

Capital Budget

The proposed capital investment program continues to decline as we make significant progress in modernizing and standardizing the Department's finance and accounting systems. The capital budget requirement decreases from \$216.6 million in FY 2000 to \$187.1 million in FY 2002, a reduction of almost 14 percent. Deployment of the standard suite of systems will posture us to realize substantial benefits from process changes and the application of new technologies. The cornerstone of the capital investment program is the DFAS Corporate Information Infrastructure (DCII). This system architecture will provide a standard information environment that is shared, integrated and compliant with DoD Joint Technical Architecture requirements. A key element in implementing the DCII is the migration of existing system workload to a reduced number of standard systems. Despite declining resources, this capital investment program supports the migration strategy and moves the infrastructure closer toward being a fully integrated network of systems that is fully interoperable with the Defense Information Infrastructure. While meeting government accounting and information technology standards is mandatory, just as critical is our goal to provide the Military Services and other customers with the critical financial information they need to make effective decisions.

Another equally critical goal is our military pay strategy. In response to customer concerns, we will continue to incorporate military pay functionality into the Defense Integrated Military Human Resources System (DIMHRS) since this system will provide the long-term improvements our military service members requires. Concurrently, based on discussions with our customers, we plan to document the existing Defense Joint Military Pay System (DJMS) and make essential system enhancements to handle changed pay entitlements. This will ensure effective service to our customers until DIMHRS is fully deployed. Additional capital authority is required to support DJMS in this enhanced mode from FY 2001 and FY 2002.

FY 2002 AMENDED PRESIDENT'S BUDGET

DEFENSE FINANCE AND ACCOUNTING SERVICE

CAPITAL BUDGET EXHIBITS

FINANCIAL OPERATIONS BUSINESS AREA

EXHIBIT FUND 9-a

DWCF ACTIVITY CAPITAL INVESTMENT SUMMARY

EXHIBIT FUND 9-b

ACTIVITY CAPITAL PURCHASE JUSTIFICATION

- Automated Data Processing Equipment
- Minor Construction
- Columbus Working Capital Accounting System (CO-WCF)/Business Management Redesign (BMR)
- Defense Cash Accountability system (DCAS)
- Defense Civilian Pay System (DCPS)
- DFAS Corporate Database (DCD)
- DFAS Corporate Warehouse (DCW)
- Defense Departmental Reporting System (DDRS)
- Deployable Disbursing System (DDS) / Uniform Microcomputer Disbursing System (UMIDS)
- Defense Industrial Fund Management System (DIFMS)
- Defense Integrated Military Human Resources System (DIMHRS)
- Defense Joint Accounting System (DJAS)
- Defense Joint Military Pay System (DJMS)
- Defense Procurement Payment System (DPPS)
- Defense Retiree and Annuitant Pay System (DRAS)
- Defense Standard Disbursing System (DSDS)
- Defense Working Capital Accounting System (DWAS)
- Electronic Commerce/Electronic Data Interchange (EC/EDI)
- Electronic Document Management (EDM)
- General Accounting and Finance System-Reengineered (GAFS-R)
- Integrated Garnishment System (IGS)
- Marine Corps Total Force System (MCTFS)
- Material Financial Control System (MFCS)
- Mechanization of Contract Administration Services (MOCAS)
- Military Sealift Command Financial Management System (MSC FMS)
- Resource Analysis Decision Support System (RADSS)
- Standard Accounting, Budgeting and Reporting System (SABRS)
- Standard Industrial Fund System (SIFS)
- Standard Materiel Accounting System (SMAS)
- Standard Accounting and Reporting System (STARS)

EXHIBIT FUND 9-b (Continued)
ACTIVITY CAPITAL PURCHASE JUSTIFICATION

Other Accounting (DWCF) Systems
Other Accounting (General Fund) Systems
Other Administrative Support Systems
Other Finance Systems

EXHIBIT FUND 9-d
REALIGNMENT TO THE PRESIDENT'S BUDGET

Activity Capital Investment Summary

Component: Defense Finance and Accounting Service

Activity: Financial Operations

Date: June 2001

(\$ in Millions)

Item Description	FY 2000		FY 2001		FY 2002	
	Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
Equipment >\$100,000		0.0		0.0		0.0
- Replacement						
- Productivity						
- New Mission						
- Environmental						
ADPE & Telecommuni- cations Equipment		11.4		14.6		13.0
- Computer Hardware		5.1		6.5		8.7
- Computer Software						
- Telecommunications		6.3		8.1		4.3
- Other						
Software Development		202.2		196.0		171.1
Internally Developed		129.4		126.9		120.1
Externally Developed		72.8		69.1		51.0
Minor Construction		1.6		0.0		1.8
TOTAL		215.2		210.6		185.9

Exhibit Fund-9a DWCF Activity Capital Investment Summary

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION
 (\$ In Thousands) **FINANCIAL OPERATIONS**

A. FY 2002 Amended Budget Submission

B. Component/ Activity/ Date: Defense Finance and Accounting Service June 2001			C. Line No. & Item Description: Automated Data Processing Equipment (ADPE)> \$100,000				D. Activity Identification DFAS Sites				
Element of Cost	FY 00			FY 01			FY 02				
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost		
Total			11,386			14,629			12,997		

Narrative Justification:

The FY 2002 Financial Operations business area ADPE program will support selected areas such as the continued implementation of the Electronic Data Management initiative, which streamlines and standardizes business practices, and a standard testing platform for the Defense Corporate Database, which allows standard testing and the reuse of test information across system applications. Additionally, funding will support ELAN equipment such as mid-tier servers, routers and transmission modules that require technical refreshment or replacement.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION
(\$ In Thousands)

A. FY2002 Amended Budget Submission

B. Component/ Activity/ Date:
Defense Finance and Accounting Service
June 2001

C. Line No. & Item Description:
Minor Construction < \$300,000

D. Activity Identification
DFAS Sites

Element of Cost	FY00			FY 01			FY 02					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			1,588			0			1,828			

Narrative Justification:

Funds budgeted in FY 2002 is to support needed minor construction at the DFAS Denver and Charleston sites.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION
(\$ In Thousands)

A. FY2002 Amended Budget Submission

B. Component/ Activity/ Date:
Defense Finance and Accounting Service
June 2001

C. Line No. & Item Description: Software Dev/Mod –
Columbus Center Working Capital Fund (CO-WCF) /
Business Management Redesign (BMR) Application

D. Activity Identification
DFAS Sites

Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			500			7,730			2,733			

Narrative Justification:

BMR has been designated to replace the Defense Business Management System (DBMS) and several internal management information systems which provide labor tracking, performance measurement and unit cost data reports. BMR will be an accounting and financial management information system supporting DFAS. The target implementation date for the first phase is FY 2002. Benefits include compliance with the requirements for auditable financial statements, accurate and timely data for customers, sound internal controls and improved and streamlined data processing. After full deployment is accomplished for DFAS, the system may be deployed to other customers such as Defense Commissary Agency operations, DCAA, and Air Force/Navy wholesale supply management.

FY 2002 funding will support application development, testing and full deployment of the system to DFAS. It will also allow for further enhancements to meet changes in statutory and compliancy requirements.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION
(\$ In Thousands)

A. FY 2002 Amended Budget Submission

B. Component/ Activity/ Date:
Defense Finance and Accounting Service
June 2001

D. Line No. & Item Description:
Software Dev/Mod – Defense Cash Accountability System
(DCAS)

D. Activity Identification
DFAS Sites

Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			8,090			4,273			4,000			

Narrative Justification:

DCAS is the migration system selected by the Defense Finance and Accounting Service (DFAS) to be the single cash accountability system for the Department of Defense (DoD). DCAS will meet the need to re-engineer and consolidate multiple disparate systems into a single DoD cash accountability and reporting process supporting all DoD components, as well as external stakeholders. Cash accountability is the reporting of disbursements, reimbursements, deposits and receipts to the United States Treasury, as well as all other transactions which would impact the status of funds.

