

Fiscal Year (FY) 2003 Budget Estimates

Defense Finance and Accounting Service

(DFAS)



February 2002

**Defense Finance and Accounting Service
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2003 Budget Estimates
Appropriation Highlights
(Dollars in Thousands)**

	<u>FY2001 Actual</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY2002 Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY2003 Estimate</u>
<u>Budget Activity 3:</u>							
Training & Recruiting	10,927	175	-2,202	8,900	134	126	9,160
<u>Budget Activity 4:</u>							
Administration and Servicewide Activities	2,130	34	-783	1,381	21	880	2,282
Total	13,057	209	-2,985	10,281	155	1006	11,442

The Defense Finance and Accounting Service (DFAS) serves as the Executive Agent, responsible for finance and accounting activities within the DoD. It is the single organization responsible for finance and accounting operations, procedures, and systems. DFAS provides finance and accounting management and operational support for appropriated, non-appropriated, revolving and trust funds. DFAS operations touch a large population of customers through the payment of civilian and military personnel, military retirees, and annuitants; and through the collection and disbursement of a wide variety of DoD funds for contracts, debt management, security assistance, transportation and travel. Additionally, DFAS has been designated the DoD program manager for the Financial Management and Executive Training Program, the Overseas Military Banking Program and the DoD Travel Card Program.

Executive and Professional Training - Provides executive, management and technical training for the DoD Financial community to upgrade skills and understanding of newly fielded DFAS financial and accounting operating systems.

DoD Program Management - Provides for the management oversight of the DoD Overseas Military Banking Program and Travel Card Program.

**Defense Finance and Accounting Service
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2003 Budget Estimates
Summary of Increases and Decreases
(Dollars in Thousands)**

	<u>BA3</u>	<u>BA4</u>	<u>TOTAL</u>
1. FY 2002 Amended President's Budget	8,900	1,492	10,392
2. Congressional Adjustments (Undist)		-19	-19
3. Congressional Adjustments (Gen Prov)		-75	-75
4. Congressional Earmark Billpayers		-17	-17
5. FY 2002 Appropriation Enacted	8,900	1,381	10,281
6. Transfers In	-	-	-
7. Transfers Out	-	-	-
8. Revised FY 2002 Estimate	8,900	1,381	10,281
9. Price Growth	134	21	155
10. Program Increases	1,760	880	2,640
11. Program Decreases	(1,634)	0	(1,634)
12. FY 2003 Budget Request	9,160	2,282	11,442

**Defense Finance and Accounting Service
Operation and Maintenance, Defense-Wide
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Summary of Price and Program Changes
(Dollars in Thousands)**

BA-3: Training and Recruiting:

	<u>Change from FY 2001 to FY 2002</u>			<u>Change from FY 2002 to FY 2003</u>			
	FY 2001	Price	Program	FY 2002	Price	Program	FY 2003
	<u>Actuals</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
989 Other Contracts	10,927	175	-2,202	8,900	134	126	9,160
Subtotal	10,927	175	-2,202	8,900	134	126	9,160

BA-4: Administration and Servicewide Activities:

	<u>Change from FY 2001 to FY 2002</u>			<u>Change from FY 2002 to FY 2003</u>			
	FY 2001	Price	Program	FY 2002	Price	Program	FY 2003
	<u>Actuals</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
989 Other Contracts	2,130	34	-783	1,381	21	880	2,282
Subtotal	2,130	34	-783	1,381	21	880	2,282
Total	13,057	209	-2985	10,281	155	1,006	11,442

**Defense Finance and Accounting Service
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2003 Budget Estimates
 Budget Activity 3: Training and Recruiting**

I. Description of Operations Financed:

The Defense Finance and Accounting Service (DFAS) serves as the Executive Agent, responsible for finance and accounting activities within the DoD. It is the single organization responsible for finance and accounting operations, procedures, and systems. DFAS provides finance and accounting management and operational support for appropriated, non-appropriated, revolving and trust funds. DFAS operations touch a large population of customers through the payment of civilian and military personnel, military retirees, and annuitants; and through the collection and disbursement of a wide variety of DoD funds for contracts, debt management, security assistance, transportation and travel. Additionally, DFAS has been designated the DoD program manager for the Financial Management and Executive Training Program.

Executive and Professional Training - Provides executive, management and technical training for the DoD Financial community to upgrade skills and understanding of newly fielded DFAS financial and accounting operating systems.

II. Financial Summary (O&M: Dollars in Thousands):

A. <u>Subactivities:</u>	FY 2001 <u>Actuals</u>	FY 2002		FY 2003 <u>Estimate</u>
		Budget <u>Request</u>	<u>Appropriation</u>	
Financial	10,927	8,900		9,160
Management Executive Training (FMET)				
Total	10,927	8,900		9,160

**Defense Finance and Accounting Service
Operation and Maintenance, Defense-Wide
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Budget Activity 3: Training and Recruiting**

II. Financial Summary (O&M: Dollars in Thousands): (Cont'd)

B. Reconciliation Summary:	Change <u>FY 2002/FY 2002</u>	Change <u>FY 2002/FY 2003</u>
Baseline Funding	8,900	8,900
Price Growth		134
Program Decrease		-1,634
Program Increase		1,760
Current Estimate	8,900	9,160

