



Fund Balance With Treasury Overview

Steve Benson

DFAS-DE/ADAA

July 19 - 20, 1999



FUND BALANCE WITH TREASURY

- Three Major Goals:
 - 1st) DE's Processes/Control/Reconciliations To Ensure Accurate Fund Balances
 - 2nd) How Budget Clearing Accounts Impact Fund Balances
 - 3rd) Subsidiary Statement of Accountability (SOA) Reconciliations & Their Impact



FBWT - Goal #1

- DE's Processes/Control/Reconciliations To Ensure Accurate Fund Balances
 - Macro View (Steve Benson)
 - Departmental Recon w/ Treasury
 - General Funds (Kevin Kirk)
 - WCF (Renee Powers)
 - Departmental Undistributed Process (Bill Ormond)



FBWT - Goal #1 (Cont)

- Statement of Accountability - Field Process
(Chas Topkis)
- Statement of Transactions - Field Process
(Pete Lovelette)
- SOA & SOT - Departmental Process
(Steve Benson)
- Interfund - Field & Departmental Process
(Paul Erickson)
- Working Capital Funds - Field Process
(Jan Sebasta)



FBWT - Goal #2

- How Budget Clearing Accounts Impact Fund Balances
 - Field Process
(Todd Hoyt)
 - Departmental Process & Impacts on FBWT
(Steve Benson)



FBWT - Goal #3

- Subsidiary Statement of Accountability (SOA) Reconciliations & Their Impact
 - On-Line Payment & Collection (OPAC)
 - Field Process (Chas Topkis)
 - Departmental & Impact on FBWT (Steve Benson)
 - Deposits-in-Transit (DIT)
 - Field Process (Chas Topkis)
 - Departmental & Impact on FBWT (Steve Benson)



FBWT - Goal #3 (Cont)

– Check Issue

- Field Process (Chas Topkis)
- Departmental & Impact on FBWT (Steve Benson)



Goal #1: DE's Processes / Control / Reconciliations To Ensure Accurate Fund Balances - Overview

Steve Benson
DFAS-DE/ADAA
July 19, 1999

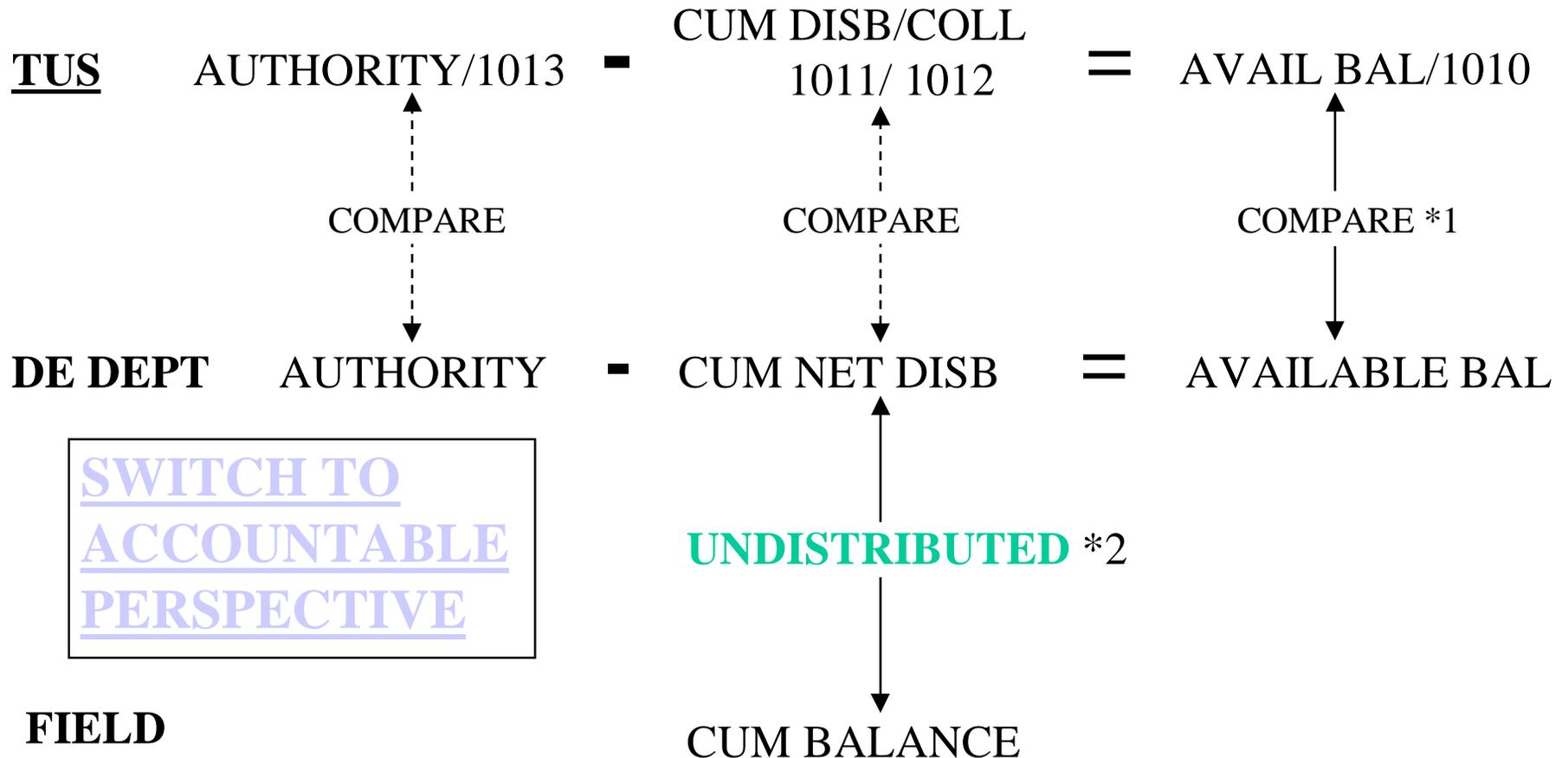


MACRO VIEW OF FUND BALANCE WITH TREASURY (FBWT)

- Definition of Fund Balance With Treasury (FBWT)
- Available Bal = Authority - Cum Exp
 - Authority = Appropriation Warrants & Non-Expenditure Transfers (1151)
 - Cum Exp = Current Month SOT & Interfund + Prior Month Cum Balance



MACRO VIEW OF FUND BALANCE WITH TREASURY (FBWT)



*1 TIMING DIFFERENCES (POSTING OF WARRANTS/SUPPLEMENTALS)

