

**Fiscal Year 2014 Budget Estimates  
Defense Finance and Accounting Service**



April 2013

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**Defense Finance and Accounting Service  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2014 Budget Estimates**

Operation and Maintenance, Defense-Wide Summary (\$ in thousands)

**Budget Activity (BA) 4: Administration and Service-Wide Activities**

	FY 2012 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2013 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2014 <u>Estimate</u>
DFAS	0	0	17,513	17,513	333	-17,846	0

**I. Description of Operations Financed:** The Defense Finance and Accounting Service (DFAS), (<http://www.dfas.mil>) serves as the Executive Agent, responsible for finance and accounting activities within the Department of Defense (DoD).

Changes between FY 2013 and FY 2014: The DFAS FY 2013 funding will be transferred to other Defense-Wide Agencies for proper execution of the Department's Audit Readiness initiative. Funding has been allocated to the appropriate Defense Wide agencies to continue these activities in FY 2014 and beyond. DFAS will continue to support the Audit Readiness initiative through the agency's Working Capital Fund, obtaining revenue by charging its customers for the services it provides rather than being funded through direct appropriations.

Audit Readiness Initiative: In 2009, the Department presented a plan to meet the Congressional deadline for achieving audit ready financial statements by 2017. The plan focused first on achieving audit readiness for the information most used by DoD managers - budgetary information and counts and location of assets - but sought to achieve full audit readiness by FY 2017 as required by law.

In 2011, the Secretary issued new guidance, accelerating key elements of the audit readiness initiative and placing greater emphasis on the overall effort. The DoD now strives to attain audit readiness of key budget statements (the Statement of Budgetary Resources) by 2014, to increase the emphasis on asset audits, and to provide support to a

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**I. Description of Operations Financed (cont.)**

standard financial training and professional development program, while still achieving full audit readiness by FY 2017.

This strategy offers a more focused approach to achieving audit readiness by: concentrating on the information most used in managing the Department; providing managers auditable general-fund information to track spending and identify waste; and improving the way the Pentagon does business sooner, with greater efficiency.

**II. Force Structure Summary:**

**N/A**

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III. Financial Summary (\$ in thousands)

	FY 2013						FY 2014 <u>Estimate</u>
	FY 2012 <u>Actual</u>	Budget <u>Request</u>	<u>Congressional Action</u>			Current <u>Estimate</u>	
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>		
<b>A. BA Subactivities</b>							
Audits	0	6,621				6,621	0
Financial Management Certification Program	0	5,125				5,125	0
Process Review and Remediation	0	5,767				5,767	0
<b>Total</b>	<b>0</b>	<b>17,513</b>				<b>17,513</b>	<b>0</b>

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III. Financial Summary (\$ in thousands)

<b>B. <u>Reconciliation Summary</u></b>	<b>Change</b>	<b>Change</b>
	<b><u>FY 2013/FY 2013</u></b>	<b><u>FY 2013/FY 2014</u></b>
<b>Baseline Funding</b>	<b>17,513</b>	<b>17,513</b>
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
<b>Subtotal Appropriated Amount</b>	<b>17,513</b>	
Fact-of-Life Changes (2013 to 2013 Only)		
<b>Subtotal Baseline Funding</b>	<b>17,513</b>	
Supplemental		
Reprogrammings		
Price Changes		333
Functional Transfers		
Program Changes		-17,846
<b>Current Estimate</b>	<b>17,513</b>	
Less: Wartime Supplemental		
<b>Normalized Current Estimate</b>	<b>17,513</b>	

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**III. Financial Summary (\$ in thousands)**

	<b>Amount</b>	<b>Totals</b>
<b>C. Reconciliation of Increases and Decreases</b>		
<b>FY 2013 President's Budget Request (Amended, if applicable)</b>		<b>17,513</b>
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
<b>FY 2013 Appropriated Amount</b>		<b>17,513</b>
2. War-Related and Disaster Supplemental Appropriations		
3. Fact-of-Life Changes		
<b>FY 2013 Baseline Funding</b>		<b>17,513</b>
4. Reprogrammings (Requiring 1415 Actions)		
<b>Revised FY 2013 Estimate</b>		<b>17,513</b>
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		
<b>FY 2013 Normalized Current Estimate</b>		<b>17,513</b>
6. Price Change		333
7. Functional Transfers		
8. Program Increases		
a. Annualization of New FY 2013 Program		
b. One-Time FY 2014 Increases		
c. Program Growth in FY 2014		
9. Program Decreases		-17,846
a. Annualization of FY 2013 Program Decreases		
b. One-Time FY 2013 Increases		
c. Program Decreases in FY 2014		
1) Audit Readiness Initiative	-17,846	
The DFAS FY 2013 funding will be transferred to other Defense-Wide Agencies for proper execution of the Department's Audit Readiness initiative. Funding has been allocated to the appropriate Defense-Wide		

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**III. Financial Summary (\$ in thousands)**

**C. Reconciliation of Increases and Decreases**

agencies to continue these activities in FY 2014 and beyond.

(FY 2013 Baseline \$0; +0 FTEs)

**FY 2014 Budget Request**

**Amount**

**Totals**

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IV. Performance Criteria and Evaluation Summary:

N/A - all funds will be transferred in FY 13.

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V. Personnel Summary

N/A

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VI. OP 32 Line Items as Applicable (Dollars in thousands):

<u>OP 32 Line</u>	FY 2012	Change		FY 2013	Change		FY 2014
	<u>Actual</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>
989 Other Services	0	0	17,513	17,513	333	-17,846	0
<b>999 Total Other Purchases</b>	<b>0</b>	<b>0</b>	<b>17,513</b>	<b>17,513</b>	<b>333</b>	<b>-17,846</b>	<b>0</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>17,513</b>	<b>17,513</b>	<b>333</b>	<b>-17,846</b>	<b>0</b>