

ANNUAL REPORT

1980

JOINT FINANCIAL MANAGEMENT IMPROVEMENT PROGRAM

FOREWORD

The objective of the Joint Financial Management Improvement Program is to continually improve financial policies and practices throughout the public sector. One way to fulfill this objective is by coordinating and sharing information among managers throughout the Government. The publication of this annual report is an example of this effort to establish a managers' network within the financial management community.

This report describes the financial management activities undertaken during 1980 by the JFMIP and its principal agencies which are the General Accounting Office, the Office of Management and Budget, the Department of the Treasury and the Office of Personnel Management. In addition, the report highlights some of the major financial management improvements accomplished and currently underway in operating agencies throughout the Federal Government.

We hope that by exchanging this information, you will be able to make improvements within your own operations and learn through the efforts of others. We wish you success in your initiatives and endeavors to improve the efficiency and effectiveness of your financial operations and to provide better services to nonfinancial managers. We look forward to hearing about your accomplishments in the near future.

Susumu Uyeda
Executive Director
May 1981

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CHAPTER I

JOINT FINANCIAL MANAGEMENT IMPROVEMENT PROGRAM

A. BACKGROUND

The Joint Financial Management Improvement Program (JFMIP) is a joint and cooperative undertaking of the Office of Management and Budget, the General Accounting Office, the Department of the Treasury, and the Office of Personnel Management, working in cooperation with each other and with operating agencies to improve financial management practices. The Program was initiated in 1948 by the Secretary of the Treasury, the Director of the Bureau of the Budget, and the Comptroller General, and was given statutory authorization in the Budget and Accounting Procedures Act of 1950.

The overall objective of JFMIP is to improve and coordinate financial management policies and practices throughout the Government so that they will contribute significantly to the effective and efficient planning and operation of governmental programs. Leadership and guidance are provided by the four Principals of the Program--the Comptroller General of the United States, the Secretary of the Treasury, the Director of the Office of Management and Budget, and the Director of the Office of Personnel Management. The Program is administered by a Steering Committee, which is composed of representatives of the Principals, and the Executive Director of the JFMIP. Under the guidance of the Steering Committee, the Executive Director and his staff develop, direct and undertake programs and projects for JFMIP on a day-to-day basis. Appendix A is a listing of key officials and Appendix B lists the JFMIP staff members during 1980.

Achievement of financial management improvements depends heavily on the interest and active participation of personnel from the principal and operating agencies. The JFMIP plays a key role in mobilizing resources and coordinating cooperative efforts in the improvement of financial management practices. To fully achieve the necessary coordination and cooperation, the head of each Federal agency has designated a liaison official to serve as a point of contact on matters relating to the JFMIP. Agency liaison representatives are identified in our Financial Management Directory.

The JFMIP and its staff perform a variety of activities aimed at achieving its objective of financial management improvement. JFMIP reviews and coordinates central agencies' activities and policy promulgations to avoid possible

conflict, inconsistency, duplication and confusion. It acts as a clearinghouse for sharing and disseminating information about good financial management techniques and technologies. In this respect, JFMIP sponsors conferences and workshops, publishes a quarterly news bulletin, and prepares informative documents on good financial management practices. Working closely with agency liaison representatives, JFMIP reviews the financial management efforts of the operating agencies and serves as a catalyst for further improvements.

In addition, JFMIP undertakes special studies and research projects of a Government-wide nature to resolve specific problems. Such projects are carried out through interagency project teams from both principal and operating agencies. Sometimes, project teams include representatives of State and local governments, depending on the nature of the projects. JFMIP also provides advisory services in dealing with specific financial management problems. These problems may be dealt with by referral to a source of expertise, by assignment to the principal agencies, or by informal consultation.

During the past year, the JFMIP staff and the principal agencies--the Office of Management and Budget, the Department of the Treasury, the General Accounting Office, and the Office of Personnel Management--have undertaken many activities to improve financial management. In the balance of this section, some of their major accomplishments and initiatives are highlighted.

B. JOINT FINANCIAL MANAGEMENT IMPROVEMENT PROGRAM STAFF

1. Special Projects Completed in 1980

Roles and Responsibilities of Certifying Officers.

The report, Assuring Accurate and Legal Payments--The Roles of Certifying Officers in Federal Government, was issued in June 1980. The report contains recommendations that will enable certifying officers (and disbursing officers in the Department of Defense) to fulfill their roles more effectively and with greater assurance. The recommendations cover steps to improve internal control over activities leading to Government payments, particularly in systems that have become very large, complex and sophisticated, using computer and telecommunications technology. It also suggests ways to monitor corrective actions when payment systems are found to be ineffective. The Office of Management and Budget is initiating action to incorporate these recommendations in a future circular on internal controls. Appendix C lists the members of the interagency project team who undertook this study.

Study of Financial Reports. The JFMIP completed a review of several agency financial reports and their management use, and published a case study booklet entitled Managers: Are You Looking for More Meaningful Financial Reports? The booklet presents examples of some useful financial reports. These examples illustrate how effective financial reports can provide management with the right information at the right time for better decisionmaking. It is hoped that agencies will study and learn from these "model" reports when designing or redesigning their own financial management information systems.

Financial Managers Directory. Each year, the JFMIP updates the Federal Financial Management Directory as a service to the financial management community. The directory is intended to facilitate the interchange of financial management information among Federal agency officials and thus aid in the development of intragovernmental cooperation among people engaged in financial management activities.

2. Projects Underway

Financial Handbook for Nonfinancial Executives. JFMIP is preparing a handbook to help nonfinancial managers understand financial management. The handbook provides background material on a series of financial management topics using simple and nontechnical terms as much as possible. Some of the major topics covered are budget preparation, accounting systems, administrative control of funds, and auditing. It also contains a series of questions that top executives may ask their financial managers to help familiarize themselves with the various topics, pinpoint potential problem areas, establish plans to improve financial management, and emphasize top management interest and reliance on financial management.

Single Audit Steering Committee. An intergovernmental Single Audit Steering Committee has been organized under the sponsorship of the Joint Financial Management Improvement Program. The purpose of the Steering Committee is to facilitate the implementation of the single audit approach by resolving and disseminating solutions to implementation problems. The Committee consists of a JFMIP representative, 3 Federal Inspectors General, 2 State government auditors and 2 local government auditors. Appendix D lists the members of the Committee.



Pictured above are the Committee members and other liaison personnel: (seated) A. Reynolds and D. Scantlebury, (standing) J. Neiberger, S. Uyeda, D. Paul, J. Thomas, E. Davenport, J. Antonio, H. Dorrian, F. Sato, and T. Hayes.

Study on Pass-Through Grant Data. JFMIP initiated a study of the capability, practicality and feasibility of tracking Federal assistance that is subgranted or passed through to others by the primary recipients. Such information is of value to members of the Congress, managers and auditors at all levels of government, as well as public interest groups and other organizations. The study is part of OMB's developmental effort on the Federal Assistance Award Data System (FAADS). FAADS provides a mechanism for the collection of uniform information on Federal domestic financial assistance actions.

Productivity Measurement System--Pilot Tested. The Department of Commerce completed a four-week pilot test of a productivity measurement system for financial and accounting offices. The system was developed by an interagency project team with representatives from the Office of the Secretary of Commerce, the Economic Development Administration, and the Maritime Administration, the Office of Personnel Management and the JFMIP. The system utilizes a random work sampling technique to compile labor time for input and utilizes existing systems to collect output measures to generate productivity data for managers. Commerce planned to implement the system in April 1981. OPM and JFMIP will be working with other interested agencies to implement this or similar systems in fiscal year 1982.

Case Studies of Productivity Measurement Systems in Accounting and Finance Offices. JFMIP is summarizing several examples of productivity measurement systems in Federal accounting and finance offices. The different systems being described should aid financial managers in the development of their own productivity measurement systems.

Booklet on Federal Civilian Payroll Systems. JFMIP has initiated a study to describe and compare various financial management subsystems, so that agencies can share useful information and prevent duplication of effort in systems design, development and implementation. Information on 21 civilian payroll systems is being collected and summarized. A booklet will be prepared to describe basic features of the systems in a comprehensive chart format and highlight the special, unusual or innovative features of the systems in narrative form.



Pictured above are the project team members from JFMIP: (from left to right) John Rushworth, Thomas Fisher and Joseph Neiberger.

3. Annual Financial Management Conference

The JFMIP sponsors a Financial Management Conference each year to enhance the spirit of cooperation among Federal agencies and to share new ideas and developments in financial management. The Ninth Annual Financial Management Conference, with the theme of "A New Decade--The Outlook for Financial Management," was held on March 3, 1980, in Washington, D.C.

Mr. H. James Decker, State Budget Director, State of Delaware, emphasized the need to improve intergovernmental relationships particularly in the area of federally assisted programs. Although many improvements have been made during the past 20 years he hoped that the Federal Government would devote more time to improving and streamlining the administration and the administrative requirements of federally assisted programs.

Dr. Joan S. Wallace, Assistant Secretary for Administration, Department of Agriculture, stressed the rewarding experience that can be obtained through accepting the financial management challenges of the 1980's. She stated that greater strides should be made in various areas of financial management through advanced technology. With the utilization of minicomputers and telecommunication networks, the trend is towards decentralization and distributed processing. She suggested additional areas for OMB's Financial Priorities Program including inventory management, safeguarding of assets, full disclosure of contingent liabilities, and improved budgeting through modeling and simulation techniques.

Mr. Elmer B. Staats, Comptroller General of the United States, emphasized the need for Government managers to utilize accounting and financial information to make better decisions. He discussed some of the problems that Government managers have because of the lack of the right kind of information. He pointed out that managers should get involved in making sure that their financial information systems are effective and working properly. He also stressed that financial managers can provide good, sound financial and programmatic information for decisionmakers so that greater efficiency, economy and effectiveness can be achieved within their agencies.

During the luncheon session, Gerald Murphy, Deputy Fiscal Assistant Secretary of the Department of the Treasury and Elmer B. Staats, Comptroller General of the United States, presented the Financial Management Improvement Awards for 1979 to:

- June Gibbs Brown, Inspector General, Department of the Interior, for her dynamic leadership in establishing an effective Office of the Inspector General at Interior and her outstanding leadership in designing and developing financial systems, and
- Anthony Piccirilli, Auditor General, Rhode Island, for his outstanding leadership and accomplishments in the

area of audit both in the State of Rhode Island and the New England region.



Pictured above at the 1980 Conference were: (seated) James Gregg (OPM), Dr. Ray Brown, June Gibbs Brown (Interior), Barbara Piccirilli, and Anthony Piccirilli (Rhode Island); (standing) James Decker (Delaware), Gerald Murphy (Treasury), Donald Scantlebury (GAO), Susumu Uyeda (JFMIP), Elmer Staats (GAO), John White (OMB), and John Lordan (OMB).

Four workshops were held covering the following topics:

- "Internal Control, Fraud Prevention and Accountability," led by John F. Simonette, General Accounting Office;
- "Improving Financial Management Through the Financial Priorities Program," led by John J. Lordan, Office of Management and Budget;
- "Office of the Inspector General After One Year of Operation," led by June Gibbs Brown, Department of the Interior, and
- "Improving Productivity In Financial Management," led by Blair Ewing, Office of Personnel Management.

4. JFMIP Workshops

Periodically, the Joint Financial Management Improvement Program sponsors workshops on current technical issues. A Debt Collection workshop was held in April 1980, to emphasize the recent initiatives to improve debt collection practices in the Federal Government. Recommendations on how agencies can improve their debt collection procedures were made by officials from the Office of Management and Budget, General Accounting Office, Department of Agriculture, Internal Revenue Service and Veterans Administration.

The JFMIP and the Office of Personnel Management cosponsored a two-day workshop on "Improving Productivity in Accounting and Finance Operations," in September 1980. This workshop served as a forum for financial managers to share their experiences and information on productivity measurement systems, automated techniques and procedures to improve productivity, and the effective use of incentives to motivate employees.

The JFMIP and the Capital Region Chapters of the Association of Government Accountants cosponsored a two-day Internal Control seminar in Washington, D.C., in November 1980. An in-depth analysis of the conceptual framework of internal control and its objectives, as well as current initiatives and future plans concerning internal control systems in the Government were addressed.

JFMIP has actively participated in conferences and symposiums sponsored by other Federal agencies and private organizations. Presentations on such subjects as JFMIP, single audit concept, Federal grant administration, internal controls and other financial matters were given. JFMIP continues to participate, with observer status, in the meetings of the National Intergovernmental Audit Forum.