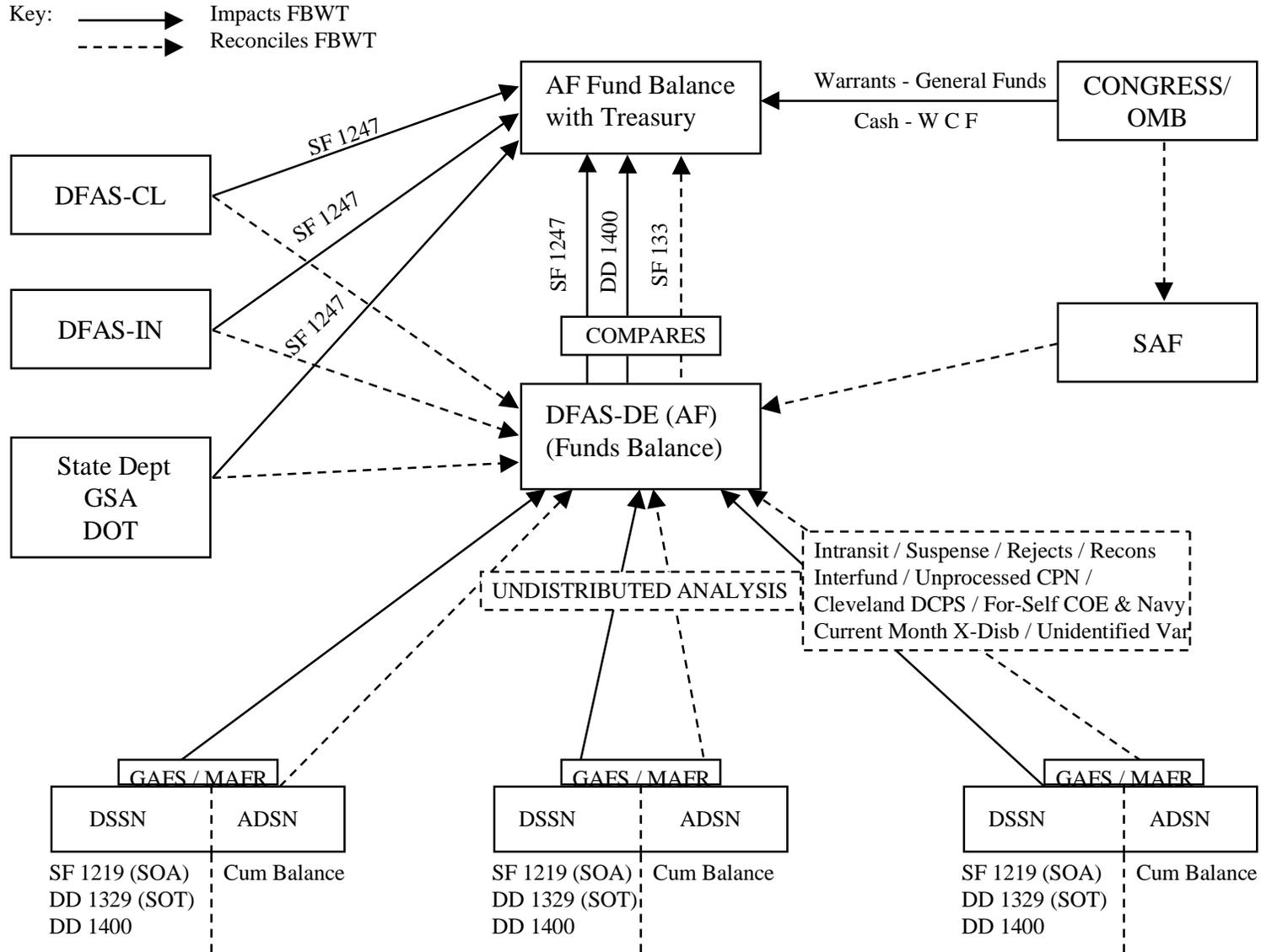
*2 COMPARISON OF CUM NET DISBURSEMENT RECORDS TO ACCOUNTING RECORDS



MACRO VIEW OF FUND BALANCE WITH TREASURY (FBWT)

- Major Components of Reconciliation
 - Flow of Authority
 - Capturing Disbursements / Expenditures
 - Undistributed Analysis (In-Float)
 - Field: Disbursing & Accountable Controls & Reconciliation Procedures

