



MOCAS Data Analytics - Update

Defense Finance and Accounting Service

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- Cancelled Funds Working Group

- Prevalidation

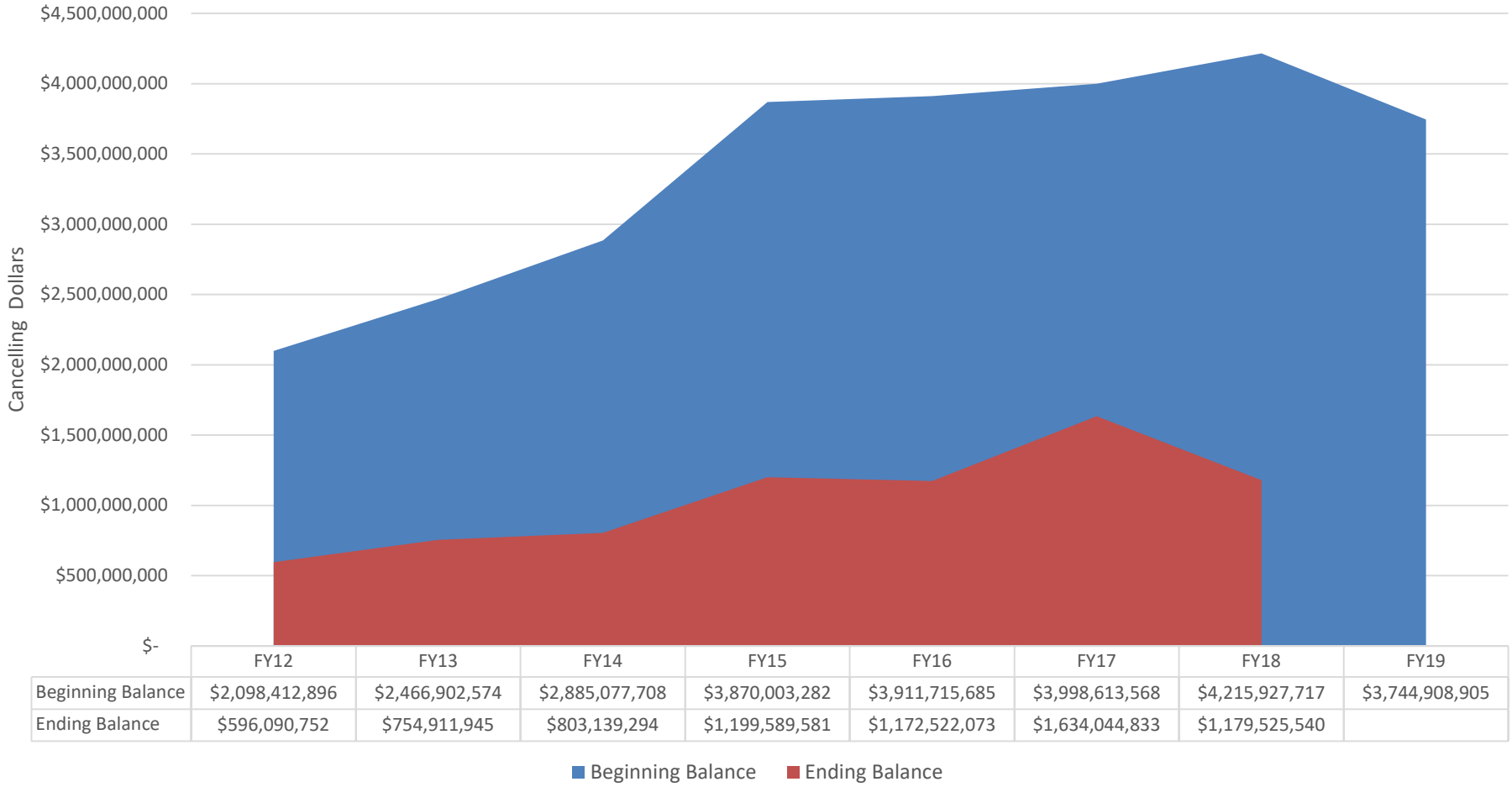
- Internal Business Processes



MOCAS Cancellling/Cancelled Fund Balances



MOCAS Cancellling Fund Balances (All Services)