5. Agency Meetings

During the past year, JFMIP has met with top financial management personnel from major departments and agencies to learn about agency concerns, problems and initiatives in financial management. These visitations enable JFMIP to bring together agencies that are working, or have worked, on similar projects for the purpose of sharing and exchanging experiences and knowledge. Through this cross-fertilization effort, we hope to minimize systems developmental costs and to elevate the quality of the financial management systems. Meetings were held with the following organizations:

Community Services Administration
 Federal Trade Commission
 Health and Human Services, Department of
 Housing and Urban Development, Department of
 Interior, Department of the
 Justice, Department of
 National Aeronautics and Space Administration
 State, Department of
 Tennessee Valley Authority
 Transportation, Department of
 United States Postal Service

In 1980, JFMIP also met with officials from India and Japan.

C. GENERAL ACCOUNTING OFFICE (GAO)

1. Review of Federal Government Program Management

During the past year, GAO completed many studies that resulted in savings, improvements in Government operations, and increased effectiveness of Government programs and activities. Table 1 shows the number of audit reports, by major audit area, issued during fiscal year 1980.

TABLE 1

AUDIT REPORTS ISSUED DURING FISCAL YEAR 1980 ^{1/}

	<u>Number of Reports</u>
Administration of Justice	24
Agriculture	20
Automatic Data Processing	16
Commerce and Housing Credit	17
Community and Regional Development	35
Congressional Information Services	4
Education, Training, Employment & Social Services	29
Energy	104
Financial Management & Information Systems	58
General Government	115
General Purpose Fiscal Assistance	10
General Science, Space & Technology	15
Health	47

^{1/} Except of reports classified for national security reasons.

Impoundment Control Act of 1974	22
Income Security	38
International Affairs	43
National Defense	208
National Resources & Environment	52
Non-Discrimination & Equal Opportunity	7
Procurement Other Than Defense	19
Transportation	44
Veterans Benefits and Services	<u>7</u>
TOTAL	<u>934</u>

The total effect of GAO's activities on financial savings, improvements in operations, and effectiveness of Government programs and activities cannot be measured. However, the amounts of collections and other measurable savings attributable to the work of the GAO for fiscal year 1980 are summarized in the following tabulations:

<u>Savings through</u>	<u>Amount in Thousands</u>
Collections	\$ 69,552
Congressional Actions	1,699,989
Agency Actions	<u>1,957,404</u>
Total	<u>\$3,726,945</u>

Of this total, \$2.8 billion represent one-time savings, while the benefits of the other \$900 million will extend into future years.

Some financial management areas of GAO reviews are highlighted below. For further information on these and other GAO studies, see the United States General Accounting Office Annual Report for 1980.

Internal Controls over Disbursements and Other Major Functions. GAO disclosed that administrative and financial accounting controls needed to be improved in many Federal departments and agencies, as well as at organizations receiving Federal funds, to carry out specific programs. Control weaknesses were found in practically all functions performed by the organizations visited. Fiscal officials at the agencies reviewed agreed to take actions to strengthen internal control over operations. As a result of these reviews, significant savings were achieved with the help of agency officials, including:

--Cancellation of \$3.4 million of vehicles that were erroneously ordered and

--Reduction of \$415,000 of materials unnecessarily furnished to contractors.

Pricing, Billing and Collection Systems. GAO found that accounting systems were not adequate to ensure that amounts owed the Federal Government were fully and promptly collected by the responsible department or agency. GAO identified many actions that have been taken or were planned by agencies to improve operations, for example,

--About \$18 million was recovered by rebilling for costs of using Government facilities and

--Another \$42 million will be saved annually as a result of a change to a department's pricing system.

Cash Management. Many GAO reports showed that cash management still needs attention by Federal managers. There is a need to improve the timing of disbursements to recipients of Federal funds and to monitor recipients' cash balances to ensure that they do not have more cash than they need to operate. Some of the savings resulting from agencies' and/or recipients' actions include:

--The recovery of about \$8 million of excess cash from selected grantees,

--The reduction of \$11.8 million in cash balances held by Federal accounting and finance offices resulting in a decrease of about \$900,000 in borrowing costs, and

--The improvement of cash management procedures for remitting payments to insurers for Federal Employee Health Benefits and Group Life Insurance resulting in a savings of about \$4.6 million, annually.

Management of Federal Computer Systems. GAO undertook reviews of the management of computer systems, which highlighted problems with obsolescence of hardware and software, system conversions, management of resources and the procurement of computer systems. As a result of one audit, a department redirected a computer system procurement and will save about \$800 million over the system's life cycle.

Productivity Improvement. GAO issued a report which described how improving the productivity of Federal payment centers could save millions of dollars. They found that

productivity rates in the vendor bill payment function varied by as much as 600 percent among the 22 representative payment centers reviewed. GAO also found that a lack of emphasis on productivity and measurement systems is the primary cause of low productivity among most of the payment centers studied and identified millions of dollars of savings in labor costs that could be achieved by developing measures of productivity and implementing identified techniques.

2. Approval of Accounting Systems

As part of its overall responsibility under the Budget and Accounting Procedures Act of 1950, GAO must approve agencies' principles and standards, and accounting system designs.

During the past fiscal year, GAO reviewed portions or certain aspects of the operations of 67 accounting systems. It approved 5 statements of accounting principles and standards, 2 of which were reapprovals. GAO also approved the designs of 9 accounting systems, 5 of which were in the Department of Defense. As of September 30, 1980, principles and standards for 297 of the 301 accounting systems had been approved, and 193 of the 301 designs had been approved. Details are presented in Table 2.

TABLE 2

STATUS OF ACCOUNTING SYSTEMS APPROVAL
AS OF SEPTEMBER 30, 1980

	Subject To <u>Approval</u>	Principles and Standards		System Designs	
		<u>Approved</u>	<u>Unapproved</u>	<u>Approved</u>	<u>Unapproved</u>
<u>CIVIL DEPARTMENTS</u>					
<u>AND AGENCIES:</u>					
Agriculture	6	6	-	3	3
Commerce	8	8	-	7	1
Education	3	2	1	2	1
Energy	7	7	-	4	3
Health and Human Services	29	29	-	6	23
Housing and Urban Development	2	2	-	1	1
Interior	15	15	-	11	4
International Development Agency	4	4	-	1	3
Justice	11	11	-	10	1
Labor	2	2	-	2	-

State	8	8	-	4	4
Transportation	9	9	-	7	2
Treasury	20	20	-	18	2
General Services Administration	9	9	-	3	6
Veterans Administration	8	8	-	7	1
Other agencies	<u>54</u>	<u>51</u>	<u>3</u>	<u>34</u>	<u>20</u>
Total Civil	<u>195</u>	<u>191</u>	<u>4</u>	<u>120</u>	<u>75</u>
Percent	<u>100</u>	<u>98</u>	<u>2</u>	<u>62</u>	<u>38</u>

DEPARTMENT OF DEFENSE:

Air Force	29	29	-	25	4
Army	14	14	-	9	5
Navy (including Marine Corps)	45	45	-	30	15
Defense agencies	<u>17</u>	<u>17</u>	<u>-</u>	<u>9</u>	<u>8</u>
Total Defense	<u>105</u>	<u>105</u>	<u>-</u>	<u>73</u>	<u>32</u>
Percent	<u>100</u>	<u>100</u>	<u>-</u>	<u>70</u>	<u>30</u>

DISTRICT OF COLUMBIA GOVERNMENT: *

	1	1	-	-	1
Grand Total	<u>301</u>	<u>297</u>	<u>4</u>	<u>193</u>	<u>108</u>
Percent	<u>100</u>	<u>99</u>	<u>1</u>	<u>64</u>	<u>36</u>

*Actual number of accounting systems not yet determined.

3. Accounting Standards and Procedures

The GAO revised guidelines in Title 6, Pay, Leave and Allowances, and issued for comment a draft of revised Title 7, Fiscal Procedures of the GAO Policy and Procedures Manual for Guidance of Federal Agencies.

In addition, GAO began reexamining the current accounting and financial reporting standards for the Federal sector--Title 2 of GAO's Policy and Procedures Manual for

Guidance of Federal Agencies. The goal of this project is to enhance the usefulness of reported financial information. As a part of this effort, accounting and financial reporting requirements are being organized and structured under two major sections--theory and practice. Currently, the theory component (referred to as the conceptual framework) is being developed. Once that is completed, work will begin on the practice requirements. Two exposure drafts on subsections of the conceptual framework were published and distributed for Federal agency comments.

4. Auditing Standards and Guidelines

GAO is revising the book on standards for audit of Governmental organizations, programs, activities and functions. The standards are being revised to:

- Expand the explanations of some standards in response to questions received about them,
- Incorporate standards relating to audits in which automatic data processing systems are used, and
- Add a standard to specify the auditor's responsibility for the detection of fraud and abuse in Government programs and operations.

As part of an overall program of improving Government accountability, "Guidelines for Financial and Compliance Audits of Federally Assisted Programs" was issued in February 1980. This audit guide replaces over 100 audit guides previously issued by individual Federal agencies. One of the barriers which has inhibited the accomplishment of a single organization-wide audit, that will satisfy all Federal agencies, is the multiplicity of audit guides which Federal agencies have prepared for use in auditing their own assistance programs. A single, standard audit guide can now be used during an organization-wide audit of recipients of Federal assistance, and the audit results can be relied upon by all Federal agencies concerned.

D. OFFICE OF MANAGEMENT AND BUDGET (OMB)

1. Audit Improvements

Over the past year, the Office of Management and Budget, the General Accounting Office (GAO) and the Federal grant-making agencies have made significant strides in improving the audit process for ensuring the integrity and increasing the level of accountability for Federal assistance funds. Some of the major steps taken are as follows:

Uniform Audit Guidelines. In February 1980, the OMB and GAO issued "Guidelines for Financial and Compliance Audits of Federally Assisted Programs." This audit guide should eliminate one of the major barriers which inhibited the accomplishment of an organization-wide audit.

Compliance Guidelines. In August 1980, OMB issued a supplement to the uniform audit guidelines. The supplement presents information on the major compliance features of 60 programs that make up over 90 percent of Federal aid to State and local governments. It summarizes information previously available only in many thousands of pages of laws and regulations. It facilitates the audit process, thus extending audit coverage with existing personnel.

Responsibility for Audits of State and Local Governments. In October 1980, OMB issued a list identifying approximately 800 State departments and agencies that are major recipients of Federal funds and assigned a "cognizant" Federal agency to each of them. The Federal cognizant agency responsibilities for oversight and review of the organization-wide audits are set forth in Attachment P to OMB Circular A-102. OMB is developing an automated system to simplify assignment of cognizance to units of government.

Community Action Agencies. In December 1980, OMB designated the Community Services Administration as the cognizant Federal agency for monitoring single audits of private nonprofit Community Action Agencies and extended the requirement of OMB Circular A-102, Attachment P, to this group of recipients.

Local Governments. OMB is working on cognizant agency assignments for local governments. With the assistance of the International City Management Association, OMB is developing a data base for such assignments. In developing the above policy changes and technical material, OMB worked very closely with and received the assistance of the Federal Inspectors General, State and local government officials, the General Accounting Office and Committees of the Congress.

2. Financial Priorities Program

OMB developed an automated system for tracking agency efforts under the Financial Priorities Program. This system will allow OMB to monitor agency progress against goals set in prior years, make comparisons between agencies and determine how well the Government, as a whole, is doing on financial priority areas such as GAO approval of accounting systems, internal control, and cash management. The Program

is designed to promote financial management improvements through cooperation among OMB, GAO and agency managements. Such improvements are accomplished through the budget process, and special projects such as the Cash Management Project, the Debt Collection Project, the Internal Control Task Force, and GAO's Accounting Systems Review Panel.

Progress has been made in many of the priority areas. The backlog of unresolved audit findings has been substantially reduced. Letters of credit are now used for over \$100 billion in Federal aid. The Cash Management Project issued a report recommending ways that agencies can improve their cash management practices. Expected annual savings total almost \$1 billion. Continued monitoring, which is essential to ensuring success in cash management, will take place under the Financial Priorities Program.

An interagency Internal Control Task Force was established to assist OMB in drafting a circular to adopt a firm policy requiring comprehensive internal controls against fraud, theft, waste and misuse of resources. The task force recommended that the circular require agencies to review internal control systems on a cyclical basis. A proposed circular was issued for comment in the Federal Register in December 1980.

3. Debt Collection Project

The Debt Collection Project team, consisting of representatives from both the Government and the private sector, conducted an extensive review of credit management and debt collection practices in twenty-four agencies. These agencies account for over 95 percent of the \$175 billion in domestic and foreign debt owed to the Government.