AF Reconciliation of Fund Balances with Treasury





TREASURY TO DEPARTMENTAL RECONCILIATION

Kevin Kirk

Renee Powers

Accounting and Reports Division

July 19 - 20, 1999

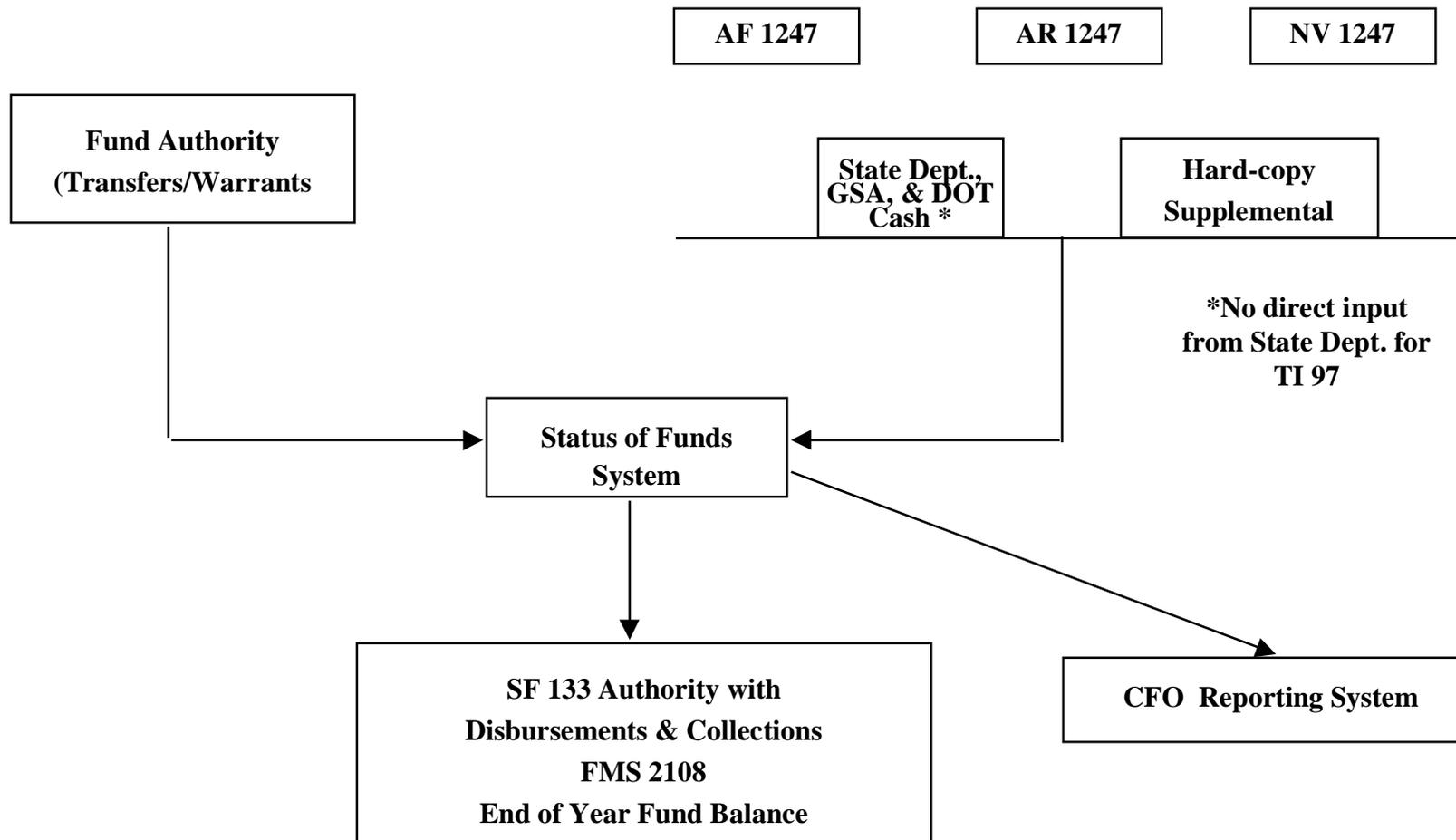


Overview

- Fund Balance - General Funds
- Reconciliation with Treasury - General Funds
- Fund Balance - Working Capital Funds
- Reconciliation with Treasury - Working Capital Funds

