

## UFMS “Gets Down to Business”

**Editor’s Note:** *In this edition of UFMS Connection, we chart the continuing progress of the Unified Financial Management System (UFMS) initiative from the information-gathering stage into system design and software configuration, activities which will further define and drive the functional and technical capabilities of UFMS.*



*It couldn’t be done without them!*

(See page 4 for details)

**Pictured:** Rich Alvarez (FDA), Gabrielle Benjamin (OS/ASBTF), Bill Brown (OS/ASBTF), Errol Brown (SAMHSA), Rose Brown (FDA), Beverly Compton (IHS), Geri Cooperman (PSC), Bill Evans (AHRQ), Ayana Everett (PSC), John Gentile (PSC), Rob Gordon (OS/ASBTF), Jennifer Greger (OS/ASBTF), Linda Herbert (OS/ASBTF), Barbara King (CMS), Teresa Morgan (NIH), Dave Petak (FDA), Jessie Pryor (PSC), Beth Robins (FDA), Judy Satine (AoA), Sara Smalley (CMS), Terri Surabian (PSC), Gerald Thomas (OS/ASBTF), Margie Yanchuk (OS/ASBTF), Matt Zakielarz (PSC). **Not Pictured:** Scott Brna (PSC), Bill Boyle (PSC), Melissa Chapman (OS/ASBTF), Kathy Heuer (OS/ASBTF), Carol Humphries (OS/ASBTF), Carl Love (IHS), Ed McGee (FDA), Michelle Moten (PSC), Rick Nelson (NIH), Joe Perricone (OS/ASBTF), George Strader (OS/ASBTF), Mychal Thomas (OS/ASBTF), David Tillette (NIH), Jessica Yates (OS/ASBTF)

### Completed Initial Baseline Requirements

The system’s requirements – what HHS needs UFMS to do – were compiled over many months. In February, the UFMS Steering Committee and Planning & Development Committee approved the initial baseline requirements, which are now being matched against the capabilities of the Oracle U.S. Federal Financials software in the process known as the “fit/gap analysis.”

Prior to that, the requirements validation process unfolded in two steps. First, HHS agency representatives reviewed the technical and functional requirements collected earlier in the UFMS project to reaffirm that they were valid. Subsequently, the requirements were evaluated at a series of meetings held by the UFMS Program Management Office to further clarify requirement wording and validate

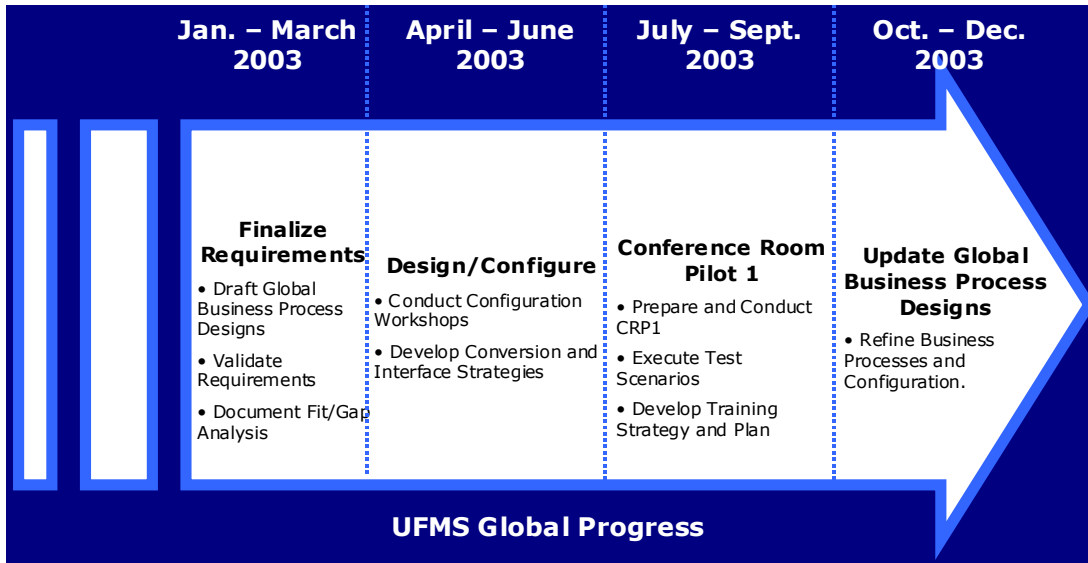
that they indeed expressed what HHS needs out of a financial management system at the agency and department levels.