Statistics indicate that \$25.3 billion or 14 percent of the debts owed to the Government are delinquent or in default. Some of the findings of the study include:

- Records and systems do not exist for use in effective management and collection of receivables,
- Collection of receivables is generally given a very low priority in the allocation of staff resources,
- Contracts for the sale of Government materials and services often do not reflect normal business credit terms and commercial practices,

- Most agencies have not imposed interest and penalties on overdue accounts, and
- Most agencies do not have the authority to use private sector tools such as credit bureaus and collection agencies.

Agencies have started to make improvements in their credit management and debt collection processes, but more has to be done. Some of the recommendations made by the project team to resolve Government-wide issues include:

- Making Government managers accountable for their performance in management of receivables,
- Ensuring that Government managers have the resources necessary to perform effectively in these areas,
- Providing Government managers with the tools available to the private sector, and
- Providing for more effective OMB oversight on receivables management within the agencies.

4. Guide to Financial Management of Federal Aid

In February 1980, OMB issued a booklet describing in simple terms the OMB circulars which deal with the financial management of Federal aid programs. These circulars provide uniform requirements on recipients of Federal assistance. The circulars cover recipients in two broad groups: (a) State and local governments, and (b) universities, hospitals and other nonprofit organizations. The booklet's purpose is to provide a brief overview of the various requirements, and it is not intended to be a substitute for the circulars.

5. Federal Agencies Responsible for Approval of Cost Allocation Plans and Other Cost Proposals of State and Local Governments

An updated list of Federal agency assignments for administering OMB Circular A-87, "Cost Principles Applicable to Grants and Contracts with State and Local Governments" was issued. The Circular establishes principles and standards for determining the allowable costs of programs administered by State and local governments. It also provides instructions and guidance for the negotiation, approval, and audit of cost allocation plans and indirect cost proposals.

6. New Cost Rules for Grants to Nonprofit Organizations

To further streamline Federal aid and strengthen accountability for grant funds, OMB issued new rules for determining costs of Federal grants to nonprofit organizations in OMB Circular A-122. The rules affect organizations such as community action agencies, volunteer groups, philanthropic organizations and professional associations. These nonprofit organizations receive over \$3 billion a year in Federal aid. Under the rules, nonprofit organizations will have to comply with only one set of cost principles. In the past, each Federal agency established its own rules, and nonprofit organizations had to contend with inconsistent or conflicting requirements.

7. Conference on Cost Principles for Aid to States and Local Governments

The Office of Management and Budget and major State and local associations jointly sponsored a conference, "Accountability for Federal Aid: OMB Circular A-87," for two days in February 1980. Almost 300 persons from Federal, State, and local governments attended the conference for the purpose of discussing and evaluating problems encountered with the Circular, which covers cost principles for grants and contracts with State and local governments.

Based on recommendations made during the conference, OMB has:

- Issued changes to the Circular in the Federal Register relative to the allowability of interest cost and travel cost for certain elected government officials,
- Updated the list of cognizance assignments and agreed to work with Federal agencies on staffing needs for the review and approval of cost allocation plans, and
- Agreed to put together a work group to address individual issues raised at the conference and to consider a comprehensive revision of the cost principles.

8. Budgeting/Multi-Year Planning

The 1982 Budget is the fourth prepared by OMB using zero-base budgeting techniques. This technique has helped managers undertake a systematic and careful examination of programs at various funding levels, clearly identify priorities, set objectives and develop alternative methods

for carrying out agency missions. In particular, the use of rankings improved budget review both in the agencies and the OMB.

A multi-year planning system was used so that policy-makers are able to consider the longer-term effects of alternative policies in making their decisions. The system indicates the "out-year" effects of current decisions. The system insures that the long-term consequences of programmatic changes and proposals are identified throughout the decisionmaking process.

9. Control of Federal Credit Activities

With the growing concern over Federal credit activities by the Congress and the Administration, OMB has implemented a system to monitor Federal credit activities and has expanded the reporting of this activity in its budget documents. Increased emphasis has also been placed on determining the appropriate credit levels for individual programs and on the relationship of aggregate Federal credit levels to economic factors. There are three long-range goals of the new system:

- At the program level, the system should ensure that credit programs meet the purposes for which they are intended, that they do so effectively, and that the level of resources is justified,
- The system should result in closer examination of allocation of credit and real resources across broad sectors of the economy, and
- The system should encourage more careful consideration of the total impact of Federal credit activity on the economy as a whole, on borrowing needs of the private sector, and on economic growth, inflation and employment.

E. DEPARTMENT OF THE TREASURY

1. Cash Management

The Department of the Treasury reported significant improvements in the area of cash management for fiscal year 1980. Through Treasury's initiatives the stated objectives of accelerated collection of receipts, prompt deposits, and investment of surplus operating cash were achieved, and the average daily availability of funds was increased. Some of the projects contributing to the achievement of these objectives are discussed in the following paragraphs.

Treasury Financial Communications System. The use of Treasury's Financial Communications System, which permits agencies to receive collections and make payments electronically, increased significantly in fiscal year 1980. There were 14 programs added to the system; total dollar receipts increased \$6.3 billion to \$70 billion and payments increased \$17.7 billion to \$56 billion.

Using the conservative estimate that funds received electronically are available on the average of three days earlier than with paper transactions, savings are estimated at \$105 million for fiscal year 1980. Payments through the communications system make it possible to know when a disbursement is accomplished and precludes the necessity to reserve funds for the period from when a check is issued until it is charged against Treasury's account at a Federal Reserve Bank or Branch. (Charles Schwan, 566-8488.)

Lock Box Collection System. Treasury has initiated a number of preliminary measures to implement lock boxes for Government agency receipts. The lock box arrangements are planned for fiscal year 1981 by the following: the U.S. Customs Regional Office, Los Angeles, California, with an estimated annual flow of \$30 million; the Farmers Home Administration, St. Louis, Missouri, with an estimated annual flow of \$960 million; and the Health Care Financing Administration with an estimated annual flow of \$103 million. It is estimated that the Government will realize annual savings in excess of \$3.3 million from the three lock box arrangements. (Charles Schwan, 566-8488.)

Letter of Credit - Treasury Financial Communications System. Treasury implemented the Letter of Credit - Treasury Financial Communications System for making advance payments to recipient organizations through electronic funds transfer. This application, utilizing the Treasury Financial Communications System and the Federal Reserve Communications System, enables the electronic transmission of requests for funds and related transfer and rejection messages. Key features of the system are guaranteed payment time and preaudit of requests for funds. The primary purpose of this System is to time letter-of-credit advances to more closely coincide with recipient organization's disbursement needs, thus increasing the average daily availability of funds to Treasury. When fully implemented, the system will provide at least a one-day delay in average letter-of-credit outflow which at the fiscal year 1980 activity level of \$112 billion translates into an increase of approximately \$450 million in daily availability.

During fiscal year 1980, the system was expanded geographically to the Federal Reserve Districts of Atlanta, Dallas and Chicago, and was implemented in the Department of Health and Human Services. At the end of fiscal year 1980, there were 79 letters of credit representing over \$4 billion in estimated annual flows converted to this system. Future plans include an evaluation of the system in fiscal year 1981, establishment of a nationwide capability in fiscal year 1982, and full conversion by fiscal year 1985. (Helen Sherman, 566-8251.)

Treasury Tax and Loan Investment Program. The Treasury Tax and Loan Investment Program resulted in revenues to the Treasury of about \$875 million for fiscal year 1980. During that same period over \$27.5 million in fees were earned by depository institutions for services provided in conjunction with the Investment Program.

Treasury accomplished the following system improvements during the year: (a) implementation of an improved system to ensure that depository institutions properly secure tax and loan balances under the Investment Program; (b) coordination with the Internal Revenue Service to improve handling of Federal tax deposits improperly sent by taxpayers to the Internal Revenue Service centers; (c) initiation of work to improve the necessary procedures for processing adjustments under the Investment Program; and (d) revisions of procedures to allow qualified note option depositories to participate when Treasury offers its excess operating cash for investment purposes. (Paul Wohlleben, 566-5125.)

Modern Banking Arrangements. During fiscal year 1980, Treasury competitively selected commercial banks to handle deposits of three Government agencies: (a) the U.S. Forest Service in Lufkin, Texas, with an estimated annual deposit flow of \$6 million; (b) the Terminal Island Customhouse in Los Angeles with an estimated annual deposit flow of \$500 million; and (c) the Brookhaven Internal Revenue Service Center in New York with an estimated annual deposit flow of \$8.3 billion. Treasury realized an estimated savings of \$1.3 million through this competitive bidding process. (Charles Schwan, 566-8488.)

2. Accounting Procedures and Systems

Several significant improvements in accounting procedures and systems accomplished by Treasury during fiscal year 1980 are discussed in the following paragraphs.

Financial Accounting and Reporting System. The Financial Accounting and Reporting System, implemented on April 1, 1980, is designed to automate the accounting and reporting of accounts receivable in the Division of Check Claims. The accounts represent the Treasury's receivables for U.S. Treasury check forgeries, double payments of original and substitute checks, and altered checks. Prior to the implementation of this system, the accounting was accomplished through the manual matching of the receivable and collection for each check. (Richard Szot, 447-1003.)

Social Security Trust Funds. An accounting procedure was adopted which provided that the Social Security Administration would draw funds daily instead of weekly from the Old-Age and Disability Trust Funds to cover benefit payments. This procedure allows the Trust Funds to increase their interest earnings by retaining their investments until funds are actually needed. Prior to this procedure, estimates of funds needed for benefit payments were disinvested on a weekly basis prior to their actual need. Interest earnings were therefore reduced due to the early disinvestment. (Richard Buschman, 566-5613.)

Treasury Fiscal Requirements Manual. Some of the changes made in the Treasury Fiscal Requirements Manual that will result in cost savings and benefits to agencies throughout the Government include:-

- Procedures on nonexpenditure transactions were simplified by discontinuing the use of surplus, restoration, and other warrants.
- Accrued expenditure reporting requirements were eliminated resulting in significant time and cost savings to Treasury and reporting agencies.
- Federal agency cash management was improved through revised procedures which provide due dates of less than 30 days from the date of the invoice for amounts owed the Government; prescribe late charges on overdue payments to be applied and collected at a rate based on the current value of funds to the Treasury; require that payment terms be specified in all contracts, purchase orders, and other procurement arrangements when purchasing goods or services from organizations outside the United States Government; and provide for a formula to be used in determining if prompt payment discounts are cost effective. (Charles White, 566-8543.)

Book on Agency's Fiscal Responsibilities. Treasury published a book entitled Federal Financial Transactions that provides an overview of agency fiscal responsibilities for reporting to Treasury on payment and collection activities, and of Treasury's central accounting system. The book is designed for use in the orientation and training of Federal employees involved in the payment and collection processes and as a quick reference on Government fiscal activities. (Richard Green, 566-8374.)

F. OFFICE OF PERSONNEL MANAGEMENT (OPM)

1. Productivity Improvement

OPM has defined productivity as increased usefulness and effectiveness of Government services or products; increased responsiveness to public needs; decreased costs and decreased response time. OPM has established several approaches to help Federal agencies improve their productivity.

Consulting Services. Through its Office of Consulting Services, OPM offers services in management consulting, referral and information transfer to link agencies with expert help and successful management approaches. It also offers training to assess agency needs, identify resources, and develop plans to upgrade staff capabilities. A sampling of the financial management projects undertaken through this effort are described below.

At the request of an agency, the Office undertook a study aimed at improving and simplifying financial information. Findings disclosed that the accounting system was not classifying financial data by the approved budget activity and program structure of the agency. Recommendations were made to establish a management accounts structure within the accounting system which conforms to the approved budget activity, program and special project structures. This would enable the agency to improve budgetary control, and the management of operations, as well as report on performance.

To assist in the transition effort for establishing the Department of Education, the Office undertook a consulting project to analyze the agency's financial management system. This review identified problems, recommended solutions, investigated model system components of other agencies for application, and otherwise provided advice to enhance the financial management capabilities.

The Office entered into a consulting agreement with another agency to provide a staff member to coordinate and

provide technical assistance in the documentation of the agency's accounting system for GAO approval. Additionally, the staff member is coordinating efforts to correct identified deficiencies in the current accounting system, and assisting in the implementation of an automated resources/program management system.

Exemplary Practices. OPM has launched the Exemplary Practices Program in Federal Productivity to identify, document, and disseminate productivity improvements and practices in Federal agencies. OPM reviews and describes the improvements in a series of publications disseminated through its Productivity Resource Center. This Program will help ensure that the insight and experience gained through successful productivity practices will be available to other potential users throughout the Government.