FY 2002 capital funds will support implementation of DCAS Phase 2, which includes the Treasury Reporting function and Reconciliation capabilities for the DFAS Cleveland and DFAS Kansas City networks. This includes costs for finalizing design and development, testing and deployment, IATO risk analysis and documentation, Interoperability and Operational Testing, Federal Financial Management Requirements assessment, Life Cycle Management documentation and DCAS Phase 2 Milestone III. DCAS Phase 2 will replace the Centralized Expenditure and Reporting System (CERPS).

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION
(\$ In Thousands)

A. FY 2002 Amended Budget Submission

B. Component/ Activity/ Date:
Defense Finance and Accounting Service
June 2001

C. Line No. & Item Description:
Software Dev/Mod -- Defense Civilian Pay System (DCPS)

D. Activity Identification
DFAS Sites

Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			7,522			7,676			7,428			

Narrative Justification:

DCPS is a civilian pay and leave accounting, data collection, processing, and reporting system improving productivity, reducing support costs, and satisfying customer requirements by standardizing Department of Defense (DoD) civilian pay functions. The system maintains pay and leave entitlement records, deductions and withholdings, time and attendance data, and pertinent employee employment status. DCPS interfaces with the Defense Civilian Personnel Data System (DCPDS) and a variety of Source Data Automation time and attendance systems, as well as local accounting systems. DCPS interfaces with a total of 23 time and attendance systems, 26 standard accounting systems, and a variety of DoD and federal systems (e.g., Federal Reserve, Thrift Savings Board, etc.). DCPS implementation allowed the DoD to close over 350 payroll offices and eliminate 26 legacy payroll systems.

Examples of system changes currently planned for FY 2001 includes interface with new TSP system and support of the DFAS Standard W2 File. In total, 122 separate SCRs will be implemented in the four major FY2001 quarterly releases. These SCRs include changes in support of new legislation and policies, as well as changes requested by the Military Services and payroll offices to either add new system functionality and/or reduce manual efforts by the payroll offices and Customer Service representatives. FY 2002 funds will be used to respond to new legislation and other mandatory and policy updates, which occur frequently, as well as to make customer and user requested enhancements to the system designed to improve both customer and payroll office efficiencies. It is critical that these pay systems of the Defense Department be kept up to date.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY 2002 Amended Budget Submission					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service June 2001			C. <u>Line No. & Item Description:</u> Software Dev/Mod - DFAS Corporate Database (DCD)				D. <u>Activity Identification</u> DFAS Sites					
Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			8,661			12,965			11,667			

Narrative Justification:

DCD is a major component of the DFAS strategy to evolve to standard finance and accounting systems and processes. It will incrementally integrate DFAS systems initiatives while minimizing change to legacy applications and other initiatives. It also provides a target for migratory systems to build to and eliminates many of the hurdles that would otherwise be required for the achievement of the full benefits associated with major standardization initiatives such as: the Defense Procurement Pay System (DPPS), the Defense Standard Disbursing System (DSDS), the Defense Cash Accountability System (DCAS), and the Defense Departmental Reporting System (DDRS). By integrating the Entitlement, Disbursing, and Accounting data to provide DFAS with a standard source of shared data that our systems can access, the DCD should eliminate such problems as Unmatched Disbursements, Negative Unliquidated Obligations, and the time delays associated with prevalidation.

Capital expenditures in FY 2001 will be used to fund functional support in the design development and implementation of DFAS Corporate Information Infrastructure (DCII) releases, support enterprise testing, operational test and evaluation, and support DCII releases for DPPS, US Special Operations Command (USSOCOM) and other corporate initiatives to achieve full operational capability.

Capital funding in FY 2002 will be used to fund functional support in the design development for implementation of DCII, enterprise testing, operational test and evaluation and support DCII releases for DPPS, DSDS, Defense Integrated Military Human Resources System (DIMHRS), US Transportation Command (TRANSCOM), and other corporate initiatives to achieve full operational capability.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY 2002 Amended Budget Submission					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service June 2001				D. <u>Line No. & Item Description:</u> Software Dev/Mod - DFAS Corporate Warehouse (DCW)			D. <u>Activity Identification</u> DFAS Sites					
Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			2,000			4,352			7,211			

Narrative Justification:

The DFAS Corporate Warehouse (DCW) is a business area-oriented, consolidated, non-volatile, historical collection of shared data designed to support management analysis and decision-making at all DFAS and DFAS customer levels. The DCW also provides DFAS applications a new and flexible source of standard reports/reprints and queries. The DCW will extract validated historical data from the operational data store, transform the data, and store the data in a multi-dimensional database. The data is then readily available to evaluate, conduct trend analyses, audit, and support decision-making, without degrading the performance of the operational data store.

Capital funding for FY 2001 will provide funding to support the design, development and implementation of various DCW Datamarts, i.e. US Special Operations Command (SOCOM), Defense Departmental Reporting System (DDRS), Defense Procurement Payment System (DPPS), along with other DCII scheduled releases.

Capital funding For FY 2002 will provide funding for the design, development and implementation of various DCW Datamarts, (i.e., Washington Headquarters Services (WHS), US Transportation Command (TRANSCOM), Defense Standard Disbursing System (DSDS), DPPS and Business Management Redesign (BMR)).

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY 2002 Amended Budget Submission					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service June 2001			C. <u>Line No. & Item Description:</u> Software Dev/Mod - Defense Departmental Reporting System (DDRS)				D. <u>Activity Identification</u> DFAS Sites					
Element of Cost	FY 00			FY 01			FY 02					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			5,841			6,271			5,831			

Narrative Justification:

DDRS will standardize the departmental reporting process for all DoD Fund Types. This modern system will be used to produce the DoD CFO statements and budgetary reports from a single database, provide data query and report generation tools, eliminate the need for manual reconciliation, and operate in the DFAS Corporate Information Infrastructure environment (DCII). DDRS will eliminate eight legacy departmental reporting systems, two major command reporting systems and one headquarters system. DDRS will provide the following improvements: automated information support through a modern state-of-the-art system for DoD; Business Process Improvement through standardization; faster distribution and implementation of policy/procedure changes; and greater oversight capability and unauthorized user detection through secured access.

FY 2002 capital funds will be used to migrate DDRS Audited Financial Statements into the DFAS Corporate Information Infrastructure, enhance DDRS ability to handle specific Defense Working Capital Fund reporting requirements, and provide additional end user training.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION
(\$ In Thousands)

A. FY 2002 Amended Budget Submission

B. Component/ Activity/ Date:
Defense Finance and Accounting Service
June 2001

C. Line No. & Item Description:
Software Dev/Mod - Deployable Disbursing System (DDS) /
Uniform Microcomputer Disbursing System (UMIDS)

D. Activity Identification
DFAS Centers

Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			1,537			2,600			1,504			

Narrative Justification:

The Deployable Disbursing System (DDS) / Uniform Microcomputer Disbursing System (UMIDS) is a mobile disbursement system that can be used in CONUS and/or overseas environments. It is being developed so that it can operate in the DFAS corporate environment. DDS is on an accelerated schedule with targeted completion in FY 2002 in order to meet customer requirements. Funding will support the completion of a Windows version of DDS. This version will replace Disbursing Office Processing System and/or the cash module of the DOS version of DDS that is currently fielded. DDS is required since the Defense Standard Disbursing System is not currently scheduled to have a deployable module.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION
(\$ In Thousands)

FY 2002 Amended Budget Submission

B. Component/ Activity/ Date:
Defense Finance and Accounting Service
June 2001

C. Line No. & Item Description:
Software Dev/Mod - Defense Industrial Financial
Management System (DIFMS)

D. Activity Identification
DFAS Sites

Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			21,541			17,400			9,833			

Narrative Justification:

DIFMS is a major cornerstone in DFAS's effort to standardize accounting systems. DIFMS will be deployed to replace the legacy systems currently in operation at the Navy, Marine Corps and Air Force Depot Maintenance and at the Navy Research and Development (R&D) business activities. When fully deployed, DIFMS will support Naval Aviation Depots, Naval Shipyards, Marine Corps Logistics Bases, Air Force Logistics Centers, and all Navy R&D activities. DIFMS will provide a fully integrated financial system including a transaction driven general ledger. DIFMS consists of 13 subsystems: cash, labor, other cost, material, cost summary, job order/customer order, billing, general ledger, purge/history, fixed asset, system parameters, budget tracking and cost competition. The system interfaces directly with standard DoD systems, such as the Defense Civilian Payroll System, and will provide reconciliation for interfacing feeder, travel, and expenditure processing and reporting systems. DIFMS will be Chief Financial Officer Act (CFO) and Federal Managers Financial Integrity Act (FMFIA) compliant in FY 2000.

