

# NEWSLETTER

THE ULTIMATE **FORCE** **MULTIPLIER**

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## MAXIMIZING BUYING POWER - MAINTAINING OUR FOCUS

### An Update on the Canceled Funds Reduction Effort

DAF FM Strategic Plan Connections

#### Goal 3 | Objective 3.1

**by Ms. Kara Fast and Mr. John Pletcher, SAF/FMB**

The [Summer '24 edition](#) of the Air Force Comptroller magazine included an excellent overview of the Canceled Funds reduction effort that has been championed by Major General Michael Greiner as part the Department of the Air Force (DAF) Financial Management (FM) Strategic Plan. The extensive effort involves teams with representation from across the FM enterprise, as well as cross-functional members from the contracting community, Defense Contract Management Agency (DCMA), Defense Contract Audit Agency (DCAA), and Defense Finance and Accounting Service (DFAS). Most importantly, the summer magazine article outlined the roles that each of us must play as part of the “All Hands” effort required to reduce the large canceled funds balances and return that buying power to leadership and decision-makers inside the DAF. This article shares the latest progress and next steps associated with our Canceled Funds reduction effort.

To level set on how the Canceled Funds reduction effort got its start: the effort is a key element under Objective 3.1 of the FM Strategic Plan. Objective 3.1, championed by Maj Gen Greiner, is focused on “Building Defendable Budgets, Reducing Execution Variances, and Driving Standardization” across our budget processes. The overall effort includes four sub-objectives that are outlined below:

Sub-Objective 3.1.1	Optimized utilization of budget resources to meet mission demands
Sub-Objective 3.1.2	Modernized budget formulation tools and improved justification books
Sub-Objective 3.1.3	Enhanced Congressional awareness of DAF requirements and DAF understanding of Congressional perspectives
Sub-Objective 3.1.4	Enterprise-wide standardization of budget and decision support processes and tools



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# MAXIMIZING BUYING POWER - MAINTAINING OUR FOCUS

## An Update on the Canceled Funds Reduction Effort (cont.)



The reduction of Canceled Funds continues to be the centerpiece of our efforts surrounding optimization of budget resources (sub-objective 3.1.1). The reduction effort is broken into four focus teams based on obligation document type: 1) Mechanization of Contract Administration Services (MOCAS) contracts, 2) Non-MOCAS contracts, 3) Buyer-Side Military Interdepartmental Purchase Requests (MIPRs), and 4) Miscellaneous Obligation Reimbursement Documents (MORDs).

### Uncovering Root Causes

Three of the four teams (MOCAS contracts, Non-MOCAS contracts, and Buyer-Side MIPRs) have now completed Rapid Improvement Events (RIEs) that solidified their core problem statements and uncovered 16 potential root causes of Canceled Funds. As you can see in the table below, there are similarities in some of the root causes identified by the three different teams.

Potential Root Causes	
<b>MOCAS Contracts</b>	<b>Non-MOCAS Contracts</b>
<ul style="list-style-type: none"><li>▪ Budget - available funds vs. rigorous estimates</li><li>▪ PoP Start Dates late in FY</li><li>▪ Focus on obligations, not expenditures</li><li>▪ Timing of contract changes</li><li>▪ Contract requirement clarity / confusion</li><li>▪ Complex acquisition &amp; financial processes</li><li>▪ Contractor baseline vs government funding</li><li>▪ Immature cost estimates</li></ul>	<ul style="list-style-type: none"><li>▪ Contract requirement clarity / confusion</li><li>▪ Fiscal uncertainty, extended CRs</li><li>▪ Inefficient contract processes</li><li>▪ Inadequate funds reconciliation</li><li>▪ Focus on obligations, not expenditures</li></ul>
	<b>Buyer-Side MIPRs</b>
	<ul style="list-style-type: none"><li>▪ Focus on obligations, not expenditures</li><li>▪ Monthly/FYE validation not accomplished</li><li>▪ Lack of continuity &amp; document retention</li></ul>

The commonalities between root causes likely point to overarching culture, policy, or process issues in need of adjustments if we want to reverse the Canceled Funds trends we've seen in DAF appropriations in recent years. With the RIEs behind them, the teams have transitioned to the process of validating the root causes, through interviews and surveys, before turning their focus to the development of mitigations and corrective actions designed to overcome the validated root causes that are driving our Canceled Funds problem.