The Program has documented examples covering a wide spectrum of productivity efforts including capital investment, equipment maintenance, case management, and financial and accounting processes. Several examples of financial management improvement selected for the Exemplary Practices Program are summarized below.

The National Finance Center of the Department of Agriculture has made significant productivity improvements since it was created in 1973. The Center uses a centralized approach to processing, recording and reporting financial information to the Services and Bureaus in that Department. Through this approach, the Center has doubled the number of documents processed per staff year within the past five years.

Another example is the Performance Improvement Project in the Office of Finance and Accounting of the Department of Housing and Urban Development. The project relies upon work reporting, performance feedback, and positive reinforcement of a worker's progress by the supervisor to increase output, reduce error rates, and improve timeliness of payments. Through the use of this approach, the Office of Finance and Accounting was able to reduce backlogs substantially and improve accuracy of transactions.

The Exemplary Practices Program is currently reviewing over 80 examples of Federal productivity improvements. From that list, a select number will be documented for further dissemination throughout the Government.

Interagency Task Force on Productivity Measurement. In October 1980, OPM, with the active support of the Office of

Management and Budget, the General Accounting Office and the Bureau of Labor Statistics in the Department of Labor, began establishing an Interagency Task Force on Productivity Measurement. The Task Force which began functioning in January 1981, involves 18 agencies, is supported by a staff and is guided by a Steering Committee of representatives from the supporting agencies.

The objectives of the Interagency Task Force are to increase the use and improve the usefulness of productivity measurement in program management, personnel management and budget decision making and to strengthen agency capacity to develop and utilize productivity measurement systems.

The Interagency Task Force is based on the premise that a network of agencies working together can more effectively establish and strengthen productivity measurement systems than an agency working alone. It essentially functions as a network or consortium of agencies bound together by a common goal and need, supported by the four supporting agencies which share Government-wide responsibilities for productivity.

To accomplish its objectives, the members and staff of the Task Force conduct the following basic activities:

- Implement a measurement improvement project in each agency by improving or expanding an existing system or developing a new system,
- Participate in collective undertakings which will improve the knowledge and skills of agency staffs through sharing state-of-the-art experiences by means of seminars, workshops, written materials, and consultative assistance,
- Document and disseminate information about productivity measurement systems and agency experiences in developing such systems, and
- Conduct projects, studies or demonstrations of productivity measurement systems with Government-wide applicability which will enhance the ability of agencies to develop and use such systems.

For further information about the Task Force contact its Director, Allan Heurman at 632-6226.

2. Financial Management Training

In addition to their ongoing curriculum in financial management, the Management Sciences Training Center introduced a "Workshop for Cashiers." The course was developed based upon a needs determination performed by the Treasury Department.

There are over 15,000 cashiers and subcashiers nationwide. No formal training was available for these employees despite the fact that they are personally liable for any losses to imprest funds. Treasury officials believed that, because of the size of the imprest funds and the chances for personal losses, some formal training was necessary. The course materials were prepared in cooperation with Treasury.

3. Case Management Conference

In October 1980, the Office of Personnel Management and the General Accounting Office cosponsored a conference on "Management of Case Processing." The purpose of the Conference was to provide a forum for managers from the Federal, State and private sectors to present and discuss productivity improvement efforts and the generic issues related to case management systems.

The Conference was attended by over 200 managers representing case management programs in areas such as benefit claims, administrative appeals, financial management and civil rights. This was the first in a series of conferences which will continue to highlight effective case management systems and techniques.

CHAPTER II

AGENCY INITIATIVES TO IMPROVE FINANCIAL MANAGEMENT

INTRODUCTION

Agency submissions of information on fiscal year 1980 improvements to agency financial management practices and systems reflect significant achievements and major undertakings. Overall, the agency reports reflect a strong commitment to improve financial management.

Descriptions of the more significant or unique management actions in areas of accounting procedures and systems, auditing, budgeting, cash management, payroll and personnel, productivity and other systems are presented in the following sections. Agency contact persons are provided in parentheses following the project descriptions in order to allow the readers to obtain additional information about the improvement activity. Their telephone numbers are provided and the area code is 202 unless otherwise designated.

Publication of all reported improvements was impractical. However, the JFMIP staff, upon request, will provide assistance to agencies in identifying additional financial management improvement activities.

A. ACCOUNTING PROCEDURES AND SYSTEMS

Activities in this area concern agencies' interest in providing more accurate, useful and timely accounting information to management for increasing program economy and efficiency. Procedures and systems are being implemented with improved data collection and data integration. A sampling of improvement activities accomplished and underway are presented in the following paragraphs.

1. Accounting Improvements Accomplished

The NATIONAL INSTITUTES OF HEALTH, Department of Health and Human Services, significantly increased its voucher payment efficiency this fiscal year with its automated accounts payable system. The inventory of unpaid invoices during fiscal year 1980 was reduced from 42,000 to 27,000. The number of invoices paid over 30 days old was also reduced from 15 to 8 percent. The system generates a daily magnetic Treasury tape for payments to all employees and vendors, which has reduced the voucher turnaround time by 3 to 5 days.

In addition, a computer generated aging report was developed and implemented to monitor late computer entry of procurement and contract transactions and to followup action on the delivery of goods and services. This report is prepared on a monthly basis and ages all transactions in five-day increments. The report presents all procurements and delivery transactions by organization which have responsibility for followup and data entry. (Samuel George, 496-3368.)

The DEPARTMENT OF HEALTH AND HUMAN SERVICES has initiated a system to monitor and control Federal assistance recipient accounts which are delinquent in filing required reports, are over-advanced, have excessive cash balances on hand, or draw Federal funds too infrequently. The process operates on a thirty-day cycle and produces dunning letters to recipients, notification letters to the primary operating components or regional offices, locator letters for recipients whose mail has been returned as undeliverable, and other related letters. This system has significantly increased the Department's ability to identify problem accounts, initiate collection action and age the accounts. It also provides an improved, systematic tool for controlling cash flow to 14,000 recipients and serves as a cash management tool to institute aggressive and effective collection of funds and to correct recipient practices. (Lynn Furman, 443-1858.)

The VETERANS ADMINISTRATION'S Data Processing Center implemented a new system that provides for data entry through video display devices. Accounting technicians can enter data directly from the vendors' invoices. The data are edited on a minicomputer, and batches of transactions are balanced and accumulated on magnetic storage devices for processing into the accounting system. This new procedure has reduced error rates by fifty percent and has practically eliminated any payment backlogs. (James Robinson, 512/397-7366.)

The LANGLEY RESEARCH CENTER, National Aeronautics and Space Administration, has developed a procedure for the electronic submission of data directly into the automated check preparation system of the Treasury. The Voucher and Schedule of Payments (SF-1166) will be typed on a word processing system, and the diskette prepared by the word processing system will provide detailed information in support of the Schedule. The data will then be telecommunicated to the Treasury Department, and upon receipt, the Treasury Department will prepare checks and notices of payment to the check recipients. Benefits include: (a) the reduction of paperwork, (b) the elimination of mailing of

payment schedules (SF-1166) and (c) improvements in cash management with better scheduling of payments. (Edward Howe, 804/827-2724.)

The BONNEVILLE POWER ADMINISTRATION, Department of Energy, has designed and established a Cost Center Allocation Subsystem to improve the Agency's processes of collecting and distributing indirect costs by cost center. Indirect and direct agency costs are clearly defined and automatically distributed to benefiting functions and projects monthly and quarterly. These costs include management, supervision and administrative support costs. In addition, costs have been realigned by program category and organization, program and project management reports have been developed. (L. D. Everson, 503/234-3361, ext. 4849.)

The BUREAU OF LAND MANAGEMENT, Department of the Interior, has recently installed a computer terminal in their Headquarters Finance Office that is linked to the Automated Financial Management System at its Denver Service Center. Both obligations and disbursements are entered on a line item basis in a more timely manner. As a result, financial reports are more accurate and up to date. Since monthly cut-off times can be extended, there is less chance of significant posting errors. In addition, bills can be more easily matched with obligations, resulting in more timely payments and more discounts being taken. (Edward Greenberg, 343-6743.)

The DEPARTMENT OF THE ARMY has an automated obligation tracking system that utilizes a data base approach. The actual obligation data are tracked on a monthly basis against the obligation plan for all appropriations administered by the Materiel Development and Readiness Command. With graphic devices, variances are charted for use by the Commander and other executives. The system provides obligations which enables the identification of problem areas early enough to undertake corrective measures and significantly aids in avoiding obligations in excess of available resources. (A. M. Lederman, 394-9263.)

The ENVIRONMENTAL PROTECTION AGENCY is using a multi-screen data entry system for financial management offices. The system provides the accounting technician with a fast and accurate means of collecting commitment and obligation data to update the financial files of the Agency. Some of the features of the system are:

- Allows the user to enter directly from the source documents without first having to code the information on transmittal forms,

- Provides automatic totaling of amounts,
- Displays errors during screen entry and allows the user to edit the data immediately, and
- Includes an interactive routine to edit the data in the work file after all records have been entered for a batch and provides the capability to list and modify any or all of the records. (Jerry Carrillo, 702/798-2485.)

2. Accounting Improvements Underway

The HEALTH CARE FINANCING ADMINISTRATION, Department of Health and Human Services, is in the process of developing a new interactive accounting system. This system will be implemented on a minicomputer using a data base management system. The new system will perform many of the accounting functions presently being done manually and will strengthen support of the financial information needs of management. Also, it will provide support to the accounting and recording functions using online data entry and provide online inquiry capability. A major departure from the present system is the extension of support to fiscal functions including creation of payment tapes, cash control actions, billing responses and collection controls. Such support will be applied at the same time recording of the accounting action is accomplished and should result in significant staff resource savings. The cost savings of the new system are estimated at \$500,000 annually, beginning in its second year of operation. (William Topolewski, 301/594-8702.)

The NATIONAL INSTITUTES OF HEALTH, Department of Health and Human Services, plans to implement several enhancements to improve the automated accounts payable system and to streamline and control the paper flow. The system will be modified to input invoices from vendors upon receipt. The computer will then maintain an unpaid invoice inventory, perform aging and followup functions, undertake many of the voucher examination and edit functions, and trigger payment action when all vouchering conditions are met. This enhancement will be designed to reduce the handling and processing of paperwork to a minimum and thus improve payment turnaround time.

Another feature to be developed is the capability to input "credit memoranda" into the data base upon receipt from vendors. The system will consider these credits as current vouchers are prepared for payment, thus automatically offsetting the credits offered and issuing a net payment to the

vendor. This enhancement offers the opportunity to officially record these memoranda in the books of record with automatic followup. Further, a methodology will be developed to computerize vendors' payments on a "time payment" basis. This action is being taken to fully implement Treasury policies by taking advantage of the accepted net thirty-day payment practices, unless discounts are offered by the vendor. (Samuel George, 496-3368.)

The DEPARTMENT OF STATE has initiated a project to design and implement a new worldwide financial management system. This system is being designed to respond to both foreign policy as well as operational requirements and constraints. When the new system is installed, the following major objectives will be met:

- Adequate and timely cost information will be available so that managers will know what it costs to run a particular organization, function, program or activity, and will be able to compare this information against approved plans.
- Financial reports will be comprehensive and will provide conclusive information without requiring further data manipulation, thus allowing meaningful analysis and comparison of operations.
- The new system will be integrated so that data entered one time will update all applicable system files. Further, reconciliation will be greatly facilitated through this integrated approach, and Department-wide consolidated reporting will be available in an accurate and timely manner.
- Accounting control over billions of dollars in Department property and equipment will be significantly enhanced. The new system will also assist managers in determining how effectively and efficiently the property and equipment are being utilized.
- The system will be designed to comply with relevant accounting standards and reporting requirements set forth in laws, regulations and administrative directives.

The new system will utilize the Department's telecommunications system which will greatly facilitate the movement of financial data around the world. The system will also utilize minicomputers and word processors to perform preliminary editing and accumulation and summarization

of transactions, as well as to prepare the data for transmission to regional processing centers. Finally, the new system will interface directly with several other administrative systems which are currently operational or are in the development process. The system will also link information drawn from such diverse systems as the following: budget systems, the personnel and payroll system, the property system, the procurement system, the management cost accounting system of the Foreign Service Institute and the cashier system. (James Fishenden, 632-3417.)