FY 2002 funds will support the initial system deployment to Navy R&D activities and Air Force Logistics Centers.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY 2002 Amended Budget Submission					
B. Component/ Activity/ Date: Defense Finance and Accounting Service June 2001			C. Line No. & Item Description: Defense Integrated Military Human Resources System (DIMHRS) Pay Module				D. Activity Identification DFAS Sites					
Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			5,823			12,400			17,317			

Narrative Justification:

In FY 2001, approval of the DIMHRS Pay Module (DPM) Milestone IIA will occur during this fiscal year. The Commercial-Off-The-Shelf product will be selected in the second quarter. DPM development and testing will begin after Milestone IIA is approved. Installation and training will begin for the Defense Military Pay Office (DMO) in FY 2001. DMO is the Windows-based user interface for military pay.

In FY 2002, approval of the DIMHRS Pay/Per Milestone II will occur in Nov 01. Also, the DIMHRS Pay Program will be in full-scale software development and testing. The DIMHRS Executive Steering Committee has approved a common database and the DIMHRS Pay Module as the first useful asset to be delivered under Clinger - Cohen Act rules. First, the Program will complete implementation of the DMO software suite. DMO provides a complete GUI-based custom interface for transaction input and editing, user inquiry, and reporting. The Program will continue software development and testing required for implementing the Common Database. The Common Database is a critical, shared data store containing personnel and pay information derived from key legacy systems. The information will provide cross-component views of data that support the warfighters and joint commanders, as well as services as the source for pay entitlement information. Data Conversion Software will be developed and tested to extract records from DJMS, in preparation for loading to the DIMHRS COTS data structures. Finally, software that extends COTS core pay processing software, as needed will be developed to prepare the DPM for Army personnel. We will continue testing of the DPM and DJMS conversion.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY 2002 Amended Budget Submission					
B. Component/ Activity/ Date: Defense Finance and Accounting Service June 2001				C. Line No. & Item Description: Software Dev/Mod - Defense Joint Accounting System (DJAS)			D. Activity Identification DFAS Sites					
Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			23,530			20,808			27,825			

Narrative Justification:

DJAS will be used as a financial information management system by approximately 600 US Army activities and 18 DoD agencies worldwide. DJAS will also be used by 13 DFAS sites for accounting support for these worldwide activities. The overall goal of DFAS in implementation and deployment of this system includes: (1) provide our major customers with a state-of-the-art, relational database system which provides easy access to on-line, real-time financial information; (2) provide an automated information system that will bring financial data for general funds under general ledger control and comply with GAO and OMB mandates, support the single-source entry of data, accommodate standard data, and use the Standard Government Chart of Accounts as augmented by the Department of Defense; and (3) provide the capability to comply with the Government Performance and Results Act (GPRA), the Paperwork Reduction Act (PRA), and the Chief Financial Officer Act (CFOA).

DJAS is projected to start prototype testing with the Army in FY 2001. FY 2002 funds will support the programming, testing, training and site preparation needed for pursuing Milestone III approval and full-scale deployment to Army posts, camps, and stations, and Defense Agency sites based on a revised schedule.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY 2002 Amended Budget Submission					
B. Component/ Activity/ Date: Defense Finance and Accounting Service June 2001			D. Line No. & Item Description: Defense Joint Military Pay System - (DJMS)				D. Activity Identification DFAS Sites					
Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
DJMS-AC			8,650			13,993			9,673			
DJMS-RC			3,784			7,911			5,325			
Total			12,434			21,904			14,998			

Narrative Justification:

Defense Joint Military Pay System (DJMS)—Active Component (DJMS-AC) and Reserve Component (DJMS-RC)—are interim systems. The Army, Navy, and Air Force military pay systems for Active Duty and US Military Academies were converted to DJMS-AC. The Army, Navy, and Air Force Reserves, National Guard, Officer Training Corps, and Armed Forces Health Professional Scholarship Program were converted to DJMS-RC. The last segment, Navy Reserves, was converted in July 1999. Existing input systems were used for the initial collection of military pay transactions and formatting data to meet DJMS requirements in FY 1999.

In the FY 2001 President's Budget, DJMS was projected to go into a maintenance mode based upon the implementation of the DIMHRS in the FY 04-06 timeframe. DFAS and the Services reviewed this posture in July 2000. The numerous manual workarounds required to supplement pending system changes have resulted in Service priorities and mandatory legislative requirements being delayed. The DFAS/Services consensus is that DJMS must go into an enhancement mode in FY 01-02 pending DIMHRS deployment with the Services' recognition that additional funding by them is required. The enhancement mode has two parts. One is the continued documentation of DJMS. Total system documentation will improve DFAS' ability to correct system problems, improve timeliness and accuracy and is transferable to DIMHRS requirements definition. The second part is the acceleration of systems changes in such entitlement areas as allowance for housing, clothing, overseas extension duty bonus, pay and allowance indebtedness, military thrift savings and special duty assignments. Associated with the acceleration is an increase in system integration testing and configuration management support efforts.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY 2002 Amended Budget Submission					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service June 2001				C. <u>Line No. & Item Description:</u> Software Dev/Mod - Defense Procurement Payment System (DPPS)			D. <u>Activity Identification</u> DFAS Sites					
Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			19,014			9,909			10,144			

Narrative Justification:

The purpose of the DPPS initiative is to re-engineer and standardize contract and vendor entitlement business processes. Currently, contract and vendor payments are accomplished by multiple systems. Some are incapable of communicating between the entitlement function and other interfacing systems such as accounting and disbursing. DPPS will integrate the contract and vendor entitlement business areas into a standard on-line processing environment using common data rather than duplication of unmatched data residing in various databases. The need for DPPS is critical and consistent with the goals of the DFAS Strategic Business Plan and the Chief Financial Officer's five-year Plan. Both plans include improvements in system capabilities and business processes for finance and accounting activities. These improvements can be accomplished through greater efficiencies in service, technological innovation, and communication enhancement. The DPPS Program Management Office will use an incremental deployment strategy. The current deployment plan targets an operational test starting in August 2001.

The FY 2001 funding will ensure completion of software testing and acceptance, completion of final software development, and initial operational testing of DPPS for Vendor Pay at Columbus. Also, this funding will support DCD/DPPS infrastructure development to provide complete operational connectivity. In FY 2002, DPPS funding supports operational testing and initial deployment of Vendor Pay at Kansas City and MOCAS at Columbus.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION
(\$ In Thousands)

A. FY 2002 Amended Budget Submission

B. Component/ Activity/ Date:
Defense Finance and Accounting Service
June 2001

C. Line No. & Item Description:
Software Dev/Mod - Defense Retiree and Annuitant Pay
System (DRAS)

D. Activity Identification
DFAS Sites

Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			2,993			2,766			2,184			

Narrative Justification:

DRAS is the standard, consolidated system for paying all Army, Navy, Marine Corps, and Air Force military retirees, annuitants and former spouses. DRAS establishes, maintains, and adjudicates pay accounts. It interfaces with each Service's military personnel center, the Social Security Administration, the Department of Veterans Affairs, the Defense Manpower Data Center (DMDC), and the Department of Treasury.