### Moving to Design – First Step - Fit/Gap Analysis

The fit/gap analysis delineates those areas in which the Oracle software meets the technical and functional requirements (a “fit”), and those areas in which it does not (a “gap”). Efforts then will be made to reconcile the gaps so that UFMS may meet requirements to the maximum extent practicable. The process follows a strict discipline, resulting in a final re-

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(JFMIP) has been pushing federal agencies to make better use of program data in financial management, particularly by suggesting core competencies for positions in accounting, budget and financial analysis that incorporate the ability to use program cost and performance data.

UFMS is also guided by the President’s Management Agenda. There are

five major objectives in that Agenda, one of which is “improved financial management.” In fact, part of HHS’ quarterly score on advancing the agenda is based on progress in developing UFMS.

Another objective in the President’s Management Agenda is “improved budget and performance integration,” which

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port to the UFMS PMO, Planning and Development Committee and Steering Committee.

UFMS Global Lead Jennifer Greger said: “The purpose of the fit/gap analysis is to help us define a solution for addressing each of the financial management system requirements. If we identify a gap, then we will analyze alternative solutions, such as business process change, an extension to the Oracle application, or the use of third party software.”

If the recommended solution represents a change to UFMS design, then it falls within the purview of the UFMS Change Control Board (UCCB) [see “Q&A” box]. The UCCB will hold its first meeting in April. UFMS communications will provide additional information as the UCCB begins its work.

## Eyeing Program Information

Even as UFMS continues actual site implementations, the UFMS leadership team is acutely aware of the potential for future enterprise needs that could conceivably be accommodated by UFMS in coming years – particularly those relating to performance and cost.

The reason is simple: While UFMS has a clearly defined scope in terms of its design, its implementation must also reflect the original vision that launched the initiative in the first place: goals that reflect federal standards for accountability, efficiency, and better decision-making. The federal Joint Financial Management Improvement Program

Q&A

The UCCB

**What is it?**  
The UFMS Change Control Board (UCCB) reviews requests to change the design of UFMS.

**What does it do?**  
The UCCB is authorized to approve any budget-neutral changes that are deemed necessary. If a change would impact the UFMS budget, the UCCB will make recommendations to the UFMS Planning and Development Committee. The committee would decide whether the change should be incorporated into UFMS.

**How does it work?**  
The UCCB will work with the UFMS PMO to resolve issues relative to the integration of other financial management systems (NBRSS at NIH and HIGLAS at CMS) into UFMS.

**Who participates on the UCCB?**  
The UCCB is comprised of high-level functional and technical representatives from each component agency. Each agency casts one vote in the UCCB decision-making process.

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asks federal agencies to step up their efforts to ensure that officials use program performance information when they look at funding questions and analyses. HHS, along with the other departments and agencies in government, is being evaluated by the Office of Management and Budget on its progress in gathering and using information on program effectiveness, efficiency, value, and budget. (For more information, visit [www.results.gov](http://www.results.gov)).

These government-wide trends and initiatives continue to motivate the UFMS leadership team to identify the financial management information needs of a broad cross-section of managers.

“Our primary, ultimate objective with UFMS is to meet the President’s call for improved performance and accountability in government,” said Deputy Assistant Secretary Kathy Heuer. “In many cases, UFMS will meet the information needs that will help us improve our performance. We know that UFMS cannot meet all our needs in its initial release, but we must continue to anticipate and plan, now and for the future, so that the UFMS software and the system itself will enhance our performance over time.”

One example of how an HHS agency is looking to use financial information in managing programs’ performance

is found in the Indian Health Service. IHS wants to know more about its costs for different services and clinical settings. It would like to calculate the cost per patient visit and compare costs across service units, as well as with other similar agencies, such as the Department of Veterans Affairs. “This information could help us assess where changes may be needed in the service delivery structure,” said Duane

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**- Kathy Heuer, DAS**

Jeanotte, Deputy Director for Health Policy at IHS, “or to make other changes to keep health care costs under control while ensuring quality care to patients.”

