Introducing the DFAS FY22-26 Strategy

Defense Finance and Accounting Service
What We Do

DFAS is responsible for the **consolidation, standardization, and integration** of finance and accounting regulations, functions, procedures and assigned information systems within the DoD, while ensuring their proper relationship with other DoD functional areas such as budget, personnel, logistics and acquisition.

**Finance and Accounting Services**

- **Made $147 billion in Intragovernmental Payments**
- **Maintained 77 million General Ledger accounts**
- **Accounted for 1,411 Active DoD Appropriations**
- **Managed $23 billion in Accounts Receivables**
- **Managed $1.4 trillion in Military Retirement and Health Benefit Funds**
- **Managed Foreign Military Sales Cases reimbursed by foreign governments valued at $639 billion**

**Pay People and Vendors**

- Disbursed **$613 billion**
- Paid **11.9 million commercial invoices**
- Processed **155.5 million pay transactions**
- Made **4.2 million travel payments**
- Paid **6.6 million customers**
Customers

All DoD military personnel, retirees, annuitants and civilian personnel

Defense Agencies and the Office of Secretary of Defense

Major DoD Contractors and Vendors

Customers outside the DoD
   Executive Office of the President
   Department of Energy
   Department of Veterans Affairs
   Department of Health & Human Services
   US Agency for Global Media
   Foreign partners
The DFAS Strategic Priorities

FY22-26 STRATEGIC FRAMEWORK
By 2026, DFAS will have...

OUR MISSION
Deliver financial excellence and quality pay services for our customer

MODERNIZE THE BUSINESS ENVIRONMENT
Reformed processes and systems to strengthen DFAS as a valued and competitive member of the financial management community

STRENGTHEN CUSTOMER PARTNERSHIPS
Implemented innovative customer-oriented solutions that improve efficiency and partnership

INTEGRITY SERVICE INNOVATION
Adopted skill sets and practices to align agency expertise in advisory, finance, and accounting services with the needs of the financial management community

INVEST IN PEOPLE
Achieve cost, schedule, and performance targets, that support delivery of efficient, standardized, and value-added services

ENHANCE PERFORMANCE
To be a valued partner in financial management by consistently delivering first-class service and products
FY22-26 Strategic Linkages

The US National Defense Strategy
- Integrated deterrence
- Campaigning
- Building enduring advantages

Secretary of Defense Priorities
- Defend the Nation
- Take care of our people
- Succeed through teamwork

DOD Financial Management Strategy
- Cultivate a skilled and inspired FM workforce
- Optimize taxpayer dollars for the highest value outcomes
- Increase the integrity of financial results
- Simplify and optimize our end-to-end business environment
- Empower data-driven, fiscally-informed decision-making

DFAS Strategic Plan FY 22-26
- Strengthen Customer Partnerships
- Modernize the Business Environment
- Enhance Performance
- Invest in People
**FY22-26 Strategic Goals:**

- To retire 15 Legacy Systems and reduce 55% of in-scope Legacy Systems Costs
- To simplify and optimize the business environment
- To decrease the number of legacy, financial statement audit-relevant business system
- To reinvest cost savings into modern capabilities

**DFAS Systems Portfolio:**

- DFAS owns a total of 76 business systems:
  - 48 are in the enduring portfolio
    - 22 are audit relevant
  - 28 are in the retirement portfolio
    - 23 are audit relevant
Reduce Legacy Systems - FY22-26

RLS Definition:
Reduce complete or partial systems from DFAS’ system inventory to optimize the operating environment and achieve cost savings.

Cash Accountability Systems
- FY23 – Department 97 Reporting and Reconciliation Tool
- FY25 – Consolidated Cash Accountability System
- FY26 – Army Fund Balance with Treasury System

Accounts Maintenance & Control Systems
- FY22 NAVAIR Industrial Material Management System
- FY22 Online Report Viewer
- FY23 Electronic Business
- FY23 Standard Accounting and Reporting System
- FY23 Simplified Workflow Access Protocol
- FY24 DFAS Tactical Processing Analysis Tool
- FY25 Standard Operations Maintenance Army Research Dev System
- FY26 Program Budget Accounting System – Funds Distribution
- FY26 Program Budget Accounting System – Order Control

Contract Pay Systems
- FY22 Mechanization of Contract Administration Services – Mid Tier

Disbursing Systems
- FY24 Centralized Disbursing System

Financial Reporting Systems
- FY25 Work Year Personnel Costs

Infrastructure Systems
- FY25 Remedy

FY 17 – 21
20 Systems; $10.5M savings

FY 22 – 26
15 Systems; $24.9M savings (Estimated)
<table>
<thead>
<tr>
<th>Benefits</th>
<th>Risks</th>
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<tr>
<td>➢ Simplify and Standardize the DoD FM Business Environment (Systems and Processes)</td>
<td>➢ Competing Priorities for Department Resources</td>
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<tr>
<td>➢ Reduce Total DoD FM Systems Cost</td>
<td>➢ Implementation Authority for Target System outside of DFAS</td>
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<td>➢ Improve Cybersecurity</td>
<td>➢ Development Capacity and Funding of Target Systems</td>
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<td>➢ Increase Efficiency and Effectiveness</td>
<td>➢ No Approved Schedule</td>
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<td>➢ Maximize Enterprise Resource Planning (ERP) Capabilities</td>
<td>➢ Dependency on new Development</td>
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<td>➢ Eliminate Duplicate Capabilities</td>
<td>➢ Changing Systems environments, goals and priorities</td>
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<td>➢ Improve Interoperability</td>
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<td>➢ Improve Auditability</td>
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<tr>
<td>▪ Maximize Transactions on Target Systems</td>
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<td>▪ Enable Stronger Internal Controls through Reduced Interfaces and Data Translations</td>
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Backup
RLS Process Overview

Discovery and Initiative Concept
- Gather/assess information on current system
- Develop As-Is Discovery Briefing

Business Case Analysis (BCA)
- Develop Working Integrated Product Team (WIPT) charter
- Generate BCA Recommendation

Requirements
- Define functional requirements
- Develop and gain approval(s) for System Change(s)

Certification / Funding
- Obtain all funding approvals/certification

Scheduling
- Execute design, development, testing and any corrections identified
- Create System development and deployment schedules
- Create legacy system retirement plan (Termination Plan)

Design / Development
- Implement Target System(s) Software into Production

Target Implementation
- Perform all legacy shutdown tasks

Legacy Retirement