In support of its mission, further capital investments will be made to: integrate allotment processing with DRAS, improve the interfaces with each Service's military personnel center, modify the system to accommodate Employee/Member Self Service (E/MSS) capabilities, create an interface with the Integrated Garnishment System (IGS), revise the interface with DMDC, enhance Survivor Benefit Plan (SBP) processing, remove mandatory Direct Deposit (DDS) processing, establish the capability to handle severely Disabled Compensation Program payments, and comply with various legislative changes, such as defense authorization acts, veterans compensation (VA) acts, and income tax reforms.

FY 2002 capital funding will be used to process mandatory adjustments to comply with legislative requirements, develop changes mandated by the DRAS competitive sourcing process for implementing the Most Efficient Organization, provide International Direct Deposit (IDDS), enhance casualty pay processing and improve internal controls to strengthen compliance with the Federal Managers Financial Integrity Act.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY 2002 Amended Budget Submission					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service June 2001				C. <u>Line No. & Item Description:</u> Software Dev/Mod - Defense Standard Disbursing System (DSDS)			D. <u>Activity Identification</u> DFAS Sites					
Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			15,444			7,961			4,532			

Narrative Justification:

DSDS will be the standard disbursing system used DFAS-wide to make payments, accept collections, and maintain accountability for public funds. The purpose of the DSDS is to increase the efficiency and effectiveness of disbursing operations, thus reducing costs. Currently, there are three major disbursing systems supporting DFAS. Additionally, there are 26 entitlement systems that perform some disbursing functions. The Disbursing Officer (DO) accountability process is a combination of various system outputs and spreadsheets. The current disbursing systems do not create all of the DO accountability reports. DSDS will resolve these manual operations and standardize the business process throughout the Department. It will interface with multiple entitlement and accounting systems through the DFAS Corporate Database (DCD). DSDS will replace the Automated Disbursing System (ADS), Integrated Paying and Collecting (IPC), and Standard Financial System (STANFINS) Redesign-1.

FY 2002 funds will be used to test DSDS, train users and deploy the system. This will include functional validation testing of all scripts/scenarios, with particular emphasis on Federal Financial Management Requirements compliancy. Testing will also ensure that all System Security Accreditation Authorization (SSAA) requirements are met and approved. Additionally, enterprise testing will focus on testing DSDS as an interface with the DCD. During this period, the DFAS network will be trained prior to implementation of the DSDS deployment plan, and fielding DSDS, scheduled for May 2002 through February 2003.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION
(\$In Thousands)

A. FY 2002 Amended Budget Submission

B. Component/ Activity/ Date:
Defense Finance and Accounting Service
June 2001

C. Line No. & Item Description:
Software Dev/Mod - Defense Working Capital Accounting
System (DWAS)

D. Activity Identification
DFAS Sites

Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			5,860			5,000			2,500			

Narrative Justification:

The Defense Working Capital Accounting System (DWAS) is the migratory system selected to replace the Defense Automated Printing Service's (DAPS) Printing Resources Management Information System (PRMIS), the Naval Facilities Engineering Command's (NAVFAC) Public Works Center Management Information System (PWCNIS), and the Naval Facilities Engineering Service Center's (NFESC) Financial Management Information System (FINMIS). The DAPS and NFESC deployments have been completed. The DWAS implementation will help standardize business practices and systems interfaces, and will eliminate nine local unique versions of the Public Works Center Management Information System (PWCNIS), a non-compliant Printing Resources Management Information System (PRMIS), and a non-compliant Financial Management Information System (FINMIS). DWAS is designed to be Federal Financial Management Requirements (FFMR) compliant.

FY 2002 capital funding will be used to continue DWAS deployments to multiple PWC sites, develop DoD standard interfaces and modify for regulatory changes.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY 2002 Amended Budget Submission					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service June 2001			C. <u>Line No. & Item Description:</u> Software Dev/Mod - Electronic Commerce/Electronic Data				D. <u>Activity Identification</u> DFAS Sites					
	FY 00			FY 01			FY 02					
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			2,255			2,951			447			

Narrative Justification:

As part of the President's Electronic Commerce initiative, and in cooperation with the Chief Financial Officers Electronic Commerce Task Force, the Financial Implementation Team for Electronic Commerce and Dr. Hamre's paperless initiatives, DFAS is assisting with wide spread adoption and implementation of electronic commerce concepts for financial operations across DoD. To support an overall agency vision that identifies opportunities, streamlines program development, and enhances and standardizes the approach and requirements of EC/EDI development, DFAS established an Electronic Commerce Office. DFAS is responsible for implementing EC/EDI within the Department of Defense accounting and finance systems. EC/EDI transactions have been developed and will be implemented in Contract Obligations, Contract Commitments, Contractor Invoices, Defense Travel, the Purchase Card Program, Garnishments, Grants/Research, Prevalidation, and EC Web initiatives.

FY 2001 capital funds will support the modification of the Accounting and Pay Prevalidation Module and also supports development of X-12 EDI financial transactions, systems changes, WEB-enabled systems and system documentation. The modifications will automate the process of validating electronic transaction obligation data in legacy entitlement and accounting systems before disbursing payments, thereby eliminating unmatched disbursements. FY 2002 capital funds will continue to promote the use and expansion of EC/EDI and electronic payments in DoD finance and accounting systems. Funds will support development of ANSI X12 EDI financial transactions, system changes, continued development of WEB-enabled systems and system documentation.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION
(\$ In Thousands)

A. FY2002 Amended Budget Submission

B. Component/ Activity/ Date:
Defense Finance and Accounting Service
June 2001

C. Line No. & Item Description:
Software Dev/Mod –Electronic Document Management
(EDM)

D. Activity Identification
DFAS Sites

Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			3,462			1,200						

Narrative Justification:

The EDM Program is a comprehensive business process improvement initiative facilitating consolidation of DoD finance and accounting functions, thereby reducing operating costs. The EDM system is intended to reduce dependence on paper through conversion of data to an electronic format that can be accessed from a desktop workstation. EDM is currently in production and has received Milestone III approval for all increments. EDM provides users with on line access to financial documents and information; advances the application of new methods and technologies; improves the delivery of customer services; and ensures the consistent implementation of business practices throughout DoD. Imaging, electronic document management/access, work flow, and high-capacity storage technologies are to be employed in a variety of business areas. FY 2000 accomplishments include completed Vendor Pay implementation of DFAS Columbus; improved processes through streamlining software; began technical refreshment of workflow software.

FY 2001 capital funds are primarily targeted for further integration and implementation of the EDM solution for the Defense Procurement Payment System.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY2002 Amended Budget Submission					
B. Component/ Activity/ Date: Defense Finance and Accounting Service June 2001				D. Line No. & Item Description: Software Dev/Mod - General Accounting and Finance System-Reengineered (GAFS-R)			D. Activity Identification DFAS Sites					
Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			9,001			10,100			6,362			

Narrative Justification:

GAFS will be the sole migratory general fund accounting system for centralized accounting, reporting, analysis, and reconciliation of funds appropriated to, or administered by, the United States Air Force. This initiative is to reengineer GAFS to provide a relational database that will operate in an open systems environment (OSE) for integration with the DFAS Corporate Database (DCD) to update a general ledger using the standard chart of accounts and prepare financial statements. This initiative will also install standard fiscal code called budget accounting and classification code (BACC); incorporate acquisition accounting functionality; and improve the accounts receivable and reimbursement processes. Three systems are to be replaced: Central Procurement Accounting System (CPAS), the Base Accounts Receivable System (BARS), and the General Accounting and Finance System-Base Level (GAFS-BL).

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION
(\$ In Thousands)

A. FY2002 Amended Budget Submission

B. Component/ Activity/ Date:
Defense Finance and Accounting Service
June 2001

C. Line No. & Item Description:
Software Dev/Mod - Integrated Garnishment System (IGS)

D. Activity Identification
DFAS Sites

Element of Cost	FY 00			FY 01			FY 02					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			614			1,175			600			

Narrative Justification:

The Integrated Garnishment System (IGS) will integrate with the various pay systems that affect garnishment actions and will automate, to the fullest extent possible, the various garnishment processes. IGS also interfaces with the Electronic Document Management System and the Payroll Locator File System, and provides an expert system process for the legal review of cases. Projected accomplishments for FY 2001 include an interface with DJMS, additional EC/EDI functionality and trading partners, and increased trading partners for the use of the WEB for the receipt of court orders.