FY18 MOCAS Cancelled Funds Breakdown



Cancelled Funds Breakdown - MOCAS FY2018				
Status	Count ACRNs	% ACRNS	Sum Dollars	% Dollars
1 - Active Contracts	7,608	36%	\$ 655,425,554	56%
2 - Pending Closure	11,500	55%	\$ 419,256,191	36%
3 - In Litigation	1,863	9%	\$ 104,646,372	9%
4 - Pending Adjustment	17	0%	\$ 197,422	0%
TOTAL	20,988		\$1,179,525,540	

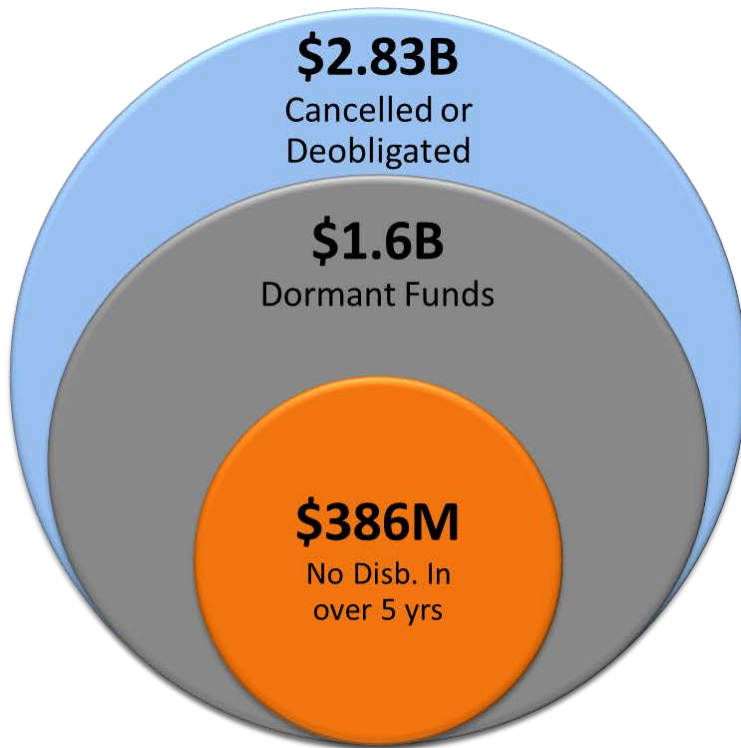
Cancelling Funds Deobligated - MOCAS FY2018				
Status	Count ACRNs	% ACRNS	Sum of Dollars Deobligated	% Dollars
1 - Active Contracts	3,529	28%	\$ 826,184,671	50%
2 - Pending Closure	8,334	66%	\$ 708,612,409	43%
3 - In Litigation	743	6%	\$ 114,116,826	7%
4 - Pending Adjustment	12	0%	\$ 385,689	0%
TOTAL	12,618		\$ 1,649,299,594	



Preliminary Areas of Concentration



MOCAS Excess Funds: FY18 By the Numbers



- ✓ Lost opportunity to reuse funds
 - Limited if funds have expired
- ✓ Audit issue
 - Leads to inaccurate balances
- ✓ Inflates Replacement Funding Risk



Key Insights

- Funds Management needs to occur throughout the entire contract life
- Active contracts make up a large proportion of “dormant funds”



Partnership Opportunity

Identification of excess funds



Active Contract with Dormant Funds



Why do active contracts have dormant funds?

- ✓ Completed efforts/lines are not closed out, excess funds not removed
- ✓ Excess funds are sometimes not identified until closeout (rates settlement)
- ✓ Contracts with long lead items
- ✓ Older contracts with new money being added

303

contracts modified

\$6B

in obligations added

MOCAS query of contracts (over 8 years old) that had new money added to then in FY18

- ▶ \$144M cancelled on these contracts in FY18. That's 22% of the balance that cancelled on active contracts.
- ▶ Another \$217M in cancelling funds were de-obligated. That's 26% of the de-obligations on active contracts.

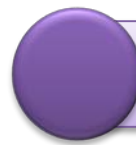
Prevalidation impact

Multi-funded CLINs (pre-PGI) have a low API rate



Partnership Opportunity

Is contract continuance an option? Have you billed fully?



Processing impact

Multi-funded CLINs (contract-wide) leads to manual prevalidation
Multiple Lot Payments can lead to manual processing



MOCAS Schedule Data – FY19-24 Funds at Risk for Cancellation



Funds at risk – delivery date is equal to or beyond the cancellation date of funds



Partnership Opportunity

Early Identification of risk. DFAS is exploring use of CDRs, but industry can also look for risky items as schedules are developed.

