travelers. The entire Bureau now uses an automated travel voucher preparation software package that interfaces to the accounting system daily. The new process avoids dual entry of the same data, automatically updates the accounting system, decreases the number of staff handling travel claims, and reimburses travelers seven days sooner.

The USGS also implemented two laws the past two fiscal years that impact the payment process. These laws, the Debt Collection Improvement Act and the Travel and Transportation Reform Act, have the effect of inserting inefficient manual steps in the payment workflow. Despite these inefficiencies, USGS has improved payment processes.

The USGS exceeded most of the departmental performance measures for the payment function. We pay almost 98 percent of bills on time. In addition, over 88 percent of non-payroll disbursements are made electronically, while over 99 percent of payroll disbursements are made electronically.

Providing Financial Management Stewardship

The USGS actively participates in the departmental financial data standard setting process. This standard setting workload is extensive and includes detailed review of software changes, establishing general ledger accounts and postings, definitions for object classes, setting

capitalization thresholds, and definitions for interdepartmental eliminations. Although labor intensive and time consuming, the USGS remains committed to improving financial data standards.

Approximately one-third of USGS's budget authority is reimbursable activity with customers, and much of this activity consists of projects jointly funded by the customers and USGS. This funding (and resultant expenditures) are commingled in the accounting system, making analysis and reporting difficult, time consuming, and often times inexact. The USGS paid for an enhancement to the accounting system that will separate the funding sources without any additional burden to customers or employees. This enhancement will be implemented in FY 2001 and will improve reporting timeliness and accuracy.

Improving Administration of Federal Assistance Programs

The governmentwide Chief Financial Officer's Council directed all federal agencies to adopt either of the two governmentwide grants management systems. USGS selected the Department of Health and Human Services' Payment Management System. Most of the existing grants and cooperative agreements have been converted to this grants management system, as have all new awards. USGS will also partner with the Fish and Wildlife Service to develop an automated interface from the grants system to the accounting system.

Bureau of Indian Affairs (BIA)

Improving Financial Accountability

BIA is committed to producing financial statements in a timely manner that withstand the test of audit. Last fiscal year, BIA received its first unqualified audit opinion and it continues to strive for a clean opinion.

Meeting this objective is a management challenge that BIA has vigorously pursued. BIA has improved property procedures, accounting for unliquidated obligations, and accounts payable. Other accounts, including advances and accounts receivable, are also being improved. BIA actively supports the Department's financial statements through participating in the Department financial statement workgroup, conducting a departmentwide review of the financial statement preparation and audit process, and adopting the Department's standard consolidated financial statement software.

BIA continues to request through the budget process the resources necessary to produce quality financial statements and comply with applicable accounting standards, OMB mandates, and audit requirements. BIA is developing innovative techniques for implementing new standards and interpretations of existing standards and has taken aggressive actions to improve managerial cost accounting. BIA has fully implemented its goal to identify all programs and determine the effect each program has in supporting the Responsibility Segments in accordance with BIA's goals under the Government Performance and Results Act.

Improving Financial Management Systems

Dependable, well-managed financial management systems are the key to providing management with timely, reliable data. BIA has a cadre of devoted professionals that continually manage data and systems to ensure reliability. Improvements were made to some automated processes that allowed the accounting system to be available longer each day. In addition, the planning and preparations that went into Year 2000 activities were very successful as there were no significant problems at the start of the year.

Data timeliness and accessibility are also indicators of a well-managed system. The nightly update cycle operated almost flawlessly last fiscal year and the periodic uploads and downloads of data from/to subsidiary systems operated smoothly. BIA also developed a database of financial data that will be easily accessible to users; the database will be continually monitored and refined based on user needs. An increasingly larger base of users will be trained on accessing the database.

The Department's Chief Financial Officer's Council is sponsoring a comprehensive review of financial management systems with the objective of migrating to newer, more compatible systems. BIA wholeheartedly supports this initiative and is actively participating with the Department to develop the migration strategy.

Implementing the Government Performance and Results Act

In compliance with the Government Performance and Results Act, the BIA revised its Strategic Plan. The revised Strategic Plan covers the years FY 2000 to FY 2005 and its long-term goals have been modified and refined to provide a better focus toward outcome planning of the activities most crucial to the Bureau's mission. The revised plan will allow the BIA to focus on being more effective in working toward providing the best possible services to its customers, the American Indians and Alaska Natives.