Funding in FY 2002 will continue to expand the type of court orders that can be received electronically via the Internet. Efforts will also focus on increasing current capabilities to post approved electronic garnishment transactions through IGS to the appropriate pay system without manual intervention.

Exhibit Fund-9b Activity Group Capital Purchase Justification

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY 2002 Amended Budget Submission					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service June 2001				C. <u>Line No. & Item Description:</u> Software Dev/Mod - Marine Corps Total Force System (MCTFS)			D. <u>Activity Identification</u> DFAS Sites					
Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			5,500			5,400			4,311			

Narrative Justification:

MCTFS is an integrated pay and personnel system supporting Marine Corps personnel and management requirements. The MCTFS database maintains an electronic record for every active duty, reserve, and retired Marine. Marine active duty and reserve records contain both military pay and personnel data, thereby eliminating the need to store individual data in multiple databases for use by multiple systems. The military pay function supports computation and net pay to individual Marines along with distribution of military pay deductions. The MCTFS database includes a comprehensive history of pay entitlements, deductions, and payments for all active duty and reserve Marines. For retired Marines, the MCTFS database contains only personnel management data.

FY 2001 capital funds will support new legislative requirements such as Thrift Savings Plan, Cost of Living Allowances and Basic Allowance for Housing (BAH). MCTFS will continue to automate manual tasks required to support garrison and deployed forces to increase accuracy and reduce the direct labor required to support MCTFS. Project funding will be required to implement Phase II of the DFAS-HQ Employee/Member Self Service (EMSS) project.

FY 2002 capital funds will support completing 2 major system update releases implementing legislative requirements along with system enhancements. Project funding will be required to implement the MCTFS interface with the Defense Standard Disbursing System under the Defense Corporate Database and to implement subsequent phases of the E/MSS projects.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY 2002 Amended Budget Submission					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service June 2001				C. <u>Line No. & Item Description:</u> Software Dev/Mod - Material Financial Control System (MFCS)			D. <u>Activity Identification</u> DFAS Sites					
Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			2,563			2,150			3,000			

Narrative Justification:

The Material Financial Control System (MFCS) is a migratory Defense Working Capital Fund (DWCF) system for the Navy Supply Management Business Area. MFCS is a mixed system owned by the Naval Supply Systems Command (NAVSUP) and DFAS, who is the functional manager for accounting.

MFCS eliminates the following systems: 1) Uniform Automated Data Processing System Stock Point (UADPS) E & F (Retail), 2) Uniform Automated Data Processing System Level II (Retail), 3) Uniform Inventory Control Point – Application G03 (Wholesale) and 4) Special Accounting Class- 207 (Retail). MFCS performs funds control, accounts receivable, accounts payable, billing, expenditure processing, and inventory accounting (including in-transit tracking and reconciliation) for both DWCF and appropriated funds.

FY 2002 capital funding will support the remaining consolidation efforts of UADPS E&F into MFCS.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION
(\$ In Thousands)

A. FY2002 Amended Budget Submission

B. Component/ Activity/ Date:
Defense Finance and Accounting Service
June 2001

C. Line No. & Item Description:
Software Dev/Mod - Mechanization of Contract
Administration Services (MOCAS)

D. Activity Identification
DFAS Sites

Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			3,059			2,000			0			

Narrative Justification:

MOCAS is a highly integrated system supporting the DoD procurement mission, specifically the "Contract Post Award Functions." These functions include: Contract Entitlement; Contract Administration; Quality Assurance; Production; Material Receiving; Prompt Pay and Cash Management; Disbursement; Financial Reporting; and Accounting and Procurement system interfaces. The MOCAS Entitlement process will be replaced by the Defense Procurement Payment System (DPPS). Until DPPS is fully operational, i.e., contains converted existing contracts and is fully integrated with the new non-MOCAS Disbursing and Financial systems, MOCAS will remain the DoD contractor payment system. Only mandatory changes are being made because of its legacy status; however, they must be budgeted for and developed in order for MOCAS to be a fully operational and compliant system until it is totally replaced by the new DoD system.

FY 2001 funds will be used to maintain system compliancy and mandatory changes. Requirements for FY 2002 will ensure MOCAS operations in a maintenance mode and do not meet DWCF capital criteria. As a result, funding for these requirements has been shifted from the capital budget to the software maintenance category of the DFAS DWCF operating budget.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY 2002 Amended Budget Submission					
B. Component/ Activity/ Date: Defense Finance and Accounting Service June 2001				C. Line No. & Item Description: Software Dev/Mod - Military Sealift Command Financial Management System (MSC FMS)			D. Activity Identification DFAS Sites					
Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			4,174			4,500			4,500			

Narrative Justification: MSC FMS is a commercial off-the-shelf (COTS) system developed by the Oracle Corporation. MSC FMS supports general ledger, funds control, budget execution, travel, cost accumulation and asset accounting for Defense Working Capital Fund (DWCF) activities at the installation level in support of the Transportation Business Area. MSC FMS is a financial information management system used by the Military Sealift Command worldwide to include MSC Headquarters and the Area Commands located in Norfolk, Virginia; San Diego, California; Naples Italy; and Yokohama, Japan. The DFAS Omaha Field Organization and DFAS Denver also use MSC FMS for accounting support for these worldwide activities. MSC FMS provides: (1) a relational database system that provides easy access to on-line, real-time financial information; (2) financial data for DWCF activities under general ledger control, complies with GAO and OMB mandates, and uses the U.S. Government Standard Ledger Chart of Accounts, as augmented by the Department of Defense; and (3) the capability to comply with the Government Performance and Results Act (GPRA), the Paperwork Reduction Act (PRA), and the Chief Financial Officer Act (CFOA). Beginning FY 2001, the Army Transportation component, the Military Traffic Management Command (MTMC), will begin to migrate from the MTMC-Financial Management Systems into MSC FMS, with project completing in FY 2002. A name change to the Transportation Management and Accounting System was requested to reflect the broader use of the application.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY2002 Amended Budget Submission					
B. Component/ Activity/ Date: Defense Finance and Accounting Service June 2001			C. Line No. & Item Description: Software Dev/Mod - Resource Analysis Decision Support System (RADSS)				D. Activity Identification DFAS Sites					
Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			1,295			1,850			622			

Narrative Justification: The Resource Analysis Decision Support System (RADSS) provides a consolidated source of financial and management information for the entire DFAS organization (Headquarters, Centers, Operating sites, and the Infrastructure Services Organization), as well as for Under Secretary of Defense (Comptroller). RADSS contains four modules: (1) the Unit Cost Module—the official DFAS unit cost system that contains unit cost, budget execution and management information; (2) the Manpower Module—establishes and maintains authorized manpower positions and performs a periodic association of those positions to the on-board count; (3) the Automated Budget Formulation (ABF) Module—allows DFAS Headquarters users to formulate Capital and Information Technology budget submissions; and (4) the Automated Work Count (AWC) Module—improves and standardizes the work count process, yielding auditable and reconcilable work counts that provide a more accurate basis for billing.