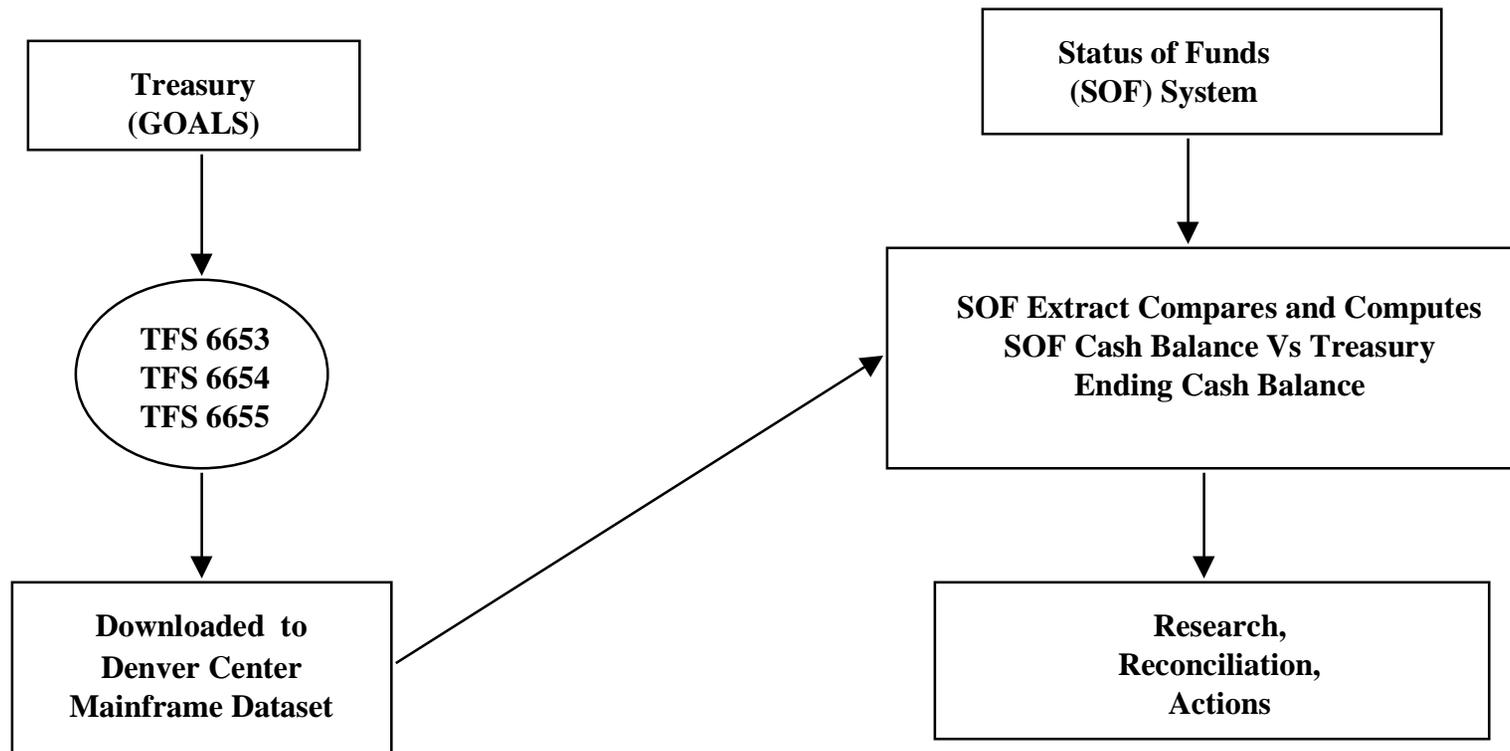


TI 97 / 57 General Funds Departmental Fund Balance





TI 57 General Funds: Treasury To Departmental Reconciliation



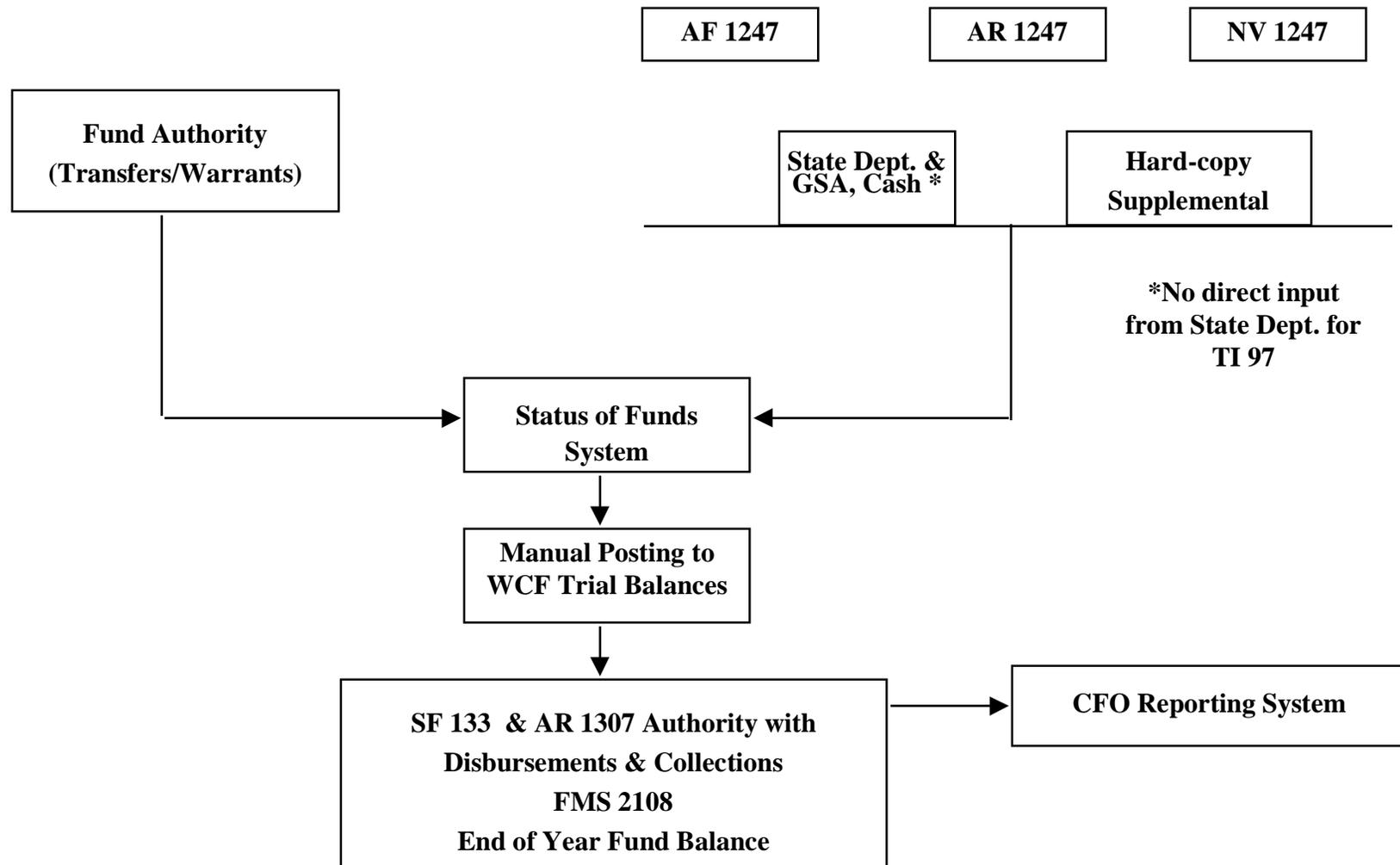


Reconciliation of Fund Balance Differences

- Warrants and Transfers Posted to Both Treasury and SOF?
- Department of Transportation Transfer-Account Funds Included in Appropriation Balance?
- Verify Timing and Accuracy of Supplemental Postings at Treasury and SOF
- Verify Manually Posted SOF Cash Amounts
- Perform Service-by-Service Comparison of Current Month Cash Amounts Between SOF and Treasury

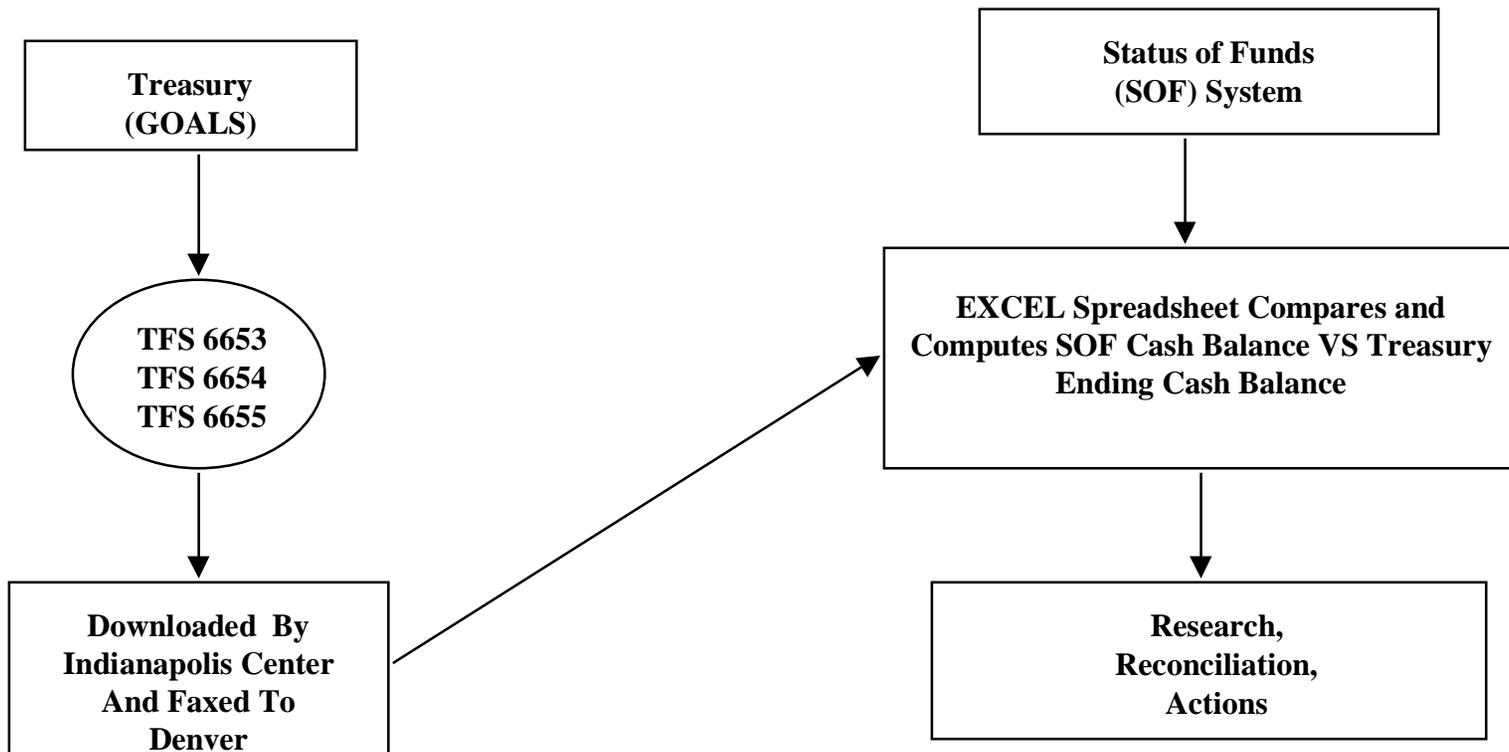


Working Capital Funds: Departmental Fund Balance





Working Capital Funds: Treasury To Departmental Reconciliation





Reconciliation of Fund Balance Differences

- Perform Service-by-Service Comparison of Current Month Cash Amounts Between SOF and Treasury
- Track Invalid Limits and Correcting Entries
- Verify Manually Posted SOF Cash Amounts
- Verify Timing and Accuracy of Supplemental Postings at Treasury and SOF
- Warrants and Transfers Posted to Both Treasury and SOF?



Reconciliation of Fund Balance Differences

- Perform Service-by-Service Comparison of Current Month Cash Amounts Between SOF and Treasury
- Track Invalid Limits and Correcting Entries
- Verify Manually Posted SOF Cash Amounts
- Verify Timing & Accuracy of Supplemental Postings at Treasury & SOF
- Warrants & Transfers Posted to Both Treasury and SOF?