The FEDERAL BUREAU OF INVESTIGATION, Department of Justice, has developed a budget execution and accounting system to manage current operations and to account for obligations from both an organizational and programmatic perspective. The accounting system provides obligations, expenditures and other standard accounting information regarding the Bureau's financial operations. These data are used in making analyses with how its appropriated work-years are being expended, i.e., against what program and in what cost center. Initiatives to improve the timeliness of budget execution data are currently being undertaken. The primary objective of these improvements is to provide earlier availability of information in a more usable format, upon which to base financial management decisions. To enhance the capabilities of the budget execution and accounting system, a fund control system is being developed to provide the Bureau's management with a daily status of purchase orders and procurements. This system will permit automated tracking of purchases from their inception to receipt of goods or services. Upon the implementation of these systems, estimated annual savings of \$1.3 million are expected. (Lyle Hageman, 324-3267.)

The DEFENSE LOGISTICS AGENCY, Department of Defense, is developing an automated accounting subsystem, which is part of its Automated Payroll, Cost and Personnel System. The Agency's subsystem will encompass general ledger, allotment ledger, cost and job order accounting for all Agency funds except the stock fund and industrial fund. A significant design feature provides major field activity commanders with flexibility in controlling funds at lower organizational echelons through the use of operating targets. The total system centralizes data processing services while functional personnel remain decentralized. Functional personnel will communicate with the central processor by using cathode ray tube (CRT) devices. (John Glover, 274-6217.)

The GODDARD SPACE FLIGHT CENTER, National Aeronautics and Space Administration, is installing a new accounting

system which will be fully integrated and supported by limited manual processes. The system will possess the following characteristics:

- Operate in a common data base environment,
- Utilize remote computer terminal communications capabilities,
- Generate batch and online reports to respond to queries,
- Provide capability of restricting access to data,
- Utilize a job order number coding structure to provide greater reporting flexibility and to capture data at a more detailed level, and
- Include a fully integrated general ledger.

The system will use a modular design concept containing, as a minimum, the following modules: budget, allotment and resource authority, commitment, obligation, disbursement, accrual, travel, receivables, property, report and other output, and table maintenance. During fiscal year 1981, the system will be tested, and implementation is expected by September 1981. (Dave Moede, 344-8722.)

The BUREAU OF THE MINT, Department of the Treasury, is planning, as part of their Financial Management Information System, to automate cost accounting applications and enhance the Bureau's labor distribution reporting system. Cost accounting at the Bureau is used extensively to develop a cost-based budget for presentation to Treasury, the Office of Management and Budget and the Congress. Also, cost accounting will provide regular and special reports which are required to meet the needs of managers at various levels of operations in the field. Better information will be provided on a more timely basis to enhance forecasts, cost estimates and plans for prospective jobs. (Donald Vogt, 376-0415.)

The ENVIRONMENTAL PROTECTION AGENCY is developing an internal control matrix to heighten employees' awareness of their role, function and expected performance in minimizing fraud, waste and abuse in Agency programs. The matrix combines an organizational and transactions approach for (a) reviewing internal control networks to detect weaknesses, (b) developing a risk profile of areas sensitive to fraud and abuse and (c) implementing administrative and financial

controls needed to establish an appropriate control environment and to achieve operational and financial accountability. Also, a series of booklets are being prepared for Agency programmatic and administrative managers in fraud and waste detection and prevention activities. (Dick Klimkiewicz, 755-4523.)

The BUREAU OF ENGRAVING AND PRINTING, Department of the Treasury, has developed a Monthly Currency Cost Accounting System. This system records labor and production data from source forms used in all cost centers that print and process currency. The system maintains master cost and production records for each cost center, product and press. Actual and (targeted figures) are used to compute price, volume, efficiency and spoilage variances. Benefits include anticipated labor savings of \$17,000 per year and will provide operating managers with prompt feedback of operating results. This system will be operational beginning in January 1981. (David Lane, 447-9506.)

B. AUDITING

Agency initiatives to improve auditing techniques include efforts to track and followup on audit reports, to increase audit coordination and to resolve problems associated with audit findings. Some examples of the major efforts reported by agencies for fiscal year 1980 are presented below.

1. Audit Improvements Accomplished

The DEFENSE CONTRACT AUDIT AGENCY's operations audit program provides for a systematic review of a particular organizational unit or function within a contractor's business to determine whether the most economical and efficient methods are employed in that unit's or function's performance of Government work. The program envisions contractor corrective action which will avoid wasteful and unnecessary costs caused by uneconomical or inefficient practices. The Audit Agency completed 609 operations audits with cost avoidance recommendations totalling approximately \$254 million for fiscal year 1980. During the same fiscal year, \$160 million was reported as sustained savings which relate to previous years' and current year's cost avoidance recommendations. (Phillip Rogers, 274-7344.)

The DEPARTMENT OF JUSTICE increased emphasis on financial control and accountability by performing "interim audits" to determine whether grantees were properly accounting for and efficiently using project funds. Performing interim audits have disclosed early instances of

abuse and potential fraud and allowed corrective action to be taken expeditiously. A policy of not awarding grant funds or cooperative agreements to a recipient which has an unresolved audit report issued by a Federal, State, or local audit agency was also established. This has ensured that grant awards are made only to grantees and subgrantees that have the programmatic, administrative and financial capability necessary to appropriately administer Federal funds. (Michio Nakajima, 492-9025.)

The DEPARTMENT OF AGRICULTURE is using an online telecommunications information system that provides audit managers in the Office of Inspector General with information on current and past audit reports. This system will significantly aid the Department in controlling the clearance of audit reports. The system produces various routine and special reports designed to assist field audit supervisors and headquarters management in controlling assignments more efficiently, economically and effectively. The system is capable of providing the aging of audit reports; controlling and tracking of monetary results; summarizing audit findings by national, regional, state, or program level; controlling and tracking ongoing audits, and providing information to agencies, as appropriate. (Tom Heideman, 436-8034.)

The DEPARTMENT OF JUSTICE automated its controls on clearing audit reports issued or received. Findings are coded as to type and disposition, and identified as to the amounts in question. This automated system provides reports covering matters such as:

- Monthly activities reflecting the numbers and types of reports issued and amounts of questioned costs,
- Uncleared audit reports including dates of reports and individuals responsible for response,
- Common audit findings including amounts of questioned costs, and
- Audit results categorized by State.

This office also established an Audit Review Committee to review and evaluate actions taken to resolve audit findings. The Committee provides guidance for actions arising from differences of opinion between the audit office and program office concerning resolutions of audit reports. It is authorized to settle audit claims or to suspend or terminate collection action relating to audit claims in accordance

with standards. It may also refer claims to the General Accounting Office or the Justice Department. (Michio Nakajima, 492-9025.)

The DEPARTMENT OF ENERGY established an Audit Report Tracking System and an Audit Review Council. The system establishes control over audit report recommendations and Departmental responses to GAO report recommendations. The reporting system shows the status of responses and action being taken on report recommendations. A Review Council, headed by the Chief Financial Officer, has been established to perform quarterly summary reviews of all audit reports and analyzes the effectiveness and timeliness of any corrective actions that should be taken to correct deficiencies identified in the audit reports. The Review Council issues a summary report to the Secretary of Energy, annually. (Joseph Olivo, 252-4499.)

The VETERANS ADMINISTRATION has updated its procedures for resolving audit recommendations. The new procedures include the requirements for semiannual reports to the Administrator, provisions for resolving major disagreements between audit and program offices, a maximum of six months for determining agency action on audit recommendations and periodic evaluations of the agency's system. The revisions also require the submission of status reports of audit recommendations to the Office of Audit. In addition, they require an initial report within 90 days of the date of the audit report and subsequent status reports at least once every 6 months until final resolution of all recommendations in the report. (Elizabeth Maclean, 389-3722.)

2. Audit Improvements Underway

The OFFICE OF INSPECTOR GENERAL in the DEPARTMENT OF AGRICULTURE completed a survey in eight States to determine any barriers to successful implementation of the single audit concept. Using the survey results, a comprehensive training program and related guides were developed. A nucleus of over 20 auditors were assigned to work on and manage efforts to successfully implement OMB Circular A-102, Attachment P "Audit Requirements." Plans have been developed for fiscal year 1981 to:

- Assess the quality of nonfederal audits of the Department's federal assistance programs,
- Issue guidelines for use of State agencies in contracting for audit services, and

- Issue regulations for use of State agencies and the Office of the Inspector General in controlling the quality of nonfederal audits. (Tom Heideman, 436-8034.)

The OFFICE OF INSPECTOR GENERAL in the ENVIRONMENTAL PROTECTION AGENCY has initiated a project to provide a more comprehensive review of expenditures and operations under the Agency's construction grants program. A team composed of auditors, investigators, and engineers review selected grant projects to:

- Determine whether grantees and subcontractors have adequate management controls,
- Determine whether the costs claimed are reasonable, allowable and allocable to the project,
- Identify any indications of possible fraud, waste, mismanagement, or abuse, and
- Determine whether there are ways to improve Agency management of the program or specific project.

These comprehensive reviews usually take in excess of two months for each project. (Jim Rauch, 577-5047.)

The DEPARTMENT OF THE ARMY will have the capability of indexing findings and recommendations by subject and organization responsible for corrective action. It will also provide information on the types of deficiencies, serve as a basis for "lessons-learned" summary reports, improve control over followup and assist in scheduling future audits. (S. Weinhold, 274-9021.)

C. BUDGETING

Examples of agency efforts to improve budgeting showed that the automation of various steps in the budget process has helped managers obtain and analyze data more quickly and inexpensively. This has resulted in savings of time and money required to make changes in the budget document at both the agency and Executive Office levels.

1. Budget Improvements Accomplished

The BUREAU OF PRISONS, Department of Justice, implemented the budgeting module of its financial management information system. It was designed by the Department's Finance Staff to aid in the development, execution, and

review of the budget. The system allows for comparisons between the amount of funds allotted and the amount of obligations incurred, and tracks information by appropriation, decision unit, cost center and object code. The system is also used to track authorized positions within the organization. (Eugene Gibbs, 724-3034.)

The NATIONAL BUREAU OF STANDARDS, Department of Commerce, has a budget structure that crosses organizational lines. Funds are allocated through the major organizational units to the respective program managers. The program managers, in turn, reallocate these funds throughout the Bureau to task leaders who carry out the work. An automated system that keeps track of the funds organizationally and programmatically was developed last year. The system permits the Budget Office to quickly provide biweekly operating budget updates for each organizational unit with a breakdown of their authorizations by program. It then prints an updated operating budget which is distributed to each program manager and organizational manager. The amount of time required to update and reconcile Budget Office records with cost center authorizations entered into the accounting system has been substantially reduced. (Joyce Brown, 921-2315.)

The HEALTH CARE FINANCING ADMINISTRATION, Department of Health and Human Services, is using a software package that provides an online capability to build and maintain budget tables. Agency staff has enhanced the basic package to provide:

- Automated budget execution controls for apportionments, allotments and allowances,
- Automated preparation of allotment and allowance documents,
- Automated preparation of budget control tables for execution purposes, and
- Automated preparation of control tables to support budget updates required by the Office of Management and Budget.

Multiple outputs, such as tables and documents, are now prepared from a single data base. Periodic modifications in allotments, allowances and control tables are quickly available with a minimum of staff work required. These improvements have significantly reduced the amount of manual work required to manage the budget execution function and

have achieved a corresponding strengthening of control over funds. Savings are estimated to be three staffyears. (Frank Derville, 245-6917.)

2. Budget Improvements Underway

The DEPARTMENT OF THE ARMY has developed a Training Management Control System that applies standard cost accounting techniques to estimate the cost of training. The system uses a linear program to optimize the training that can be conducted with available resources. It is expected to provide zero-base budget input for Army's appropriations. The system will generate justified decision packages and insure that training requirements are adequately supported. Army-wide implementation will begin in March 1981 and require about one year to complete. The system is expected to provide a cost avoidance in budget preparation of \$360,000 annually. (LTC A. J. Danner, 404/752-2258.)

The NATIONAL BUREAU OF STANDARDS, Department of Commerce, began to develop computer-produced graphic presentations of the financial condition of its organizational units. These presentations, when fully developed, will display data relating to fund authorizations, spending plans, obligations and commitments to date. These reports will be used in lieu of manually produced numerical summaries when reporting the financial condition of the Bureau to its top management. These graphic displays will enable management to detect spending trends more readily and to take action where necessary. (Herb Nelson, 921-3149.)

The DEPARTMENT OF THE AIR FORCE is developing an integrated automated data system that will support the Directorate of Budget in responding to budget cycle requirements and Executive, Congressional and departmental inquiries. This system will provide a single source of budget information for monetary budget planning, justification and execution. It will also provide analytical tools for budget analysis. Annual savings of \$750,000 is projected. The Air Force is phasing in the total system with different modules. The Obligation Tracking System is operational, while the Fund Release System is in a testing phase. The Air Force is now working on the system design for the Accounting Data and Fund Baseline Systems. (Lt. Col. Ensign, 694-4411.)