RADSS replaces manual processes and homegrown systems, and its automated features improve the accuracy of data by minimizing user error due to multiple data entry, and tracking editable data via audit trails. RADSS allows analysts to query, report, graph, collect, combine, and present information to managers, enabling them to make well-informed, cost-effective decisions. RADSS data is used to evaluate performance, based on the requirements of the Director's Performance Contract. FY 2001 capital funds will be used to: incorporate major System Change Requests (SCRs). It is anticipated that two or three major software releases to the current module need to be updated to accommodate new business rules and to automate current manual processes. RADSS unit cost changes will accommodate new unit cost allocation methodologies, specifically applied to the DFAS Business Evolution process. FY 2002 capital funds will be used to provide system upgrades that will continue to support the DBE process.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY2002 Amended Budget Submission					
B. Component/ Activity/ Date: Defense Finance and Accounting Service June 2001			C. Line No. & Item Description: Software Dev/Mod - Standard Accounting, Budgeting and Reporting System (SABRS)				D. Activity Identification DFAS Sites					
Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			4,443			2,032			2,429			

Narrative Justification:

SABRS is the migratory general fund accounting system for the Marine Corps. It currently supports general fund accounting, budgeting and reporting requirements for the Marine Corps. SABRS will be compliant with the Federal Financial Management Requirements (FFMR) and will support preparation of CFO compliant financial statements and reports. Five legacy systems have migrated to SABRS: (1) Headquarters Accounting System (HAS) Field, (2) HAS Departmental, (3) Marine Corps Miscellaneous Allotment Accounting System (MCMAAS), (4) Marine Corps Expenditure and Reimbursement Reporting System (MCERRS), and (5) the Navy Register System. SABRS3 enhancements include the integration of funds control/distribution capabilities, enhanced allotment accounting support, implementation of the U.S. Standard General Ledger (USSGL), improved internal controls and transaction auditability, compliance with the "Guide to Federal Requirements for Financial Management Systems (FRFMS)", and CFO compliance within limitations of feeder systems

FY 2002 capital funding will be used to incorporate functionality for the Marine Corps Supply Management business area of the Defense Working Capital Fund (DWCF) in compliance with all related requirements, replacing Marine Corps Unified Material Management System (MUMMS) Subsystems 04 and 17 (legacy applications). MUMMS Subsystem 17 currently supports allotment accounting functions and records authorizations, commitments, obligations, and liquidations. Subsystem 17 will be replaced by SABRS3 in FY 2002. Funding for FY 2002 will also be used to support enhanced SABRS3 interfaces (and related internal transaction processing) with standard DFAS/Marine Corps systems and to support evolutionary changes/requirements to maintain compliant system architecture.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION
(\$ In Thousands)

A. FY 2002 Amended Budget Submission

B. Component/ Activity/ Date:
Defense Finance and Accounting Service
June 2001

D. Line No. & Item Description:
Software Dev/Mod - Standard Industrial Fund System
(SIFS)

D. Activity Identification
DFAS Sites

Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			500			500			965			

Narrative Justification:

The Standard Industrial Fund System (SIFS) is a DFAS system that provides accounting support to the Army's Depot Maintenance Business Area, which includes the depot maintenance facilities and arsenals. The SIFS accounting support includes funds control, cost accounting, general ledger, financial inventory accounting, and reports. The four SIFS sub-processes are Automated Internal Operating Budget, Cost Accounting and Budget, Financial Inventory Accounting and General Fund, and Methods and Standards

FY 2002 funds will also be used to support DFAS' participation in the Army Wholesale Logistics Modernization Program (WLMP). WLMP is the Army's initiative to develop an integrated logistics management system that will include financial management modules. Funding will support the software programming and testing necessary to ensure the appropriate interfaces/functionalities are developed.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY 2002 Amended Budget Submission					
B. Component/ Activity/ Date: Defense Finance and Accounting Service June 2001			C. Line No. & Item Description: Software Dev/Mod - Standard Materiel Accounting System (SMAS)				D. Activity Identification DFAS Sites					
Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			2, 544			4,349			2,466			

Narrative Justification:

The Standard Materiel Accounting System (SMAS) is a Defense Working Capital Fund (DWCF) system that performs accounting and financial reporting for the Air Force (AF) Supply Management Business function. This includes AF base supply, hospitals, dental clinics, dining halls, and fuels. SMAS is an on-line, transaction-driven system under general ledger control. SMAS maintains accounting records for fixed assets, inventory, receivables, payables, funds, and management information. Financial reports are prepared and distributed to AF customers. SMAS interfaces with 11 logistics systems, two financial management systems, one acquisition system, and five accounting systems.

FY 2002 capital funding will be used to complete the migration of accounting functionality from the Financial Inventory Accounting and Billing System (FIABS) to SMAS. FY 2002 capital funding will be used to continue incremental enhancements to SMAS in support of the development and implementation of the Air Force Integrated logistics System-Supply Project. The program will also include funding for enhancements to SMAS to implement the Defense Medical Logistic System (DMLSS) and other related system changes.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION
(\$ In Thousands)

A. FY 2002 Amended Budget Submission

B. Component/ Activity/ Date:
Defense Finance and Accounting Service
June 2001

D. Line No. & Item Description:
Software Dev/Mod - Standard Accounting and Reporting
System (STARS)

D. Activity Identification
DFAS Sites

Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			4,216			4,450			2,994			

Narrative Justification:

STARS is a general fund accounting, commercial entitlement and reporting system. STARS has been selected as the migratory system to consolidate all Navy general fund accounting, bill paying, and reporting operations. STARS manages approximately 3/4 of a trillion dollars in current and prior year funds for the Navy. STARS is composed of four major sub-systems: 1) STARS-FL (Field Level Accounting), 2) STARS-HQ (Headquarters Accounting and Reporting for Funds Administrators, Major Commands and Systems Commands or equivalents), 3) STARS-One Pay (STARS-OP, including EC/EDI, EDT, and bill paying), and 4) STARS-Funds Distribution and Departmental Reporting (STARS-FDR).

FY 2002 capital funding provides for the following STARS projects: centralized scheduling, change feeders from FL/HCM format from UGLA, INFOPAC Region Reduction, Smart Card Transport Platform from Public Key Infrastructure (PKI), and Table Validation Audit Trail. Various mandatory and customer driven efforts would also be addressed in FY 2002.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION
(\$ In Thousands)

A. FY 2002 Amended Budget Submission

B. Component/ Activity/ Date:
Defense Finance and Accounting Service
June 2001

C. Line No. & Item Description:
Software Dev/Mod - Other Accounting (DWCF) Systems

D. Activity Identification
DFAS Sites

Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
CCSS			404			500			498			
DIFS-R			2,403			600			223			
ASIFICS			400			400			0			
ATAAPS			791			700			752			
DFAMS			0			250			500			
DIFS			127			100			0			
OTHER			1,490			0			0			
Total			5,615			2,550			1,973			

Narrative Justification:

The above Defense Working Capital Fund systems have funded budgets of less than \$1 million in FY 2001 and FY 2002 and support a large array of accounting functions. The Commodity Command Standard System (CCSS) and the Defense Integrated Financial System-Reengineered (DIFS-R) are the only two standard accounting systems. FY 2002 funds for CCSS will be used to support the programming, testing, training, and site preparation needed to support DFAS's participation in the Army's Wholesale Logistics Modernization Program (WLMP). A change in the strategy for DIFS-R has delayed development while a final solution is being reassessed.

The remaining systems are legacy systems, which include the Airlift Service Industrial Fund Integrated Computer System (ASIFICS), the Automated Time, Attendance and Production System (ATAAPS), the Defense Fuels Automated Management System, and the Defense Integrated Financial System (DIFS). The FY 2002 funding for these systems will support mandatory changes to satisfy legislative requirements and certain other functional changes that meet the criteria for capital investments.

Future requirements (FY2001-2002) for the following legacy systems were reviewed and determined not to meet the capital funding criteria: Central Database Accounting System, Central Procurement Accounting System, Defense Integrated Subsistence Management System, Industrial Fund Accounting System, Standard Automated Material Management System, and Standard Army Financial Inventory Accounting and Reporting System - Modernization. Future changes to these systems will use software maintenance funding to accomplish maintenance changes until replacement by the appropriate migratory system.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION
(\$ In Thousands)

A. FY 2002 Amended Budget Submission

B. Component/ Activity/ Date:
Defense Finance and Accounting Service
June 2001

C. Line No. & Item Description:
Software Dev/Mod – Other Accounting (General Fund)
Systems

D. Activity Identification
DFAS Sites

Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
PBAS-FD			0			0			470			
SAARS			1,451			500			0			
Other			2,193			0			0			
Total			3,644			500			470			

Narrative Justification:

The Program and Budget Accounting System (PBAS) is the only standard system from the above list, and it records the receipt and distribution of financial resources appropriated for and/or administered by the Departments of the Army, Navy, and Defense (for Treasury Index 97 Funds). The Security Assistance Automated Reconciliation System provides for reconciliation of contract and accounting records to minimize negative unliquidated obligations and prepares for the conversion to the migratory accounting and vendor/contract pay systems.