Currently, the scope of UFMS excludes a data warehouse that would better support major information collection endeavors designed to bring financial and operational data together in one place. However, UFMS does support the ability to code financial transactions in certain ways using the Budget and Accounting Classification Structure (BACS). The BACS could be the key to agencies being able to use financial information from UFMS for program management. The UFMS Program is exploring how the BACS could support such management analysis. ■



## Around and About . . .

### CDC as the Pilot Agency for HHS



While the implementation of UFMS across HHS will continue for several years, the Centers for Disease Control and Prevention (CDC) already is engaged in a flurry of activity, and for good reason: CDC will pilot UFMS on behalf of the Department starting October 2004.

CDC, which had begun an overhaul of its own antiquated financial management system in 1999 (prior to the launch of UFMS), plans to have UFMS fully operational by next fall. The rest of HHS will benefit from this pilot by using CDC “lessons learned” related to processing, operations, financial reporting, or other impacts that the new system will bring.

To gear up for this event, CDC’s site team — led by Acting Chief Financial Officer Barbara Harris — is developing plans to conduct the first of several configura-

tion and validation exercises with the Oracle U.S. Federal Financials software. These exercises, known as “Conference Room Pilots,” draw upon the expertise of subject matter experts and technical experts, and are intended ultimately to verify that UFMS has been designed and configured to meet accounting and financial management needs. The first CRP likely will be conducted in late summer or early fall.

Meanwhile, CDC, along with the other operating divisions, has been actively participating in UFMS workshops, and has full-time staff on its UFMS site implementation team who are dedicated to the long-term success of the initiative. ■

*Each edition of UFMS Connection will include an “Around and About” feature that focuses on different HHS agencies’ work on UFMS.*

## Spotlight On... Kerry Weems

### *A New Leader and Supporter of UFMS*

The “U” in UFMS – meaning a Unified effort in which every HHS agency participates in the design and implementation of a single financial management system – presents a significant challenge for the person leading such an effort.

This focus on consensus-building and encouraging communications across the department was the hallmark of former Assistant Secretary for Budget, Technology and Finance Janet Hale. It will undoubtedly be continued by her successor, Kerry Weems.

Weems, who was asked by Secretary Thompson to succeed Hale on an acting basis, brings to UFMS direct experience in program performance, budget formulation and execution, and management. A 20-year veteran of the department, he has been appointed Acting Assistant Secretary for Budget, Technology and Finance. Hale is now the Undersecretary for Management at the new Department of Homeland Security.

Prior to his appointment, Weems was Deputy Assistant Secretary for Budget, and before that, the Director of the Division of Budget Policy, Execution and Management. He is the recipient of several major government service awards.

### *Need for Participation and Interaction Continues*

Weems considers himself a champion for UFMS and wants to continue the success that UFMS officials and staff have built, especially in keeping the project on time and within budget. “Every major system implementation in both government and the private sector has its share of ‘hiccups,’

### In Brief

#### NBRSS at NIH

NIH’s Business and Research Support System (NBRSS) began operation of a new (Oracle) General Ledger on October 1, 2002, in parallel with the legacy Central Accounting System. This parallel operation will continue until successful acceptance testing allows retirement of the legacy General Ledger later this fiscal year. The proposed approach in the UFMS Implementation Plan is to migrate the NIH instance into the UFMS corporate instance during fiscal year 2005 after other functional areas of the NBRSS system are fully deployed.

#### HIGLAS at CMS

The Centers for Medicare & Medicaid Services (CMS) is continuing to develop the Healthcare Integrated General Ledger Accounting System (HIGLAS), which is the part of the UFMS Initiative that will address the specific high-volume needs of the Medicare program. The CMS team expects to begin testing release 1 of the HIGLAS solution at two Medicare contractors in October 2003. Live production at both contractors is scheduled to begin in October 2004.

#### UFMS Newsflash

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schedule revisions, and challenges in managing organizational change,” Weems said. “I hope to ensure that strong leadership and oversight in HHS will minimize the impact of these common problems, and that UFMS meets its management objectives when fully implemented.” ■

## UFMS is a Team Effort!

As the photo on page one demonstrates, UFMS is supported by a truly “global” team of individuals from across the department. Within the UFMS PMO are many individuals who are on detail from HHS operating divisions. Agencies will have site implementation teams, such as the team at work at CDC, as well.

Acting ASBTF Kerry Weems, in remarks to the entire UFMS PMO team on March 21, said: “We could not complete this project without the contributions of individuals on detail from the operating divisions, some of whom have left comfortable environments to work on UFMS at considerable personal sacrifice. I admire and appreciate each one of you.” ■