The NATIONAL SCIENCE FOUNDATION is in the process of automating its budget preparation process and the preparation of the finalized material onto a computer tape. From this tape a photocomposed print ready version could be produced

for in-house printing of the fiscal year 1982 budget submission to the Office of Management and Budget and the Congress. This is a pilot project which, when completed, will serve as a model for the automation of the agency's composition and printing activities. The application of automation to these activities will save hundreds of thousands of dollars. (Thomas Ryan, 357-7824.)

The SOCIAL SECURITY ADMINISTRATION, Department of Health and Human Services, is designing and implementing an integrated Budget Management System over a period of several years. The system will reduce manual computations, better integrate related processes, provide for more flexible data retrieval and allow faster turnaround time for making changes. The proposed components of the system include a budget formulation system, budget execution system, cost analysis system, and interface modules, including status of funds, payroll analysis and work measurement. Several subsystems are operational, including the modules for workload estimates, work-years, payroll and other objects in the budget formulation system. An automated full-time equivalency reporting system is also being developed. The system, when fully implemented, will provide a more efficient data flow and communication in the formulation and review of the budget and in the allocation of resources. (Charles Knauf, 301/594-3031.)

D. CASH MANAGEMENT

Agency improvement reports show continued expansion of automated systems such as the Electronic Funds Transfer and the Treasury Financial Communications System. Cash balance requirements are being reduced through letter-of-credit procedures for more grant and contract programs. Improvements have also been accomplished or undertaken through reviews of cash handling procedures and collection practices. As the present value of money and the overwhelming costs to borrow it have become more evident, a new emphasis has been placed on accounts receivable and collection of debts owed the Federal Government. Samples of agency improvements are presented in the following paragraphs.

1. Cash Management Improvements Accomplished

The CUSTOMS SERVICE, Department of the Treasury, has installed a collection processing system which has facilitated the deposit of funds. Data are entered into the system for all types of collection transactions. All transactions are then transmitted to the Customs revenue accounting system to produce consolidated reports. Customs has estimated

annual savings of \$2.2 million. These savings are achieved through automation, reduction in processing forms and entry handlings, minimization of collection errors, and improvements in daily cashier operations and surety bond identification. (Charles Dubay, 566-8216.)

The FEDERAL HOUSING ADMINISTRATION, Department of Housing and Urban Development, has accomplished several enhancements to its Premium Liquidations and Control System to improve the billing and reconciliation process within their mortgage insurance accounting function. These enhancements include the following:

- The system provides a monthly report reflecting a cumulative history of mortgage payment habits which clearly portrays erratic and habitually tardy premium payments by mortgagees and pinpoints problem areas for necessary corrective actions,
- Monthly premium billings can now be generated and sent to mortgagees on magnetic tape and mortgagees in turn can send their reconciliation of the billings to the Department on magnetic tape, and
- The system automatically searches and analyzes the Premium Receivables File for delinquent mortgagees and generates all the necessary past due letters on the twentieth day of each month. (Peter Ottman, 755-5918.)

The VETERANS ADMINISTRATION initiated a program whereby home loans will normally not be made to persons having an outstanding education loan unless the debt is satisfactorily resolved. For the period May 1979 through September 1980, cumulative cash collections totaled over \$8.4 million. Based upon established repayment plans and offsets due to reenrance into training, an additional \$2.1 million in collections are anticipated. (A. S. Kraut, 389-2556.)

The DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT installed a commercial computerized loan servicing accounting and reporting system in the Philadelphia Regional Office. It provides centralized, automated servicing of all delinquent housing rehabilitation loans. This system includes automated generation of a monthly billing for each borrower and an automatic allocation of loan payments to principal, interest and escrow in the borrower's loan account. Through implementation of standardized delinquency resolution procedures, collection results have been substantially improved. During fiscal year 1980, delinquent loan collections increased from

a monthly low of \$334,000 to the September 1980 high of \$647,000, an increase of 94 percent. Also, the standardization of procedures resulted in a 36 percent reduction in staff required to perform the loan servicing function. (Ray Solecki, 755-6935.)

The VETERANS ADMINISTRATION has initiated administrative improvements in the timing of the transfer of interest and principal collections on participation certificates to the Government National Mortgage Association. For the four months prior to July 1980, fund transfer between the two agencies was made usually near the 16th of each month. Now, the transfer is made near the 10th of each month. In the four-month period, the additional earnings for the Government were between \$27,500 and \$34,000. Also, steps are now being taken to transfer fund amounts by the second work day of each month. This will enable the Government to earn interest for approximately 14 additional days each month. The additional income will approximate between \$200,000 and \$250,000, annually. (A. S. Kraut, 389-2556.)

The EXPORT-IMPORT BANK is continuing to improve its monthly cash flow position by pursuing unpaid receivables 3 days instead of 30 days after the due date. The accounting system provides a listing of those payments not received within 3 days of their due dates and immediate action is taken to determine the reason for nonpayment. First, remitting banks are contacted by telephone or telex and advised of the delinquency. If the banks can be of no assistance, then the borrowers are notified. Because of this procedure, the Bank is continuing to realize savings of approximately \$11,000 per annum in short-term borrowing interest expense. (Airail Westly, 566-8847.)

The DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT has improved its methods for controlling, monitoring, and collecting outstanding travel advances. Through improved data gathering techniques, travel advances are now systematically aged and reports issued for use in collecting delinquent travel advances and in preventing additional advances to individuals with delinquent accounts. The dollar value of outstanding travel advances has been reduced by about 50 percent. Losses are also avoided by using the improved methods to collect outstanding advances before employees receive their final salary check upon separation. (B. C. Tyner, 755-5113.)

Several other agencies have implemented systems to enhance their efforts to account for, control and collect outstanding travel advances. The NATIONAL BUREAU OF

STANDARDS' automated system deducts any outstanding balance before paying any new advance or claim. (John McGuffin, 921-2507.) The U.S. GEOLOGICAL SURVEY's and the DEPARTMENT OF TRANSPORTATION's systems automatically produce notices and collection letters to travelers with long-outstanding advances. (USGS-Posey Howell, 703/860-6181; DOT-William Gaffney, 837-2602.)

2. Cash Management Improvements Underway

The DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT is developing a new cash management system to eliminate premature and wasteful withdrawals from the Treasury when servicing housing rehabilitation loans. The new system will not only eliminate sizable construction escrow balances but will greatly increase the Department's overall efficiency, financial management and monitoring controls of area offices and local public agencies. By using electronic funds transfer, no funds will be drawn from the Treasury until the day before the actual disbursement to the contractor or other payee. Preliminary calculations indicate that a minimum of \$10,000 per day will be saved in interest. (Craig Nickerson, 755-5970.)

The FOOD AND NUTRITION SERVICE, Department of Agriculture, is currently utilizing the Letter of Credit-Treasury Financial Communications System mechanism to transfer program funds to State recipients. By the end of fiscal year 1980, ten States were on this system. The use of this system for funding grant programs will reduce cash balances held by States and provide for a monitoring of grant activities by allowing pre-audit and approval of all cash requests. When the system is implemented nationwide, it is estimated that State drawdowns will be reduced by \$7.8 million, annually. (Dave Hamer, 447-6990.)

The HEALTH SERVICES ADMINISTRATION, Department of Health and Human Services, is continuing to expand its cash management savings achieved through the use of letter-of-credit procedures for contracts and grants. During fiscal year 1981, this disbursement mechanism will service some 300 American Indian Tribes or Indian Nonprofit Organizations with contracts and grants valued in excess of \$100 million. The amount of advances in recipient's possession will be substantially reduced this fiscal year with a corresponding savings in interest costs estimated to exceed \$250,000 in the first year. (Stanley Soloman, 443-2990.)

The RURAL ELECTRIFICATION ADMINISTRATION, Department of Agriculture, is studying the feasibility of billing all

borrowers on a monthly, rather than a quarterly, basis. A preliminary analysis indicates that significant benefits will accrue if this change is adopted. Interest savings to the Treasury are estimated at \$6.5 million, annually. (Sheldon Chazin, 447-7221.)

The CUSTOMS SERVICE, Department of the Treasury, plans to amend their regulations to allow for the charging of interest on the late payment of increased duty billings, reimbursable service billings and miscellaneous billings to organizations outside the Federal Government. Charging interest on delinquent accounts will provide an incentive for prompt payment. Also, a majority of those bills which are now paid within 31 to 60 days after date of billing are expected to be paid within 30 days. Based on implementation in October 1981, an estimated initial savings of \$800,000 in interest costs will accrue to the Government. (Robert Hamilton, 566-2596.)

The INTERNAL REVENUE SERVICE, Department of the Treasury, is initiating three cash management improvement procedures designed to speed up the deposit of tax revenues.

--In July 1981, a program will be implemented to speed up the processing of tax due notices on underpaid wage and excise tax returns. Where necessary a balance due notice will be generated several weeks sooner. This new program will allow the Service Centers to settle accounts more rapidly. The accelerated collection of these accounts is estimated to increase the cash flow of \$290 million by 6 to 7 weeks for an annual interest savings of \$3.1 to \$3.6 million. (Russ Marsden, 566-6643.)

--On January 1, 1981, new requirements for depositing income and social security tax withholdings will go into effect. The new regulations are designed to increase the frequency of deposits by large employers, while at the same time providing relief to smaller taxpayers allowing less frequent deposits. It is expected that the new regulations will increase receipts by \$2.4 billion and decrease interest costs by \$118 million in fiscal year 1981. (Rick Hinkemeyer, 566-6808.)

--Finally, during fiscal year 1980, new procedures were tested for accelerating the deposit of unidentified remittances. The new procedures, which limit the amount of pre-deposit research, were proven successful at three Service Centers and will be implemented

nationwide effective July 1981. Preliminary estimates indicate that this change will save approximately \$50,000 in fiscal year 1981 and \$200,000 in fiscal year 1982. (Pat Guida, 566-6643.)

The BONNEVILLE POWER ADMINISTRATION in the Department of Energy has performed preliminary work on developing and automating a system for managing travel advances and processing travel vouchers. The travel advance system will automatically update each traveler's advance record and will provide instant recall of the current balance. A computer generated report with overdue balances will be sent to the traveler periodically. The plan calls for implementing the system in October 1981. The Power Administration also is planning to develop an automated travel voucher processing system, which will provide for central control and review of all data before a voucher is processed. The system will then prepare a completed voucher and schedule it for payment. This system should materially reduce the voucher processing time. (G. S. Haynes, 503/234-3361, Ext. 4541.)

E. PAYROLL AND PERSONNEL SYSTEMS

Agency efforts in this financial management area reflect the capability for expanding effectiveness and efficiency through the use of increased information management technology and automation to achieve such enhancements as the integration of data between payroll and personnel systems and the remote input of payroll transactions for centralized processing. Agency efforts to deal with the everchanging requirements of the payroll and personnel functions, as well as the decisions to adopt an agency's integrated payroll and personnel system, are reported.

1. Payroll and Personnel Improvements Accomplished

The NUCLEAR REGULATORY COMMISSION has developed, designed and implemented a new payroll system that is processed on a single, low-cost, online minicomputer. The new system offers many cost savings and benefits, including:

- Elimination of several time-consuming and labor-intensive tasks through use of automated features,
- Improved internal controls by eliminating manual procedures and utilizing system edits and checks,
- Elimination of dependence on costly time sharing of another agency's large mainframe computer,

- Online updating and retrieval capabilities, and
- A more informative "Earnings and Leave Statement" and consolidation of the Earnings and Leave and Bond Statements. (Angelo Puglise, 492-7535.)

The DEPARTMENT OF HEALTH AND HUMAN SERVICES has completed several initiatives to improve its abilities to deal with the everchanging requirements of the payroll and personnel function. The following provides an insight to these improvements.

- The Department implemented a new payroll system for the commissioned corps personnel employed in the Public Health Service. The system services approximately 7,000 individuals on a nationwide basis with the centralized payroll and personnel operations located in Rockville, Maryland. The significant gains realized from this new payroll system are:
 - (a) reduction in operating costs of 40 percent;
 - (b) reduction in payroll errors exceeding 80 percent;
 - (c) consolidation of work steps by mechanically updating the payroll file from transactions introduced to the personnel file; and, (d) direct mailing of salary checks to financial institutions or home addresses.
- The Department has developed a computerized process to effect merit pay. The performance management system uses two point-value scales (basic and expanded) in determining what the payout will be for GS 13-15's covered under the provisions of merit pay. The merit pay system, which is treated as a separate segment in the personnel file, maintains numerical scores, merit pay pool indicators and cross reference data among pools throughout the Department. The Department is now ready to effect payout for merit pay in fiscal year 1981.
- The Department mechanized the tabulation of categories of error notices, which are forwarded to the Payroll Division, requesting adjustment or correction to the master file record. Because of this mechanized tracking system, the Department has been able to prioritize correction efforts, thereby improving overall effectiveness of payroll operations. The system will identify the type of error requiring correction and the station originating the error. Additionally, significant areas of deficiency have been identified, prompting system and operational changes. (Paul Johnson, 245-8932.)