C. Reconciliation of Increases and Decreases:

FY 2002 President's Budget Request	8,900
Congressional Adjustments (Distributed)	-
Congressional Adjustments (Undistributed)	-
Congressional Adjustments (General Provisions)	-
Congressional Adjustments (Earmarks)	-
FY 2002 Appropriated Amount	8,900
Price Change	-
Transfers	-
Program Increases	-
Program Decreases	-
Revised FY 2002 Estimate	8,900
Price Growth	134
Program Decreases	-1,634
The Financial Management Education and Training Program is transferring to the Working Capital Fund.	
Program Increases	1,760
Financial Management Improvement Programs and Professional Certificates and Licences.	
FY 2003 Budget Request	9,160

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Budget Activity 3: Training and Recruiting**

III. Performance Criteria and Evaluation Summary:

The Financial Management Education and Training Program (FMET) focuses on meeting the training and education requirements of the Defense Departments financial management workforce through the development and delivery of functional and systems training. The program currently offers courses in Accounting, Vendor Pay, Military Pay, Contract Pay, and other financial fields. Course development integrates functional processes with system processes and ensures courses reflect the current policies, processes and systems. Instructor Led Training (ILT) is delivered to all required sites. Computer Based Training (CBT) and Web Based Training (WBT) delivery mechanisms are also used. Under the FMET contract, 115 separate course titles encompassing over 2800 hours of ILT training, have been developed. Over 2700 iterations of training have been delivered to nearly 40,000 students. Career

Learning Centers (CLCs) have been established at 19 DFAS locations. The CLCs provide multiple opportunities for career development through multi-media and other distance learning technologies. In FY01, Certified Government Financial Managers (CGFM) training was delivered to over 470 DFAS personnel and Enhanced Defense Financial Management (EDFM) training to over 380 DFAS personnel.

EVALUATION: Level 1 (Reaction) evaluations indicate that the training is of high caliber and value. Level 2 evaluations also indicate that transfer of learning has occurred as measured through pre and post tests. Use of Level 3 (Behavior Change) and Level 4 (Return on Investment/Expectation) evaluations are available but used sparingly.

III. Personnel Summary: N/A

V. OP 32 Line Items (O&M: Dollars in Thousands):

		<u>Change from FY 2002 to FY 2002</u>				<u>Change from FY 2002 to FY 2003</u>		
		FY 2001	Price	Program	FY 2002	Price	Program	FY 2003
		<u>Actuals</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
989	Other	10,927	175	-2,202	8,900	134	126	9,160
	Contracts							
	Total	10,927	175	-2,202	8,900	134	126	9,160

**Defense Finance and Accounting Service
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2003 Budget Estimates
 Budget Activity 4: Administration and Servicewide Activities**

I. Description of Operations Financed:

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DoD Program Management - Provides for the management oversight of the DoD Overseas Military Banking Program and Travel Card Program.

II. Financial Summary (O&M: Dollars in Thousands):

	FY 2001 <u>Actuals</u>	FY 2002			FY 2003 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>	
A. <u>Subactivities:</u>					
DoD Overseas Military Banking Program	465	771	-111	660	1,100
DoD Travel Card Program	667	721		721	1,182
MOCAS	998	0		0	0
Total	2,130	1,492	-111	1,381	2,282

**Defense Finance and Accounting Service
Operation and Maintenance, Defense-Wide
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Budget Activity 4: Administration and Servicewide Activities**

II. Financial Summary (O&M: Dollars in Thousands): (Cont'd)

B. Reconciliation Summary:	Change <u>FY 2002/FY 2002</u>	Change <u>FY 2002/FY 2003</u>
Baseline Funding	1,492	1,381
Congressional Adjustments	-111	
Price Growth		21
Program Decrease		
Program Increase		880
Current Estimate	1,381	2,282

C. Reconciliation of Increases and Decreases:

FY 2002 President's Budget Request		1,492
Congressional Adjustment (Distributed)		-
Congressional Adjustments (Undistributed)		-19
Defense Joint Accountability Program	-19	
Congressional Adjustments (General Provisions)		-75
Section 8123--Reduction for Business Process Reform	-75	
Congressional Earmarks		-17
Section 8047--Indian Lands Mitigation	-14	
Section 8154--Commission on Future Aerospace	- 2	
Section 8155--Memorial 9/11/01, Somerset County, PA	-1	
Revised FY 2002 Estimate		1,381
Price Growth		21
Program Increase		880
FY 2003 Budget Request		2,282

**Defense Finance and Accounting Service
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 Budget Activity 4: Administration and Servicewide Activities**

III. Performance Criteria and Evaluation Summary:

The Defense Financial Institution Services Office manages the DoD Overseas Military Banking Program. This office oversees the day-to-day operations of a world-wide contract that provides banking products and services to authorized customers in overseas locations. This office also oversees the maintenance of regulations as they pertain to military banking and credit union located on DoD installations. Performance is measured by periodic customer satisfaction surveys that ask if the products provided are meeting customer requirements.

Travel Card Program Management Office provides fully qualified personnel to act as program managers for the 4 military services and the defense agencies, and serve as the Department of Defense's program manager and liaison with the General Services Administration and the Bank of America.

IV. Personnel Summary: N/A

V. OP 32 Line Items (O&M: Dollars in Thousands):

		<u>Change from FY 2002 to FY 2002</u>				<u>Change from FY 2002 to FY 2003</u>		
		<u>FY 2001</u>	<u>Price</u>	<u>Program</u>	<u>FY 2002</u>	<u>Price</u>	<u>Program</u>	<u>FY 2003</u>
		<u>Actuals</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
989	Other	2,130	34	-783	1,381	21	880	2,282
	Contracts							
	Total	2,130	34	-783	1,381	21	880	2,282