The plan focuses on three main goal categories, which coordinate the execution of the BIA's mission statement. The subsequent goals within the BIA's plans are aligned within these categories to address the complex and diverse challenges in Indian Country. The category goals also serve as the basis for the Responsibility Segments identified by the BIA in its efforts to continue implementation of managerial cost accounting. The BIA's category goals are:

- To provide tribes with the resources they need to strengthen their tribal governments and to exercise their authority as sovereign nations through grants and by contracting or compacting BIA programs.
- To enhance and improve the quality of life in tribal communities.
- To protect and preserve trust lands and trust resources to ensure the trust responsibility.

The BIA is also preparing to submit a FY 2002 Annual Plan to the Department. The annual goals in the FY 2002 Plan will also be revised to be in compliance with the Strategic Plan revisions.

Ensuring Management Accountability and Control

BIA's conversion to the standard general ledger pointed out some accounting posting issues that were addressed last fiscal year. Working with the financial statement auditors, BIA made general ledger posting improvements for unbilled accounts receivable, accounts receivable write-offs, and construction-in-progress components.

Developing Financial Human Resources

The BIA finance office participated with the Department in its financial management training initiatives. BIA, along with other Bureau finance officers assisted in conducting a review of the financial statement preparation and audit process as well as developing the curriculum for the financial statement training session held last year.

Providing Financial Management Stewardship

The BIA actively participates in the Departmental financial data standard setting process. This standard setting workload is extensive and includes detailed review of software changes, establishing general ledger accounts and postings, definitions for object classes, setting capitalization thresholds, and definitions for interdepartmental eliminations. Although labor intensive and time consuming, BIA remains committed to improving financial data standards.

Office of the Secretary - National Business Center

Improving Cash Management

Expansion of Plastic Credit Card Network Usage: During Fiscal Year 2000, the National Business Center, Division of Financial Management Services has worked in conjunction with Treasury to develop a web-based merchant acceptance credit card module. This module uses digital certificates and is linked to Treasury's secured, encrypted web-site for card authorization. The system will be implemented in FY 2001, allowing the National Business Center to accept charge cards for payment of various services.

Prompt Pay Interest Reduction: During FY 2000, the OS met the Department's goal of 97 percent timely payments.

Financial System Integration and Development

Financial Management Systems: In FY 2000, the National Business Center, Division of Financial Management Services implemented the Federal Financial System for use in managing various Departmental Offices accounts. The FFS was implemented using custom designed graphical user interface input and query screens. The FFS replaced the ABACIS that had been in use since 1982. An ad-hoc query reporting database was also developed with end-user access availability in FY 2001. The Division will implement a web-based travel manager package in FY 2001 with an automated interface to the FFS.

The NBC is developing an executive information system that will combine fund status information, personnel/payroll data and status of project initiatives by customer. Scheduled implementation is first quarter FY 2001.

Supporting DOI Financial Management Initiatives

The NBC provides considerable staffing resources to the DOI's Financial Management programs through participation in various workgroups that address financial management issues and initiatives. The NBC plays an active role in providing accounting operations and systems support to Interior's financial management, including the charge card program.

The NBC will be the first federal agency to offer accounting systems and services on a GSA schedule. The NBC recently completed and passed JFMIP testing for certification of the Department's version of FFS.

Improved Program Management

In coordination with the Office of Budget, the NBC hosted an administrative officers training conference for all Office of the Secretary administrative staff. The conference was three days and featured topics from appropriation law to travel and conference planning.

Bureau of Land Management (BLM)

BLM's Management Information System: Early in FY 1998, the BLM implemented the first module, the Financial Management Information System, of its Management Information System (MIS). By the end of FY 1999, the Performance Measurement module; Property, Space, and Motor Vehicle module; Billings and Collections module; Customer Survey module; and Managerial Cost module were all implemented. The Bureau's MIS meets the requirements of a finance system with integrated cost accounting and is providing 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 BLM's finance system. The MIS uses low-maintenance equipment, is web-based on the BLM intranet, and has ad hoc query capability. The MIS is already providing users with the capability of extracting data at whatever level of detail they desire into individually designed report formats and is reducing the number of paper management reports distributed to the field. In FY 2000, the MIS was moved to a new server that provides significantly faster response time and reporting.

Collections and Billings System: In 1998, BLM had no common process for managing billing and collections in its State and District offices. As a result, each office addressed the problem of processing bills and recording receipts in its own way. These offices then forwarded information, usually in the form of paper or e-mail documents, to BLM's National Business Center (NBC) in Denver for manual entry into the Federal Financial System, resource tracking systems, and other federal government systems.

To address this issue, a new Collections and Billing System (CBS) is being developed and implemented to standardize and automate the existing process. This 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, processes and loads into FFS without additional manual actions."