FUND BALANCE WITH TREASURY UNDISTRIBUTED

Bill Ormond

Acting Director

Departmental Accounting

July 19-20, 1999



Overview

- Definition for undistributed
- Data Sources for computing undistributed
- Data Flows within the expenditure system
- Categories of undistributed
- Initiatives



Undistributed Definition

The Difference Between Departmental Cash Net Disbursements and Reimbursements Compared to the Accounting Detail Records Posted by Accountable Activities. **Undistributed is Simply Accounting Transactions Infloat.**



Cash Data Sources

- Departmental cash disbursements and reimbursements
 - Status of Funds (SOF) Departmental On-line Accounting and Reporting System
 - General Funds - Cumulative from inception
 - WCF - FY to date
 - SOF reconciled to Treasury 6653 each month



Field Data Sources

- Field Accrued Expenditures Paid (AEP) and Collections
 - General Funds
 - Status of Funds
 - Cumulative from Inception
 - WCF
 - Field Reported Trial Balances
 - FY to Date



Undistributed Reporting

Where Do You See Undistributed?

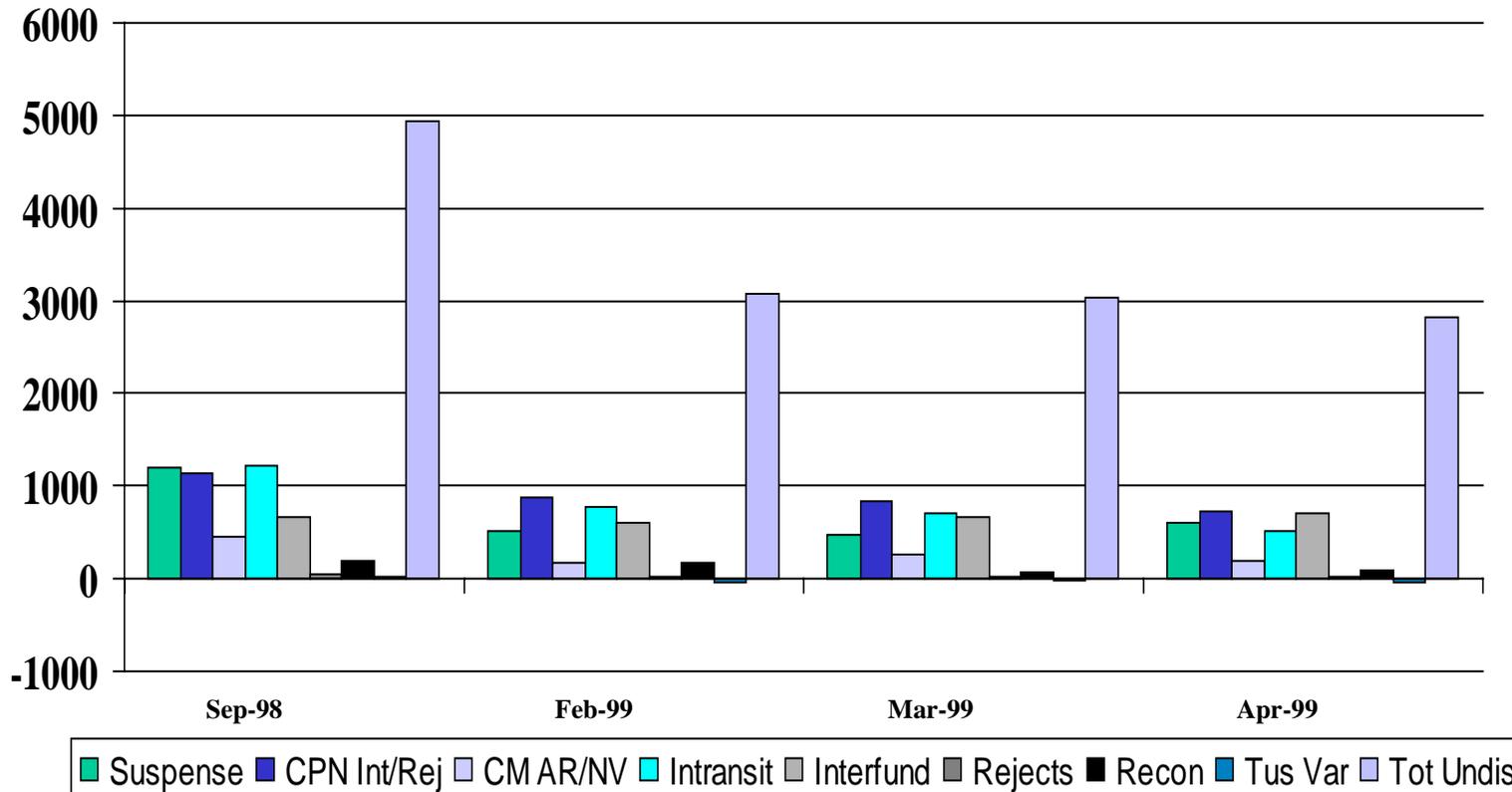
- General Funds
 - Disbursements on Acctg Rpt (M)1002 (handout)
 - Reimbursement on Acctg Rpt 725 (handout)
- Working Capital Funds
 - Separate Lines on 1307 Report (handout)
- Adjustment to Accounts Payable and Accounts Receivable on SF133s and CFO Statements