2. Payroll and Personnel Improvements Underway

The AIR FORCE ACCOUNTING AND FINANCE CENTER, Department of the Air Force, is testing new procedures for the collection of payroll data. The system being tested edits and accumulates the payroll transactions by remote minicomputers, transmits the data daily to the Center over communications lines for processing through the central computer overnight, and transmits results to each Air Force base for use the next morning. This system will improve base level document handling and result in more efficient processing of base level transactions. In addition, the Air Force plans to install numerous remote terminal/printer combinations to provide an online payroll inquiry capability to all base level accounting and finance offices worldwide. This system will reduce inquiry turnaround time and provide the capability to resolve pay problems quickly. (Barbara Englert, 926-7881.)

The WATER AND POWER RESOURCES SERVICE, Department of the Interior, plans to expand the services of their integrated payroll and personnel system to incorporate other agencies within the Department. These agencies will include the Bureau of Land Management, Office of Youth Programs, Heritage Conservation and Recreation Service, Bureau of Mines, Office of Surface Mining and the Bureau of Indian Affairs. This expansion will reduce the number of personnel supporting the payroll function within the Department. (Dennis Locke, 303/234-2983.)

The DEPARTMENT OF ENERGY and the DEPARTMENT OF EDUCATION are also adopting the Water and Power Resources Service integrated payroll and personnel system to meet their respective requirements. Both agencies have found the adoption of this comprehensive system to be extremely cost effective, enabling them to save the extensive time and expense normally needed to develop and implement a new system. The Department of Energy has ordered a minicomputer and terminals to accommodate operation of the system; full implementation during calendar year 1981 is expected. (Clarence Mahan, 252-4490.)

The DEPARTMENT OF HEALTH AND HUMAN SERVICES is continuing their efforts to react to the everchanging requirements of the payroll and personnel function. The following provides an insight to these initiatives.

--The Department is piloting, with Blue Cross and Blue Shield, a computerized reconciliation process on health benefits participants. Information required to accomplish a meaningful matching of records has been

exchanged between the Department, and Blue Cross and Blue Shield. A target date of May 1981, has been established to match records through the exchange of magnetic tapes.

- The Department will implement the Electronic Funds Transfer subsystem in June 1981. The major advantage of this process, in comparison with the present consolidated check process, is that funds are credited directly to an employee's account through the Federal Reserve distribution system, which virtually prevents loss of money and significantly improves receipt time of salary deposits by commercial financial institutions.

- The Department has scheduled completion of its regionalized salary check distribution subsystem by May 1981. Through terminal devices located at its regional office sites, salary check data are transmitted to those offices for additional processing by local Treasury Disbursing Centers. The result has been more timely receipt of salary checks, as well as quicker resolution on the reissuance of salary checks by local Treasury Disbursing Centers. (Paul Johnson, 245-8932.)

The DEPARTMENT OF DEFENSE and the VETERANS ADMINISTRATION undertook the first attempt at reconciling the various categories of benefits where the possibility of dual compensation exists, i.e., retirees and annuitants. This project will provide at least monthly interchange of records, via magnetic tape exchanges, to alert each organization of new or revised benefit actions. It will achieve more timely reporting of benefit awards, and as a result, overpayments should be reduced. Procedures will be refined in fiscal year 1981, with the addition of increased computer hardware capability, so that more extensive data field cross-checks will be possible. (Fay Norred, 389-3504.)

F. PRODUCTIVITY

Agencies reported that progress was made in improving productivity in finance and accounting operations and in payment centers. Techniques to improve productivity using fast-pay procedures and other processes, as well as the development and implementation of productivity measurement systems, were undertaken. Some examples of the significant improvements are highlighted in the following paragraphs.

1. Productivity Improvements Accomplished

The ENVIRONMENTAL PROTECTION AGENCY is testing, under authority from the General Accounting Office, a fast-pay process for procurement invoices under \$500. The process not only improves productivity, but also improves supplier relations by expediting payments for small purchases. The process allows payment without positive confirmation of receipt. Vendors are, however, required to certify on the invoice that delivery was made. This process relies upon established statistical sampling techniques for reviewing payments and monthly reporting of payments sent to the originating office. That office is responsible for reviewing monthly reports of payments made and notifying the finance office of erroneous payments so that recovery can be initiated. (Bill Faustman, 755-4523.)

The NATIONAL INSTITUTES OF HEALTH, Department of Health and Human Services, established performance standards for their work measurement system to increase organizational productivity, reduce payment turnaround time, increase voucher payment efficiency, and provide quantitative data for budget and staffing requirements. In addition, the system maintains information to aid managers in reviewing work distribution, work flow, performance evaluation (organization and individual employees), and to identify areas requiring followup action. The work measurement system requires continual monitoring to ensure equitable and attainable time standards. In order to meet expected results, plans are under way to conduct a detailed work flow analysis so that several alternatives can be studied for selection of the process that maximizes the return on investment. Also, productivity units were selected and defined for use in comparing trends and making period-to-period performance analyses in the processing and payment of research and development contracts, the processing of grant awards, and the processing of reports of expenditure and grant closings. In fiscal year 1981, system refinements will be made to collect and compare these data against prior periods for both individuals and organizational units. (Samuel George, 496-3368.)

The FARMERS HOME ADMINISTRATION, Department of Agriculture, began operating a resource management system in its county and district offices during fiscal year 1980. The system uses work measurement standards, workload counts, productivity indexes, and computer generated reports to provide management information at the county, district, State, and National levels. This System provides for:

- Budget formulation and fund allocation,
- Personnel projections and allocations,
- Information necessary to make decisions on opening, closing, and staffing field offices, and
- Measurement of performance against objectives and standards. (Joseph Freburger, 436-8578.)

The FEDERAL HOME LOAN BANK BOARD improved the productivity of processing miscellaneous invoices for payment by consolidating numerous invoices from a single vendor and preparing only one voucher requiring the issuance of only one Treasury check. The Board is recording the necessary accounting data on the face of the voucher, in lieu of preparing accounting ledger sheets. These changes have permitted the voucher examiners to process a greater number of vouchers in the same amount of time. They have also eliminated one position which resulted in a savings of \$5,000 for a six-month period. (James Deemer, 377-6140.)

The BUREAU OF ENGRAVING AND PRINTING, Department of the Treasury, developed and implemented a resource management system which is used as the basis for all Bureau managers to develop plans for their resources (personnel, research, funds, security, etc.). These plans were composed of quality of service and cost goals to enable resource managers to accomplish their responsibilities without increasing costs. As part of the system, a semiautomated management information and control system was designed to report operating results and performance criteria to Bureau management. The information reported includes productivity, spoilage, scheduling and cost data for major products, and cost and project status reports for all other resources. In addition, quarterly status reports are presented to all resource managers. As a result of implementing this system, lower level managers were brought more fully into the decisionmaking process of the Bureau. (M. M. Schneider, 447-9845.)

The DEPARTMENT OF AGRICULTURE's National Finance Center has increased the productivity of its operations by the automation of gasoline vendor invoices. Each month, the major oil companies submit a magnetic tape containing all data on each account billed, with an invoice statement showing the total billed amount and the purchase tickets. The magnetic tape is processed directly into the automated payment system, where a series of edits are performed to make sure that the billed amount is a legitimate charge for

the Department before payment is made. The automation of the gasoline invoices has resulted in annual savings of about ten staffyears. (Clyde McShan, 504/255-5200.)

The DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT implemented a performance measurement system in its Office of Finance and Accounting which has substantially increased productivity and employee morale. The system makes use of simple forms maintained by the employees themselves to measure performance. As the performance improves, managers review the performance data with individual employees, reinforcing and encouraging those who are meeting their goals or showing improvement in productivity. Incentives, such as commendations, awards, letters, additional training, and personal recognition by senior management, are used to reinforce a positive attitude. Also, counseling is provided to those whose productivity is substandard. (Dan Brand, 755-7102.)

2. Productivity Improvements Underway

The DEPARTMENT OF THE ARMY is working on a Fixed Military Medical and Dental Treatment Facilities System, which is a standard resource and performance measurement system for medical operations of the three military services. The system defines a set of functional work centers, applies a uniform performance measurement system, prescribes a cost assignment methodology, and obtains reported information in a standard format for each fixed military medical treatment facility. This concept was partially implemented in 39 Army medical treatment facilities and will be implemented in more facilities during this fiscal year. Benefits expected from the fully implemented system include:

- More current, accurate, and complete expense information from work centers which incur the cost and perform the services for use in decisionmaking, and
- Availability of uniform cost and performance data which will permit effective comparisons among military medical facilities and those of the civilian health sector. (Capt. R. E. Puttock, 317/695-3726.)

The INTERNAL REVENUE SERVICE, Department of the Treasury, is testing two distinct work measurement systems at two of their payment centers. Information obtained from this testing will be evaluated and compared; a uniform system will then be designed and prescribed for use in all IRS payment centers. The IRS is also undertaking a study, at each of

their payment centers, to evaluate the streamlining of functions and possible incorporation of a fast-pay procedure developed by the Environmental Protection Agency. (Joe Gizzo, 566-4854.)

G. PROPERTY MANAGEMENT SYSTEMS

Agency reports reflect their growing interest to account for and control the vast and diverse types of property, either owned or leased, within the Federal community. These efforts were achieved in an economic and efficient manner through increased capabilities provided by information management technology and automation. A sampling of improvement activities are presented in the following paragraphs.

1. Property Management Systems Accomplished

The DEPARTMENT OF JUSTICE has implemented a comprehensive property management program to serve its various Offices, Boards and Divisions. As part of this program, the Department developed a property management system which provides management with information concerning property utilization and accountability for personal, capitalized and controlled property. It provides an automated interface to the accounting system, supports the general ledger accounts, and enhances internal control through reconciliation. The system generates a property listing report monthly for each cost center, maintains an extensive history file, and has the inquiry capability to search for any specific item and identify its location.

Also, the Department of Justice has developed a personal property management review plan which it has published and made available to other Federal organizations. This review plan provides a comprehensive checklist for reviewing and evaluating the daily operations of property management systems and internal controls. It covers seven broad areas: general organization of property management systems, inventory management, procurement, motor equipment management, storage and redistribution, household goods shipment, and personal property management reporting. Copies of "Property Management Initiatives," are available to other departments and agencies. (Ben Burrell, 633-2995.)

2. Property Management Systems Underway

The BUREAU OF PRISONS, Department of Justice, is designing and implementing a fully automated property management system. The general system requirements have been documented. The objective of the system is to provide

a means of meeting the administrative and legislative requirements for internal property management and inter-agency reporting. This will be accomplished by establishing and maintaining a current and accurate data base of property information from which operational, audit, and management control information can be retrieved. This system will also fulfill the requirements for controlling and reporting the acquisition, movement, and disposition of property owned and leased by the Bureau.

The property system will encompass both personal and real property and will include several functional areas: accountability, depreciation, energy usage, ad hoc requests, motor vehicle reporting, and inmate housing unit statistics. The property system will be implemented in several phases. This modular approach will allow the Bureau to follow an orderly implementation plan while providing some automated assistance at the earliest possible date. (Jimmy Powell, 724-3067.)

The LEWIS RESEARCH CENTER, National Aeronautics and Space Administration, will have a disk formatted equipment master file available to its Equipment and Supply Division for online inquiry through a data base management system. The new capability will enable the equipment management people to develop and enter their own retrieval requests into a local terminal device, and obtain the desired printout in a matter of minutes. Requests for lengthy printouts requiring more than five pages of output would be directed to the high speed printer at the Central Computer Facility. Examples of information available from the system are:

- A list of a specific item with location and quantity at each location, and
- A list of all equipment located in a specific building sorted by room number sequence to be used in taking a "walk-through" physical inventory. (Bob Luckado, 294-6795.)

The BUREAU OF ENGRAVING AND PRINTING, Department of the Treasury, will implement an automated fixed asset management system. This system will maintain files of all fixed assets in the Bureau (approximately 20,000), calculate depreciation, and track new fixed assets from the time of installation. The system will also strengthen controls over fixed assets, provide timely reporting of depreciation costs, and result in the more efficient performance of the annual fixed asset inventory. (Norman Caulder, 447-0320.)