CBS is designed to:

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

The CBS project, a web-based intranet application, consists of three phases spanning two fiscal years. Phase One consists of automating the collections process. This process 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 designing electronic data-sharing processes with other BLM natural resource computer systems, such as LR2000. Phase Three consists of automation of bill preparation, including onetime bills and bills that recur on a regularly scheduled basis. This billing phase will include a process to identify unpaid bills as well as a dunning process.

Deferred Maintenance Systems: The BLM systematically records and tracks the maintenance requirements of Real Property assets, including maintenance that has been deferred, in the Facilities Inventory Maintenance Management System(FIMMS). Previous reviews of FIMMS by the OIG determined that the system adequately records the condition and tracks assets; however, it has not always been kept current and was not designed to provide accounting information. In response to this shortcoming, the BLM in FY 2000 undertook a major effort to assess every asset group (all dams classified as high significant-hazard dams, low-hazard dams, administrative sites, recreation sites, bridges, a statistical sample of a percentage of roads and trails, and other assets) to assure that adequate documentation is in place to support assessments and maintenance cost estimates (both scheduled and deferred), and to improve the FIMMS to make property and financial data more accessible and reliable.

Managerial Cost Accounting: The BLM has developed, and continues to implement, a cost management system to accumulate cost data for effective management use and to assign costs to outputs. During FY 1999, the BLM completed a bureauwide analysis of all programs, made substantive changes to systems, and completed extensive employee training to fully implement a new cost management system effective October 1, 1999. The Bureau's responsibility segments were also redefined to more closely reflect the Bureau's GPRA performance goals. The responsibility segments for FY 2000 were as follows:

- Preserve Natural and Cultural Heritage
- Understand the Condition of the Public Lands
- Restore At-Risk Systems and Maintain Functioning Systems
- Provide Opportunities for Environmentally Responsible Recreation
- Provide Opportunities for Environmentally Responsible Commercial Activities
- Reduce Threats to Public Health, Safety, and Property
- Improve Land, Resource, and Title Information
- Provide Economic and Technical Assistance

IDEAS PD/FFS Interface: The BLM is now in the support phase of implementing the Interior Department Electronic Acquisition System (IDEAS) throughout all of its major offices. The IDEAS interface with FFS eliminates the need for separate data entries for commitments and obligations, as well as providing the capability to track most procurements. A national IRM support function was established for IDEAS in FY 2000; this will improve the level of support for IDEAS users across the Bureau. In FY 2001, BLM plans to have IDEAS data incorporated into its Management Information System. The BLM also plans to implement the Interagency Agreement form in IDEAS, which was initially developed by the Secret Service Agency, in FY 2001.

Implementation of ASAP: The BLM plans to implement Treasury's Automated Standard Application for Payments (ASAP) system in FY 2001. This system will provide BLM's grantees with the ability to draw down on payments through BLM's cooperative agreements.

Implementation of the Southern Nevada Public Land Management Act of 1998: The Southern Nevada Public Land Management Act (SNPLMA) provides for the orderly disposal of certain Federal lands in Clark County, Nevada, as well as the acquisition of environmentally sensitive lands in Nevada. SNPLMA's authority also allows for capital improvements, the development of a habitat conservation plan, and the development of parks, trails, and natural areas. Disposition of the proceeds requires that 5 percent be paid to the State of Nevada and 10 percent to the Southern Nevada Water Authority, with the remaining 85 percent to be deposited into BLM's special account. In February 1999, the BLM began investing these special account funds in Treasury securities as authorized by the Act. The amount invested with Treasury will vary due to the timing of land sales and the expenditures authorized under the Act. At the end of FY 2000, a total of \$18 million was invested with Treasury, and \$477,000 in interest had been earned since the program's inception. It is anticipated that the invested amounts will approximate \$30 million at the end of FY 2001.

Financial Procedures Reviews: BLM's National Business Center staff coordinated and conducted a successful Financial Procedures Review (FPR) of a BLM state office and three field offices within the state. Because FPRs had not been conducted in BLM for a number of years, a team of subject-matter experts was formed to create new FPR checklists for use during the reviews. Financial activities to be reviewed were identified and a schedule of offices to review was prepared, including dates and times. The team coordinated with representatives in the states/field offices, developed FPR report formats to document observations/findings, conducted the FPR, and consolidated reports from three separate sub-teams into a summarized report for submission to management and to the offices reviewed. Additional FPRs will be conducted over the next few years; a schedule for the seven FPRs to be conducted in FY 2001 is already being developed.