Undistributed Disbursements/Collections

Summary of All 57, 97, WCF Funds

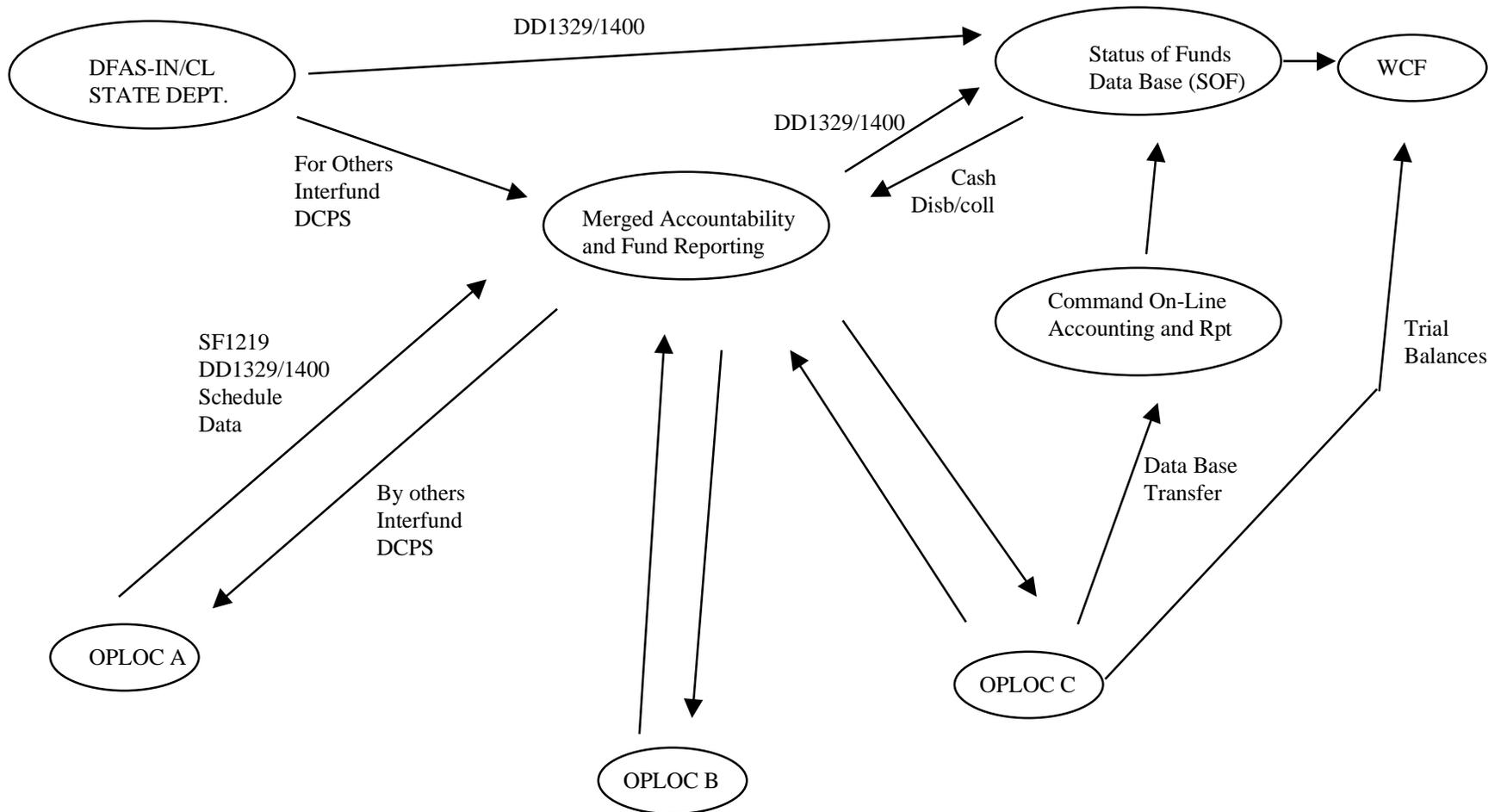
Denver Center

MILLIONS





Disbursing and Accounting Flows





Disbursing and Accounting Flows (continued)

Denver Network

- OPLOCs cash reports
 - SF1219, DD1329, and DD1400
- Schedule Data Identifies Category of Payment, Reporting System, and Establishes Accountability
 - For Self
 - Open Allotment
 - Interfund
 - For Others
 - Defense Civilian Pay System (DCPS)
 - CPN



Disbursing and Accounting Flows

(continued)

Indianapolis/Cleveland/State Department/GSA

- DD1329 and DD1400 from Departmental SOF
- Schedule Data
 - For Self (AF allocated funds)
 - Open Allotment
 - Interfund
 - For Others
 - Defense Civilian Pay System (DCPS)



Expenditure System Functions

Merged Accountability and Fund Reporting (MAFR)

- Balances Cash to Schedule for Disbursing Function
- Bridges from Disbursing Function to Accountable Function
- Controls and Monitors all Aspects of Expenditure Process
- Internal Checks and Balances Within MAFR for System Integrity
- Maintains Two Sets of Cumulative Balances
- Base and Departmental System
- New Departmental Cash System



Undistributed Categories

Three General Groupings

- Control Processes
 - Created by Normal Business Process Within the MAFR System
 - Can Be Aged Except One Category
 - Detail and/or Summary Level Data
- Timing Differences
 - All Clear Within One Month
 - Summary Level Data
- Variance



Controlled Processes

Intransit By Others

- Individual Vouchers
- Aged by Cycle Date
- Acceptance Moves Transaction to Cumulatives AEPs

Rejected By Others

- Individual Vouchers
- Aged from Date of Reject
- Retransmittal Moves It to By Others Register



Controlled Processes (continued)

MAFR Suspense

- Summary Difference Between Cash and Schedule
- Suspended in Appropriation Originally Charged
- Aged by Payment Month
- May Be Timing or True Out of Balance

Unprocessed/Rejected Contract Payment Notices (CPN)

- Summary Amounts Reported by OPLOCs
- Details Contained on 4M1 Report at OPLOC
- Aged by Payment Month
- Majority are Created by End of Month Cut Off



Controlled Processes (continued)

Unprocessed Interfund

- Difference Between Reported Sellers and Buyers 1400s
- Detail Summary Billing Records
- Aged Base on Individual Summary Billing Records

MAFR Recons

- Differences Between Base and Departmental Cumulatives
- Cannot Age
- May or May Not Impact Undistributed



Timing Differences

Current Month Army, Navy, and State Department

- Cash Recorded in SOF Same Month Disbursed - MAFR One Month Later
- Exception for Schedule Data
 - DCPS Paid by CL is Recorded in MAFR and Field in Same Month as Paid
 - COE and Navy Allocated AF Funds
 - For Self Transaction Paid and Posted in Same Month



Category Values

	AF/GF	TI97/GF	WCF	Total
Intransit	427	42	67	536
Rejects	12	3	2	17
Suspense	299	49	122	470
CPN	590	34	111	735
Interfund	246	-7	481	720
Recons	86	-5	7	88
CM AR/NV	398	47	79	524
less:				
COE F/S	51	4		55
NV F/S	4	4		8
DCPS	244	1	32	277
TUS Variance	<u>121</u>	<u>-29</u>	<u>156</u>	<u>248</u>
Total Undist	1,880	126	994	2,999
Total Expenditures	505B	112B		
Variance as % of exp	.0002	.0002		

