

Subject: Financial Improvement Plan/Enterprise Resource Planning Appropriation Title: Various Appropriations	DoD Serial Number: FY 04-22 PA
	Includes Transfer? Yes

Component Serial Number: FY 04-3 PA	(Amounts in Thousands of Dollars)							
	Program Base Reflecting Congressional Action		Program Previously Approved by Sec Def		Reprogramming Action		Revised Program	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Line Item a	b	c	d	e	f	g	h	i

This reprogramming action is submitted for prior approval because it requires the use of general transfer authority pursuant to section 8005 of Public Law 108-87, the DoD Appropriations Act, 2004; and section 1001 of Public Law 108-136, the National Defense Authorization Act for FY 2004. This action transfers \$56.2 million from Aircraft Procurement, Navy, 04/06, appropriation and \$5.5 million from Other Procurement, Navy, 04/06, appropriation to Operation and Maintenance, Navy, 04/04, appropriation; (\$37.2 million); Operation and Maintenance, Marine Corps, 04/04, appropriation (\$3.2 million), Other Procurement, Navy, 04/06, appropriation (\$.5 million); and Research, Development, Test, and Evaluation, Navy, 04/05, appropriation (\$20.8 million). This action is for higher priority items, based on unforeseen requirements, than that for which the funds were originally appropriated. It meets all administrative and legal requirements of the Congress, and the Congress has not denied any of the items.

FY 2004 REPROGRAMMING INCREASES:

Operation and Maintenance, Navy, 04/04

Budget Activity 4: Administration and Servicewide Support

~~+61,700~~ +19,800

+37,200

+37,200 Pending HASC Approval

Operation and Maintenance, Marine Corps, 04/04

Budget Activity 4: Administration and Servicewide Support

+3,200

+3,200 Pending HASC Approval

Other Procurement, Navy, 04/06

Budget Activity 7: Personnel and Command Support Equipment

Command Support Equipment 54,114 54,114

+500

+500 Pending HASC Approval 54,614

Research, Development, Test, and Evaluation, Navy, 04/05

Budget Activity 5: System Development and Demonstration

PE 0605013N Navy IT Dev/Mod 66,112 66,112

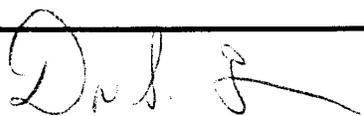
+1,000

+1,000 Pending HASC Approval 67,112

Explanation: The Navy's Financial Improvement Plan identifies corrective actions to resolve deficiencies in the Department's general and working capital funds financial processes and systems, and is designed to achieve an unqualified audit opinion on DON financial statements. In order to comply with OMB direction to meet this requirement by FY 2007, efforts must begin immediately. Funding to continue Navy's Financial Improvement Plan has been requested in the FY 2005 President's Budget.

Approved (Signature and Date)

Dov S. Zakheim



APR 1 2004

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<u>Research, Development, Test, and Evaluation, Navy, 04/05</u>					<u>+19,800</u>			
Budget Activity 5: System Development & Demonstration								
PE 0605013N Navy IT Dev/Mod		66,112		66,112		+19,800		85,912

Explanation: Navy Enterprise Resource Planning (ERP) is a centrally managed developmental program necessary to bring about a convergence of prior ERP pilots and support operational testing of the configured software prior to implementation at any Navy activity - headquarters, field level, Working Capital Fund (WCF) or non-WCF. Specifically, the program office will develop the architecture for the converged program and procure the software licenses and hardware necessary to set up a site for operational test and evaluation prior to fielding the system. Funding in this fiscal year is needed for the program office to review the four existing pilots and begin to develop the baseline configuration of the commercial off-the-shelf (COTS) software, any common software for the converged system, such as reports, forms, enhancements, and configuration audits, and a master disaster recovery plan for continuity of operations. No change is being made to the COTS package. Funding to continue these Navy ERP efforts has been requested in the FY 2005 President's Budget.

<u>FY 2004 REPROGRAMMING DECREASES:</u>					<u>-61,700</u>			
<u>Other Procurement, Navy, 04/06</u>					<u>-5,500</u>			
Budget Activity 7: Personnel and Command Support Equipment								
Command Support Equipment		54,114		54,114		-5,500		48,614

Explanation: Funds are available due to the decision to initiate the converged ERP effort. As a result, procurement funds originally planned to support expansion of the pilot efforts are not required.

<u>Aircraft Procurement, Navy, 04/06</u>					<u>-56,200</u>			
Budget Activity 5: Modification of Aircraft								
EA-6 Series		251,646		251,646		-56,200		195,446

Explanation: Funds are available, to finance other higher priority programs, as a result of development delays with the EA-6B ICAP III program.

The FY 2004 baseline amounts have not yet been adjusted for undistributed congressional reductions.