Given that MORDs make up a relatively small percentage of the 'unliquidated obligations' portion of our Canceled Funds problem, the fourth team didn't immediately jump into an RIE to explore root causes tied to MORD obligations. Instead, their initial focus was on identifying and reducing dormant obligations tied to MORDs, hoping that effort would uncover negative practices in the inefficient use of MORDs that are driving over-obligations, that ultimately lead to Canceled Funds.

While there is definitely a place for the proper use of MORDs in our budget execution process, MORDs are generally supposed to be temporary obligation documents. Yet many MORDs sit on the books without any activity for an extended period of time. To correct that trend, the SAF/FMF team developed and implemented a Robotic Process Automation to de-obligate dormant MORDs with no activity over the previous six months. Since the implementation of the BOT in FY23, we have de-obligated almost \$400M from inactive MORDs across FY18-FY25. While the BOT doesn't address every potential issue associated with the use of MORDs, it serves as a big step in clearing up invalid obligations that lead to canceled funds. The next challenge is to develop corrective behavior that avoids the over-obligation up front and thereby returns that buying power to the DAF.

### Measuring Success

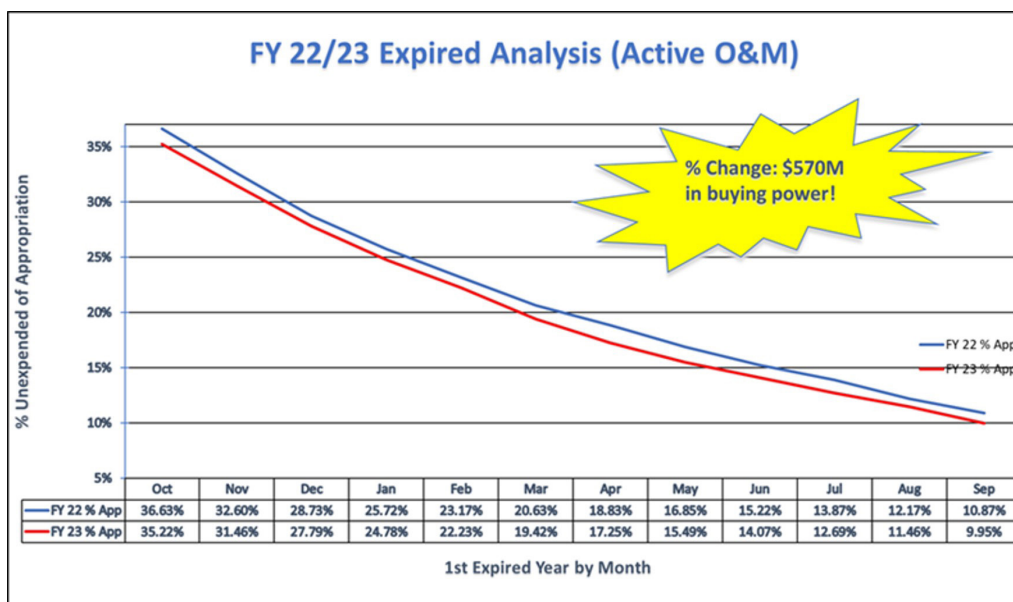
There has been a tremendous amount of energy and wisdom put into the overall Canceled Funds reduction effort by a significant number of dedicated people across our community. This topic has been briefed to the FM Board of Directors at every FM Executive Session for the past three years and will continue to be a primary focus of our DAF FM senior leaders. Intuitively, our leadership knows the efforts are driving progress, but we struggle to show the direct impact because the changes implemented in any given year won't show up as decreased Canceled Funds until five years (or more) down the road. That said, there are leading indicators that show the efforts are making a real difference. ➤