FY 2002 funding has been allocated to maintain functionality, accommodate mandatory legislative changes, and facilitate the generation of auditable financial statements.

Future requirements (FY2001-2002) for the following legacy systems were reviewed and determined not to meet the capital funding criteria: Base Level Accounts Receivable System (BARS), Departmental Cash Management System (DCMS), General Accounting and Finance System-Base Level (GAFS-BL), Standard Operations and Maintenance System (SOMARDS), and Standard Finance System (STANFINS. Future changes to these systems will use software maintenance funding to accomplish maintenance changes until replacement by the appropriate migratory system.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION
(\$ In Thousands)

A. FY 2002 Amended Budget Submission

B. Component/ Activity/ Date:
Defense Finance and Accounting Service
June 2001

C. Line No. & Item Description:
Software Dev/Mod – Other Administrative Support Systems

D. Activity Identification
DFAS Sites

Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Credit 1099			750			250			0			
CMIS			365			187			179			
EMSS			999			550			0			
LDRPS			0			211			0			
Mongoose			456			561			525			
Security			250			625			650			
SID			106			109			104			
Other			2,244			2,550			7,552			
Total			5,170			5,043			9,010			

Narrative Justification:

Administrative support systems provide office automation, administrative support and standardized business practices to DFAS Headquarters and Centers. Initiatives include the following: Credit Card 1099 Miscellaneous Reporting System (1099 provides payment data to the Internal Revenue Service; Configuration Management Information System (CMIS) provides the capability to track and manage systems change requests; Employee/Member Self Service (EMSS) allows civilian employees to access/change pay information via the Internet; Living Disaster Recovery Planning System (LDRPS) allows the linkage of all DFAS sites into a contingency plan network; Operation Mongoose helps fight fraud, waste, and abuse by monitoring government payments; Security assists in creating an environment which is more secure from attacks and permits intrusion detection; and System Inventory Database (SID) maintains an updated inventory of all DFAS systems' specifications, hardware requirements, and functionalities.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$In Thousands)							A. FY 2002 Amended Budget System					
B. Component/ Activity/Date: Defense Finance and Accounting Service June 2001			C. Line No. & Item Description: Software Dev/Mod - Other Finance Systems				D. Activity Identification DFAS Sites					
Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
DDMS			705						759			
NAFCPS			0						381			
Other			2,669						100			
Total			3,374						1,240			

Narrative Justification:

The Defense Debt Management System (DDMS) standardizes and consolidates out-of-service debt cases for service members. The Nonappropriated Fund Payroll System (NAFCPS) handles civilian pay functions for NAF activities. FY2002 and FY 2003 capital funding is requested for mandatory changes and minimum enhancements to these systems. This will ultimately enable a cost reduction in overhead and production to be realized.

Future requirements (FY 2002) for the following legacy systems were reviewed and determined not to meet the capital funding criteria: the Automated Disbursing System (ADS), the Integrated Paying and Collecting System (IPC), the Standard Finance System – Redesign (SRD1), the Computerized Accounts Payable System (CAPS), and the Integrated Accounts Payable System (IAPS). Future changes to these systems will use software maintenance funding to accomplish maintenance changes until replacement by the appropriate migratory system.

**Defense Finance and Accounting Service
Budget Activity: Financial Operations
FY 2002 Amended President's Budget**

**Realignments to the FY 2001 President's Budget
DFAS Capital Budget**

Dollars in Thousands

	FY 2001		<u>Delta</u>
<u>Equipment - ADPE & Telecommunications</u>	<u>Pres Bud</u>	<u>Revised</u>	<u>Delta</u>
	14,227	14,629	402

The increase for the Defense Retired and Annuitant Pay System is to acquire a Computer Output to Laser Disk (COLD) to support the data storage requirements of the new Severely Disabled Compensation Module of DRAS. Funding for the Defense Civilian Pay System, DFAS ELAN and other requirements remained constant.

Dollars in Thousands

	FY 2001		<u>Delta</u>
<u>Minor Construction</u>	<u>Pres Bud</u>	<u>Revised</u>	<u>Delta</u>
	0	0	0

There were no changes in the DFAS Minor Construction program.

Software Development/Modernization

1. Defense Working Capital Fund Accounting Systems Migration Strategy

Dollars in Thousands

	FY 2001		<u>Delta</u>
	<u>Pres Bud</u>	<u>Revised</u>	<u>Delta</u>
Automated Time, Attendance and Production System	700	700	0
Defense Industrial Financial Management System	20,319	17,400	-2,919
Standard Industrial Fund System	500	500	0
Material Financial Control System (PX02, PX04, PX06)	2,150	2,150	0
Standard Material Accounting System	4,349	4,349	0
Central Procurement Accounting System	328	0	-328
Defense Fuels Automated Management System	250	250	0
Columbus Working Capital Fund/Business Mgmt Redesign	4,200	7,730	3,530
Commodity Command Standard System	500	500	0
Standard Army Financial Inventory Accounting and Reporting	500	0	-500
Military Traffic Mgmt Command Financial Mgmt System	200	0	-200
Military Sealift Command Financial Management System	1,000	4500	3500

	<u>Pres Bud</u>	<u>Revised</u>	<u>Delta</u>
Airlift Service Industrial Fund Integrated Computer System	400	400	0
Industrial Fund Accounting System	624	0	-624
Defense Working Capital Accounting System	<u>7,000</u>	<u>5,000</u>	<u>-2,000</u>
Changes - DWCF Accounting Systems	43,020	43,479	-3,541

The changes are results of DFAS refining deployment costs for migratory systems, fully addressing the migration acquisition requirements and evaluating the future capital needs for legacy systems. The increase for Columbus Working Capital Fund/Business Management Redesign will support the initial acquisition and integration requirements which will replace the Defense Business Management System. The interface development requirements for Defense Industrial Financial Management System (DIFMS) were reassessed and several interface needs are not required. The initial deployment cost estimate for Defense Working Capital Accounting System (DWAS) has been reduced after deployment to initial sites. The legacy systems were individually evaluated and the proposed requirement did not meet the capital criteria. These legacy systems will use central design activity (CDA) maintenance funding to support maintenance changes until replaced by the standard systems. In addition, an increase to Military Sealift Command's Financial Management System (MSC-FMS) was provided in order to transition the Military Traffic Management Command's Financial Management System (MTMC-FMS) into the MSC-FMS.

2. General Accounting Fund Systems Migration Strategy

	Dollars in Thousands FY 2001		
	<u>Pres Bud</u>	<u>Revised</u>	<u>Delta</u>
Defense Integrated Financial System	100	100	0
Defense Integrated Financial System - Reengineered	1,958	600	-1,358
Base Level Accounts Receivable System	160	0	-160
General Accounting and Finance System	800	0	-800
General Accounting and Finance System - Reengineered	6,000	10,100	4,100
Standard Finance System	400	0	-400
Standard Operations and Maintenance, Army R&D Systems	400	0	-400
Defense Joint Accounting System	29,350	20,808	-8,542
Standard Accounting and Reporting System	4,150	4,450	300
Standard Accounting Budgeting and Reporting System	2,032	2,032	0
Program and Budget Accounting System - Program, Funds and Order Distribution System	796	0	-796
Defense Cash Accountability System	4,273	4,273	0
Defense Departmental Reporting System	6,271	6,271	0
Security Assistance Automated Reconciliation System	0	500	500
Nonappropriated Fund Information Standard System	<u>350</u>	<u>0</u>	<u>-350</u>
Changes - General Accounting Fund Systems	57,040	49,134	-7,906

The increase for General Accounting and Finance System – Reengineered (GAFS-R) supports the Air Force need for a standard accounting system. The increase supports a combined effort to expedite the development and deployment by DFAS and Air Force design activities and replace its legacy systems. The increase to Security Assistance Automated Reconciliation System will provide for a reconciliation of contract and accounting records to minimize negative unliquidated obligations and prepare for the conversion to the migration accounting and vendor/contract pay systems. The increase to Standard Accounting and Reporting System will support the tracking of electronic fund transfer and central contractor registration. The delay in site preparation of 125 Army sites and deployment to selected DoD Agencies will result in decreased requirements for the Defense Joint Accounting System (DJAS). DJAS will do prototype testing at Fort Benning in FY 2001. A change in strategy of Defense Integrated Financial System – Reengineered has initially delayed the development effort while the final solution, which is compliant with the DFAS Corporate Infrastructure, is reassessed. Currently, Program and Budget Accounting System – Program, Funds and Order Distribution System (PBAS-FD) is re-defining functional requirements and does not have an FY 2001 capital requirement. The General Accounting legacy systems were also evaluated and the proposed requirements did not meet the capital criteria. These legacy systems will use central design activity (CDA) maintenance funding to accomplish maintenance changes until replaced by the standards systems.