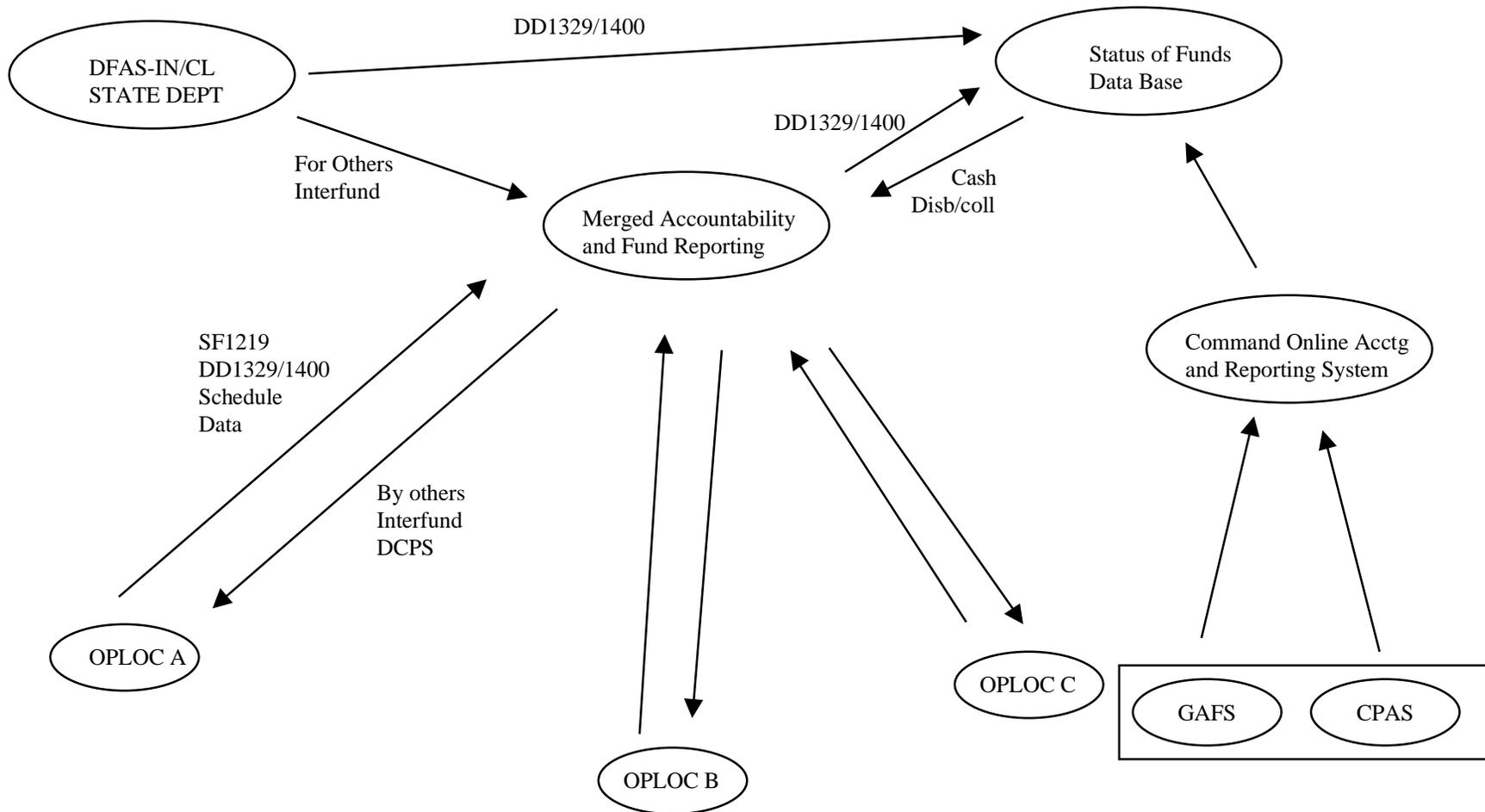


Improvement Initiatives

- Familiarization Sessions with Auditors (FY98/99)
- Convert Ad Hoc Inquiries to Main Frame Applications
- SCR for WCF to Automate Tracking
- Timing Differences for COE and Navy Allocated
- GF AEP Reporting Problems at Base
 - System Change Request (SCR) to Identify Variances
 - Will Take Up to Six Months to Research and Correct Existing Differences



Disbursing and Accounting Flows





Summary

Undistributed

- Normal business practices
- Continuing to decrease
- Controlled auditable process
- Continue fine tuning process



STATEMENT OF ACCOUNTABILITY

Chas Topkis

Program Management Office for
Centralized Disbursing

July 19-20, 1999



Overview

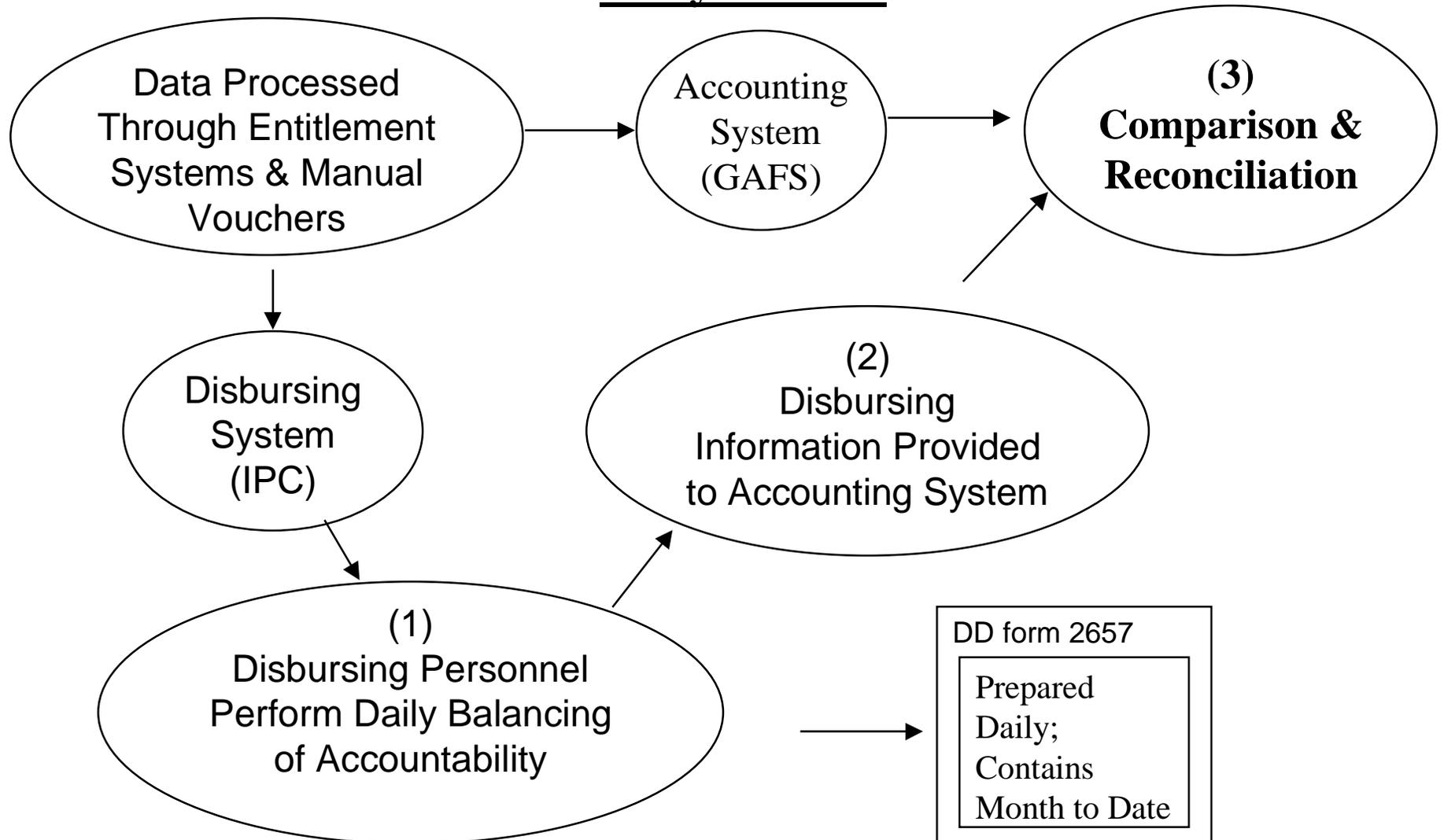
Statement of Accountability

- Daily Process
- Monthly Process
- Reporting



Statement of Accountability

Daily Process





Statement of Accountability

(continued)