The DEPARTMENT OF AGRICULTURE is finalizing its efforts to implement an automated real property management system. It will encompass all agencies within the Department. The system will control all land and structures, either owned or leased, by agency, location and cost. All programming has been completed for the numerous reports to be produced by the system, both those to fulfill administrative reporting requirements and those to serve internal management. Final testing and refinement of these programs are presently being accomplished. Further, an extensive record conversion, to standardize the real property management information format, is also being accomplished to provide for a uniform data base. Interface with the accounting system is planned for the future. (Mary Grubb, 447-5225.)

The DEPARTMENT OF AGRICULTURE is also implementing an automated personal property management system to control capitalized and sensitive items. This system will account for property by agency, location and cost structure, and will interface with the accounting system. When a purchase order for personal property is issued, the system will place relevant information in a suspense file where it will be controlled. When advice of receipt and all other required information are received from the field office, a permanent property record will be placed in the system. (Harold Franklin, 447-3141.)

H. SPECIALIZED AND OTHER SYSTEMS

Improvements resulting from other techniques and automated efforts not clearly or directly related to the previous financial management categories are summarized below.

1. Specialized and Other Systems Improvements Accomplished

The DEPARTMENT OF ENERGY implemented a one-year Financial Management Improvement Plan as their avenue of addressing the Office of Management and Budget's Financial Priorities Program and major financial problems. During fiscal year 1980, the Department achieved major improvements and accomplishments; some of the more significant achievements included:

- Development of a new policy on administrative control of funds to restrict the level of obligations and expenditures to amounts legally available under an appropriation.
- Completion and receipt of GAO approval on the Department's accounting principles and standards.

- Establishment of a sound financial execution and analysis program to review and monitor execution of Departmental programs.
- Revision of overtime policies and procedures to enhance control mechanisms.
- Completion of a comprehensive debt collection project and detailed action plan to improve cash management.
- Establishment of an accounting assistance office for operational elements with specific emphasis on internal controls.
- Development of a tracking and resolution system for audit findings and recommendations.
- Development of a management order to implement the Financial Priorities Program throughout the Department.

A detailed progress reporting system was developed, and high level officials met periodically to review progress being made towards the goals or to resolve any problems. Due to its great success, the Financial Management Improvement Plan will be continued through fiscal year 1981, to include carryover actions from fiscal year 1980 as well as new goals and actions. (Clarence Mahan, 252-4490.)

The SECRET SERVICE, Department of the Treasury, installed an Airline Teleticketing and Reservation System with teleticketers in nine high-activity centers. This has resulted in the reduction of Government Transportation Request issuances, simplified the refund process, and provided a more convenient and efficient method for Service personnel to acquire airline tickets. These benefits will result in fewer administrative hours being expended for distributing, controlling, issuing and processing Government Transportation Requests. The bimonthly teleticket reports will allow the Service to monitor and control travel expenditures in a more accurate and timely manner. The consolidation of billing will also reduce administrative workload and payment processing time. (John Best, 535-5776.)

The AMES RESEARCH CENTER, National Aeronautics and Space Administration, installed an automated airline reservation system called Programmed Airline Reservation System for use in the travel reservation area. This system allows reservations for airline tickets, hotels, limousines, and car rentals to be made directly through the airlines'

computerized reservation system without having to contact airline, hotel and car rental agencies by phone. Some of the cost savings and benefits include:

- Savings of \$70 per month in telephone unit messages,
- Faster response time to travelers in making travel arrangements, and
- Reduction of workload by one quarter of a staffyear. (Helen Bolt, 415/448-5296.)

The DEPARTMENT OF ENERGY established a formal and comprehensive financial execution analysis program to (a) measure progress and identify problems in the Department's programs and activities using budget and accounting reports, (b) provide internal checks for accuracy and timeliness of accounting data, (c) identify system problems leading to ineffective accounting data and reports, and (d) develop recommendations for corrective action and resource reallocations to improve effectiveness and efficiency of resource utilization. (Joseph Olivo, 252-4499.)

The ENVIRONMENTAL PROTECTION AGENCY's regional center at Las Vegas has developed a data entry system for grantee address information utilizing minicomputers. The system, known as an Employer Identification Number Data Entry System, provides a faster and more accurate means for updating the Agency's grantee address file by assigning a unique identifier for each grantee. The data, entered through cathode ray tube terminals, are stored on an indexed data base until they are submitted for update. The user can correct any information in the data base by entering the record number or employee identification number. Records are redisplayed on the screen to simplify corrections. This Data Entry System also has the optional capability to interface with the Grants Information and Control System. It can receive data from the Grant Information and Control System so that users can modify and correct the data using the Data Entry System at the regional center. (Jerry Carrillo, 702/ 798-2485.)

The ENVIRONMENTAL PROTECTION AGENCY is now generating magnetic tapes for Treasury to make payments to grantees. This system reduces the time required for a grantee to receive a check by at least three days, improves the quality of the data significantly, and improves cash management. This automated tape system eliminated the typing of Voucher and Schedule of Payments (SF-1166) documents and has helped Treasury save approximately \$.47 per check using magnetic tape input, rather than using optical character readers to input the information. (Jerry Carrillo, 702/798-2485.)

The DEPARTMENT OF STATE developed an overall system that provides a uniform set of classifications, codes, titles, and definitions to accommodate (a) organization and management changes, (b) management information systems, (c) accounting, budgeting, payroll and financial reporting, (d) personnel management, and (e) equipment, property and supply accountability and inventory management. Other account numbers were added for the control and accounting for security equipment under its inventory management system. With a total uniform accounts and management structure, the Department can incorporate budget issues and resource categories for establishing priorities, use functional descriptions for breaking down its resources on a functional basis, and use program and activity classifications for the management of programs and resources. (Howard Holland, 632-4316.)

The DEPARTMENT OF THE ARMY is utilizing a systematic approach to reduce costs by eliminating unnecessary expenditures through the use of "functional analysis." Its Value Engineering Program provides a functional analytical discipline to challenge the way of doing things and systematically search for less costly alternatives by both inhouse and contractor efforts. Contractors are encouraged to develop and submit proposals for changes to those contract specifications, purchase descriptions, or statements of work which may impose costly nonessential requirements. A share in the savings resulting from approved changes is the incentive provided contractors. Savings of \$73.2 million in the first half of fiscal year 1980 were realized. (Jack Strickland, 695-1120.)

The NATIONAL ENDOWMENT FOR THE HUMANITIES has automated its Grants Management Information System that follows the progress of every application from the day it is received to the day of ultimate award or rejection. Furthermore, when the award is made, the system produces the grant award notice and supplementary documentation and continues to track its status throughout the grant period and three years thereafter. Significant reductions in paperwork processing and staffhours required to process workloads were achieved, such as:

- Introducing a standard two-page application face sheet, replacing 23 different versions which averaged 5 pages each for a savings of about 1,000,000 sheets of printed material each year,
- Shortening the preparation of the Annual Report by at least 12 months and saved 600 hours of staff time in collating and typing material,

- Reducing the need for contractor computer services by approximately \$100,000 per year, and
- Reducing the Grants Office workload by about five staffyears by reducing manual document preparation and recordkeeping. (Carlos Rice, 724-1960.)

2. Specialized and Other Systems Improvements Underway

The DEPARTMENT OF THE AIR FORCE is in the process of developing a Risk Management Program that fulfills the requirement of OMB Circular A-71 for the implementation of computer security programs. Risk management tells managers what can go wrong, how often, the consequences of doing nothing (annual loss), and what it will cost to fix the problem. This system will minimize the possibility of damage or loss occurring from fire, flood, power fluctuation, civil disturbances, automated data processing and communications failures, or fraud and embezzlement. (Braden Wesley, 317/926-7607.)

The RAILROAD RETIREMENT BOARD is planning to expand telecommunications processing with the Social Security Administration. Earnings data from the Social Security Administration for the period 1937-1952 are evaluated and input to the mechanical processing through optical character readers. This data will be sent through the telecommunications system for direct input to the computer for processing. Benefits include projected savings of three staff years and faster payments of retirement benefits by as much as six weeks. (Ralph Vicari, 312/751-4850.)

The DEFENSE LOGISTICS AGENCY is developing a standard system designed to provide uniform automated supply procedures for management of supplies, materiel and equipment required for internal operations. This system will provide and maintain fund control and accountability of all transactions that affect the retail Stock Fund and customer funds utilized to purchase these items. This system will also automatically generate procurement orders to ensure maintenance of adequate inventory levels for repetitive demand items. The Agency plans to implement the system in fiscal year 1981, and anticipates a cost savings of \$275,000 annually. (Kenneth Terne, 274-6217.)

The INTERNATIONAL COMMUNICATION AGENCY is developing an online accounts payable system to aid in the processing of invoice payments. The system will provide immediate access to accounts payable files and enable personnel to determine the status of invoices received. Invoices involving

discounts will be identified and the amount of the discount computed. Payments will be processed to Treasury on magnetic tapes rather than typed schedules. The main goal of the system is to decrease the time it takes to process vendor invoices and, therefore, take greater advantage of cash discounts. Implementation of this system will reduce duplicate payments and overtime costs, provide better internal control of documents, and allow personnel to respond more quickly to vendor inquiries. The agency plans to implement the system in fiscal year 1981. (James Kohler, 632-6779.)

The ENVIRONMENTAL PROTECTION AGENCY is implementing an online data base system for "Resource Entry, Management, Accountability and Reporting for Contracts." The system uses an interactive data entry approach which displays a contract summary on the top half of a cathode ray tube screen. The system allows a technician to examine and process an invoice by entering data on the bottom lines of the screen. Inquiries on different contracts can be performed interactively and special reports can also be prepared by interfacing with other programs. System-generated magnetic tapes provide disbursement data to the Treasury Department in accordance with established cash management guidelines and accounting data which update the Agency's accounting system. This system will increase the efficiency of the operations by reducing paperwork, expediting invoice processing, improving accuracy, effectively managing cash flow, and providing more detailed financial information concerning the Agency's contract programs. The anticipated saving is at least two staff-years in technical and clerical personnel. (T. W. Briggs, 919/541-3043.)

The DEPARTMENT OF THE ARMY is developing a standard computerized accounting system for its procurement appropriations. The system will be designed to perform accounting and reporting for financial and program execution data which are used to purchase combat vehicles, aircraft, ammunition, missiles, electronic equipment, construction equipment and small arms. The system is being developed using data base management techniques with terminal capabilities. (Al Allison, 274-9238.)

The GENERAL SERVICES ADMINISTRATION is planning to implement a more comprehensive accounting system in its Self Service Stores. The system monitors, tracks, and edits every transaction, providing a complete and auditable trail of store operations. In addition, a perpetual inventory is maintained for each item at each store. Any or all data can be retrieved on either a routine or a specialized format basis. Routine reports can be run within 15 minutes, while

specialized reporting may take longer depending on requested data and formatting required. This combination of detailed data and ease of retrieval allow the fulfillment of every system feature identified as mandatory by the Central Office, the regional Self Service Stores and various auditing entities.

Accountability is at the line item and transaction level; i.e., each transaction record applies to a single item in a specific store. Each sales transaction can be identified as to person, quantity, value, price, stock number, region, store, date, transaction type, serial number, cash register number (if more than one register in a store), customer account number, sales quantity, and item price. Each nonsales transaction, such as receipts and adjustments, can be similarly identified. Accountability is strictly at the point of sale with a data base record for the entire store from the time of placing an order to the time of receipt, to sale and/or adjustment. Implementation is scheduled to be completed by September 30, 1981. (Bill Stanton, 566-0620.)

KEY OFFICIALS OF JFMIP DURING 1980

Leadership for the JFMIP is provided by the four Principals. Each JFMIP Principal designates a representative to serve on the Steering Committee that is responsible for the general direction of the Program. The chairmanship rotated from the Department of the Treasury to the General Accounting Office on October 1. This rotation takes place every other fiscal year.

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Current Project Directors:

David Benson (since Oct. 80)	Office of Management and Budget
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Joseph Neiberger (since Nov. 79)	Office of Personnel Management
John Rushworth (since April 80)	Department of the Treasury

Other 1980 Project Directors:

Alan Rebello (4/79-4/80)	Department of the Treasury
Kenneth Winne (7/78-5/80)	General Accounting Office

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In addition, assistance was provided by the GAO regional personnel who studied systems for us at Albuquerque, New Mexico; Cleveland, Ohio; Indianapolis, Indiana, and St. Louis, Missouri.

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