3. Administrative Systems Migration Strategy

	Dollars in Thousands FY 2001		
	<u>Pres Bud</u>	<u>Revised</u>	<u>Delta</u>
Credit Card 1099 - Misc. Reporting System	750	250	-500
Garnishment Support System	1,175	1,175	0
Electronic Document Management (EDM) Program	1,200	1,200	0
Office Automation	438	978	540
Resource Analysis Decision Support System	2,350	1,850	-500
Living Disaster Recovery Planning System	111	211	100
Operational Mongoose On-line	561	561	0
DFAS Corporate Database	7,810	12,965	5,155
DFAS Corporate Warehouse	4,352	4,352	0
Electronic Commerce/Electronic Data Interchange	<u>1,151</u>	<u>2,951</u>	<u>1,800</u>
Changes - Administrative Systems	19,898	26,493	6,595

The DFAS Corporate Database increases support additional system interface development for key migratory systems and DFAS infrastructure requirements. Also, DCD funding includes application and interface development for planned infrastructure release requirements. Increases for Electronic Commerce/Electronic Data Interchange support the modification of the Pay and Accounting Prevalidation modules to match obligation and disbursement data between the legacy accounting and entitlement systems. Office Automation funding provides for refresher capabilities of existing DFAS assets. The Credit Card 1099 and Resource Analysis Decision Support System requirements were reduced due to migratory efforts and limited capital functionality changes.

4. Disbursing Systems Migration Strategy

	Dollars in Thousands FY 2001		
	<u>Pres Bud</u>	<u>Revised</u>	<u>Delta</u>
Defense Standard Disbursing System	7,961	7,961	0
Deployable Disbursing System (UMIDS)	<u>700</u>	<u>2,600</u>	<u>1,900</u>
Changes - Disbursing Systems	8,661	10,561	1,900

This increase to Deployable Disbursing System (UMIDS) supports the accelerated development and deployment schedule to satisfy the Army requirements. This accelerated schedule will provide deployment of DDS for Army activities not covered by a current mobile disbursing system.

5. Military Pay Systems Migration Strategy

	Dollars in Thousands FY 2001		
	<u>Pres Bud</u>	<u>Revised</u>	<u>Delta</u>
Defense Joint Military Pay System - Active and Reserve Component	9,745	21,904	12,159
Marine Corps Total Force System	5,400	5,400	0
Defense Integrated Military Human Resources System	<u>12,400</u>	<u>12,400</u>	<u>0</u>
Changes - Military Pay Systems	27,545	39,704	12,159

The increase to Defense Joint Military Pay Systems reflects the requirements to enhance the current application to meet the Military Services' priorities and fully document the system to allow expedited system changes. Full documentation is also transferable to Defense Integrated Military Human Resources System requirements definition. The numerous manual workarounds required to supplement pending system changes have resulted in Service priorities and mandatory legislative requirements being delayed. The DFAS/Military Services' consensus is the DJMS must move into an enhancement mode to ensure high levels of military pay support until DIMHRS deployment.

6. Others Systems Migration Strategy

	Dollars in Thousands FY 2001		
	<u>Pres Bud</u>	<u>Revised</u>	<u>Delta</u>
Defense Debt Management System	765	765	0
Nonappropriated Funds Civilian Payroll System	383	383	0
Defense Civilian Pay System	7,676	7,676	0
Automated Disbursing System	200	0	-200
Defense Procurement Payment System	4,359	9,909	5,550
Defense Retired and Annuitant Pay System	2,266	2,766	500
Mechanization of Contract Administration Services	2,000	2,000	0
Integrated Accounts Payable System	651	0	-651
Computerized Accounts Payable System - Windows	300	0	-300
Defense Transportation Pay System	150	0	-150
System Inventory Database	109	109	0
Other Changes	<u>3,285</u>	<u>3,038</u>	<u>-247</u>
Changes - Other Systems	22,144	26,646	4,502

The Defense Procurement Payment System (DPPS) increase reflects changes to the level of user testing, implementation and training that are required to complete development and initiate deployment of DPPS. These funds also ensure accomplishment of financial compliancy certification requirements. The increase to Defense Retired and Annuitant Pay System (DRAS) provides for a development effort to implement the Severely Disabled Compensation program. The above legacy systems were evaluated and the proposed requirements did not meet the capital criteria. These legacy systems will use central design activity (CDA) maintenance funding to accomplish maintenance changes until replaced by the migratory systems.

FY 2002 AMENDED PRESIDENT'S BUDGET
DEFENSE FINANCE AND ACCOUNTING SERVICE
CAPITAL BUDGET EXHIBITS
INFORMATION SERVICES BUSINESS AREA

EXHIBIT FUND 9-a
DWCF ACTIVITY CAPITAL INVESTMENT SUMMARY

EXHIBIT FUND 9-b
ACTIVITY CAPITAL PURCHASE JUSTIFICATION
Automated Data Processing Equipment

EXHIBIT FUND 9-d
REALIGNMENT TO THE PRESIDENT'S BUDGET

Activity Capital Investment Summary

Component: Defense Finance and Accounting Service

Activity: Information Services

Date: June 2001

(\$ in Millions)

Item Description	FY 2000		FY 2001		FY 2002	
	Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
Equipment >\$100,000						
- Replacement						
- Productivity						
- New Mission						
Automated Data Processing Equipment >\$100,000		1.4		2.6		1.3
- Hardware & Software		1.4		2.6		1.3
- Telecommunications						
- Other						
Minor Construction >\$100,000 to <\$300,000						
Software Development >\$100,000						
TOTAL		1.4		2.6		1.3

Exhibit Fund-9a DWCF Activity Capital Investment Summary

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY 2002 Amended President's Budget					
B. Component/ Activity/ Date: Defense Finance and Accounting Service June 2001				C. Line No. & Item Description: Automated Data Processing Equipment (ADPE) > \$100,000			D. Activity Identification DFAS Sites					
Element of Cost	FY 00			FY 01			FY 02			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			1,400			2,638			1,251			

Narrative Justification:
 Capital funding for the Information Services business area will provide essential equipment to support their design/management mission. Examples of equipment to be produced in FY 2002 and FY 2003 include software products and tools in support of the Information Services mission. Specifically included in the budget request are the following.

	Total Capital (\$ in Thousands)	
	<u>FY 2002</u>	
Developer Tools	270	
Mid-Tier Platform Upgrades	681	
DCII	300	
Total	1,251	

**Defense Finance and Accounting Service
Budget Activity: Information Services
FY 2002 Amended President's Budget**

**Realignments to the FY 2001 President's Budget
DFAS Capital Budget**

	Dollars in Thousands		
	FY 2001		
	<u>Pres Bud</u>	<u>Revised</u>	<u>Delta</u>
<u>Equipment - ADPE & Telecommunications</u>	2,638	2,638	0

There was no change in the Information Services Capital Budget.