High	Wave 1: \$61M Wave 2: \$400M
Medium	\$463M
Low	\$279M

Wave 1 (\$61M) – Analysis of remaining \$35.6M

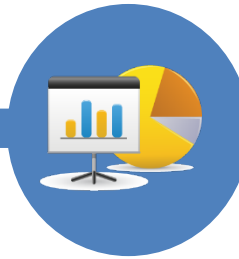
Status	Amount	Count CLINs	Count Contracts	Risk Classification
Delivery/Cancel Equal - Delay	\$ 8,388,391	12	2	High
Delivery/Cancel Equal - Initial	\$ 7,937,501	24	3	Medium
Delivery Beyond Cancellation - Delay	\$ 5,771,789	27	13	High
Delivery Beyond Cancellation - Initial	\$ 5,082,549	7	4	High
Possible excess funds	\$ 5,219,557	29	16	High
Unknown	\$ 3,251,381	17	7	Medium
Total	\$ 35,651,169	116	45	





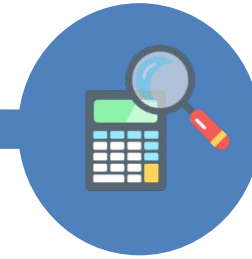
Revise

*policy to include language
on excess funds
management and
language on delivery
schedules and funds
lifecycle*



Increase

*the visibility of
dormant accounts
using dashboard
technology*



Investigate

*further the overall
impact of schedule
delays and
problematic contract
structures*

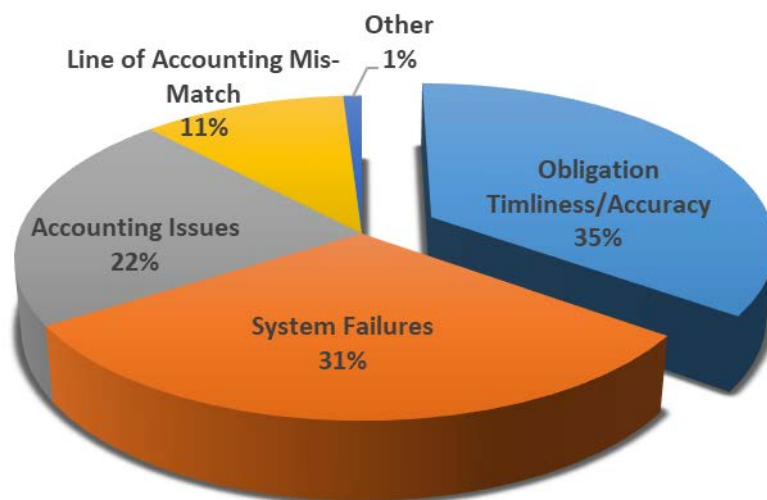
DCMA Funds Life Cycle Management – Tri-Annual Review Update – Vendor/Contract Pay Working Group –
Contract Closeout Initiatives – Individual Service Efforts



Prevalidation by Station – Top Stations



FY18 Approval and Reject Analysis					
Station	System	Customer	Reject Count	Approval Count	Rejects to Total Requests Ratio
021001	GFEB	Army	98,370	271,239	27%
050120	NERP	Navy	54,778	703,628	7%
Multiple	DAI	Multiple	13,666	77,375	15%
503000	GAFS	Air Force	13,005	392,403	3%
033189	EBS	DLA	3,605	7,829	32%
068732	STARS	Navy	2,523	19,550	11%
065916	NAVY FMS	Navy	2,102	62,784	3%
023204	LMP	Army	1,963	20,328	9%
Multiple	Other	Multiple	16,739	249,724	6%
	Total		206,751	1,804,860	