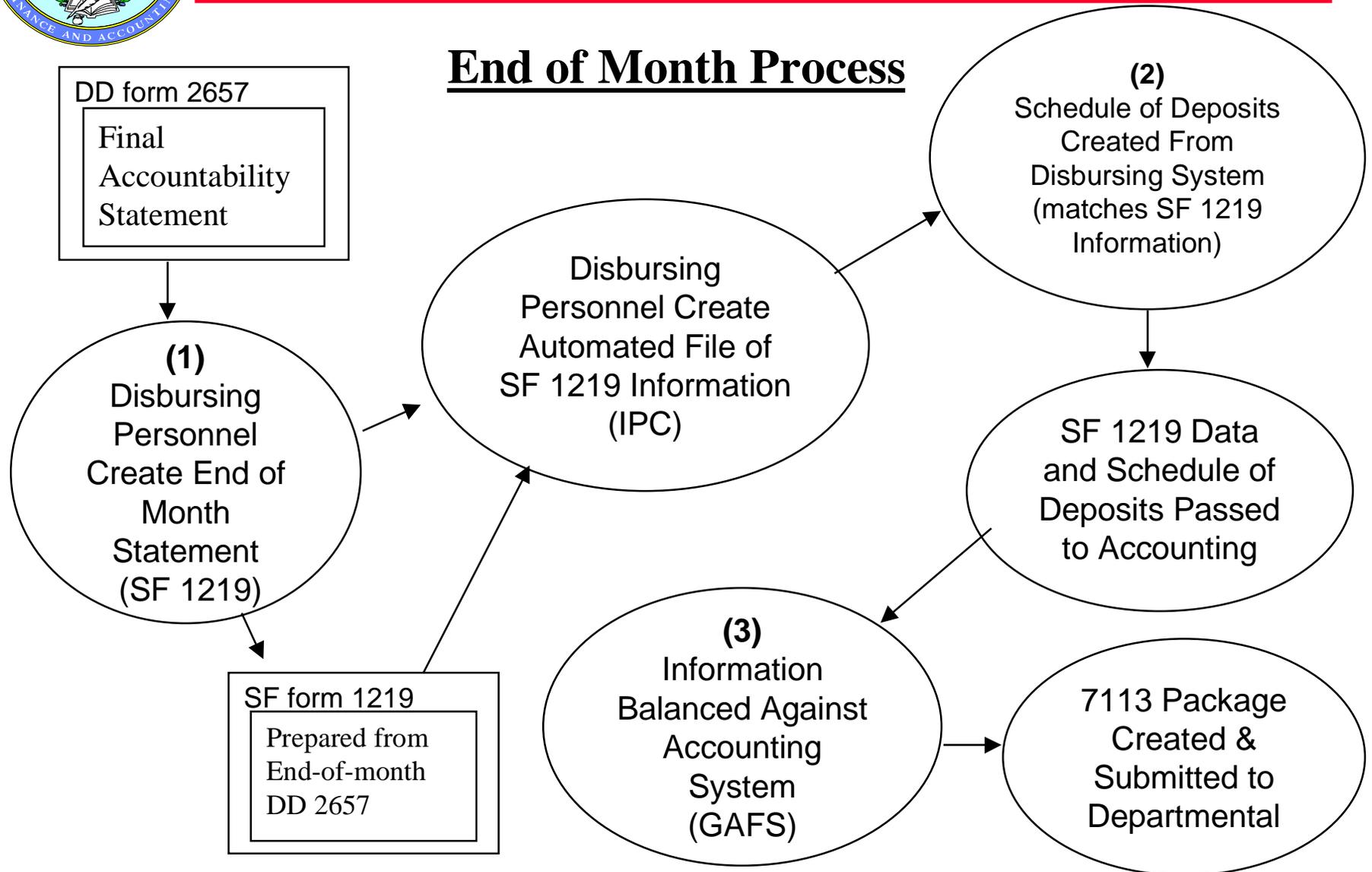
Daily Process

- Important Points Concerning This Process
 - Disbursing Balances Accountability Daily (1)
 - Statement Must Balance Within Itself
 - Ending Accountability Equals Distribution of Accountability
 - Assurance That Information Within Disbursing System is Correct
 - Detailed Information Necessary to Reconcile with Accounting System is Created **ONLY** After Daily Accountability Has Been Completed (2)
 - Daily Reconciliation to Accounting Information (3)
 - Further Check to Assure Field Information Will Equal Departmental Information



Statement of Accountability

End of Month Process





Statement of Accountability

(continued)

End of Month Process

- Important Points Concerning This Process
 - SF 1219 is Produced from the Last Daily Statement of Accountability **(1)**
 - Since Daily Information is Balanced; End of Month Information is In Balance
 - Schedule of Deposits Produced from Disbursing System Matches SF 1219 Information **(2)**
 - SF 1219 Information is Balanced Against End of Month Accounting Information **(3)**
 - Helps to Assure that Information Subsequently Passed to Treasury Equals Field Detail and Departmental Totals



Statement of Accountability

Section I - Transactions Affecting Accountability

Source of Data

1.0	Beginning Accountability	Prior Day Ending Balance	1,000,000
2.1	Checks Issued	IPC Payment Listing	5,000
2.8	OPAC	GOALS	250
2.9	Total Accountability Increases		5,250
3.0	Gross Accountability		1,005,250
4.1F	Net Expenditures	IPC Appropriation Accountability	15,000
4.2A	Deposits	IPC Schedule of Deposits	750
4.2B	EFT Debit Vouchers	IPC Sched of Deposits/Pmt List	10,000
4.9	Total Accountability Decreases		25,750
5.0	Accountability - End of Day		979,500

Section II - Distribution of Accountability

6.2	Cash	Beginning Bal - Advances + Returns	725,000
6.5	Funds With Agents	DD 1081	250,000
7.1	Deferred Vouchers	DVTS	4,400
7.3	Loss of Funds	DD 2667	100
11.0	Total DSSN Accountability		979,500

* Also Contains Month To Date Column