FY18 Reject Reason Codes



013 - Foreign Military Sales Program Year Mis-Match



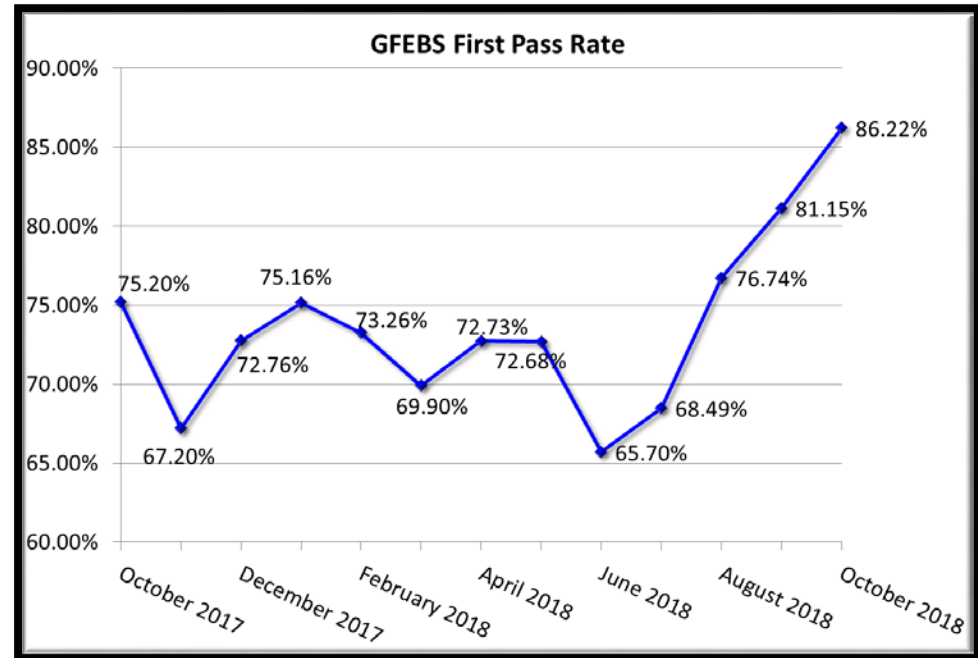
Background

Source	Line of Accounting
GFEBS LOA (within GFEBS)	9711 X8242 0
GFEBS LOA (in MOCAS)	9711 X8242 X

Not SLOA
Compliant

Solutions

- ✓ GFEBS SCR Submitted (long term)
- ✓ EUD Emergency SCR:
IMPLEMENTED



608 - Multiple PO/PO LI found



Represents 38% of all GFEBS errors (when FMS Error 013 is removed) corresponding to 24k rejected lines in FY18. Root Cause is related to Contract Writing.

INFO SLINS – specific structure where more than one INFO SLIN is used to “fund” a single CLIN ACRN combination fails prevalidation

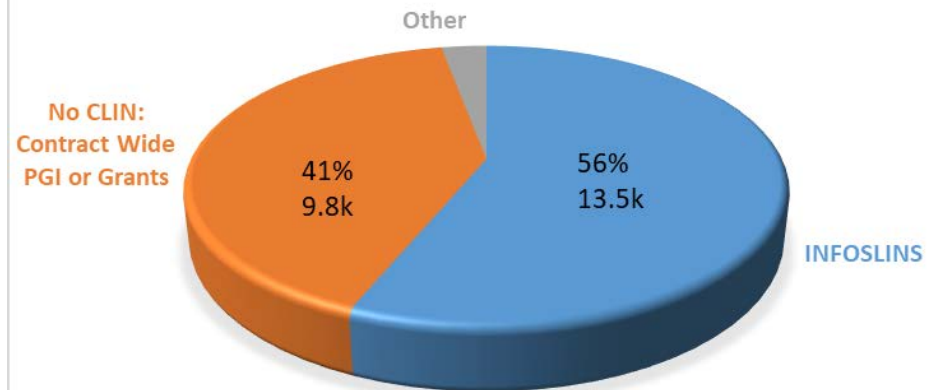
CLIN 0001

01 AA \$5,000

02 AA \$10,000

No CLIN– Contract wide PGI contracts and most grant contracts do not pay with CLINs

608 ERROR CODE BREAKDOWN



Invoice Automation Improvements (API Rate)

- ✓ ELIN Automation Project
- ✓ Mandatory Review Indicators
- ✓ We need your help!
 - *Reduction in number of modifications (price/quantity changes)*
 - *Reduction in use of PGI OTHER*
 - *Closure/continuance of older contracts (no PGI, multiple lot billings)*
 - *Warn DFAS of large invoice volumes*



Improved reporting for workload management

Statistical modeling

- ✓ Enhancing predictive capabilities
- ✓ Trigger management action using metrics that predict out-of-tolerance conditions



Questions

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