# MAXIMIZING BUYING POWER - MAINTAINING OUR FOCUS

## An Update on the Canceled Funds Reduction Effort (cont.)



One early positive indicator is the percentage of unexpended Operations and Maintenance (O&M) funds on the books at the end of the first expired year. The impressive efforts by the Canceled Funds forensics team and FMers across the enterprise helped identify and eliminate excess obligations in FY23. As the graph below indicates, that clean-up effort resulted in year-over-year increases in the O&M disbursement percentages in every month of FY23. That percentage change is the equivalent of a \$570M increase in buying power in a single year for a single appropriation—just imagine how the impact can multiply when applied across the entire DAF portfolio.



Celebrating these early successes is an important element in continuing to fuel the efforts of the teams that are putting in the extra hours to positively shape the future of our FM business. It also puts a measurable stamp on the importance of restoring this buying power to our DAF decision makers. Finally, this highlights our necessary commitment to broadening the ownership of the Canceled Funds reduction effort to ensure FMers across all echelons of the enterprise are doing their part to answer the 'Call to Action' that Maj Gen Greiner laid out in the Summer '24 Air Force Comptroller Magazine. With increased ownership from across our community, we look forward to celebrating even more successes in the future.

### About the Author

*Ms. Kara L. Fast is the Technical Director for the Deputy Assistant Secretary of the Air Force (Budget) at the Pentagon in Washington, DC.*

*Mr. John Pletcher is a member of the FMB Support Team for SAF/FMB at the Pentagon in Washington, DC.*

# INSIGHTS ON MILCON PROGRAMMING



by Mr. Dennis Rackard, AFMC

I am a civil engineer by degree (1985), and I worked in civil engineering (CE) for 20 years prior to coming to the acquisition side as a cost analyst (Operations Research Analyst). In that position I earned a master's degree in project management and Defense Acquisition Workforce Improvement Act (DAWIA) Level III certifications in both BUS CE and BUS FM. I've worked on many comparative analyses and, in my earlier career, successfully programmed over \$200M in military construction (MILCON) for facilities that have been built on Eglin Air Force Base in Florida. That MILCON money has come through many different organizations (i.e., Health Facilities Organization, Air Force Research Laboratories, Air Force Materiel Command, Federal Aviation Administration, the Navy Explosive Ordnance School, etc.). Of course, there were many other large projects that were privately funded or funded with Non-Appropriated funds: an airport expansion, a couple of banks, many Army Air Force Exchange Services facilities and some housing projects. Our discussion here pertains to MILCON, specifically the 3300 appropriation.

## 3300 Appropriation

We've all seen the "Spruill" chart for an acquisition program—a concise list of all appropriations by year, with quantities of goods provided. How often is the 3300 line blank, or just wrong? We cost analysts are expert at the "PP" part of Planning, Programming, Budgeting & Execution (PPBE), and of course the budget analysts have the "B" part covered (and maybe the "E") for most all appropriations (3600, 3010, 3020, 3400, 3080, etc.) but what about 3300? Who can help with that?

In short, the experts for planning and programming MILCON funds reside in all CE locales across the globe, with a headquarters function at the Air Force Civil Engineering Center (AFCEC) in San Antonio, Texas. Yes, each base actually has positions in CE called planners and programmers; personnel skilled in developing facility construction cost estimates, determining facility requirements, and preparing the programming package that goes forward for Congressional MILCON approval.

OK, now you know to go to the CE folks at the site of proposed construction for planning and programming help.... what's next? Well, bring some money, but not too much (in acquisition parlance)—CE has great and hard-working folks, but they could use help with funding! A couple hundred thousand for a planning charette, maybe another fifty for an economic analysis and maybe twenty or more for the environmental assessment, and you are well on your way to developing a viable programming package for your next new facility. Work with the appropriate CE to get better numbers for your effort...the cost won't be bad for the ability to

garner tens or even hundreds of millions in return! Not to mention the new buildings you will get to work from for your efforts.

Want to learn more, and be the "go to" person at your base for all facility projects? Study DAFI 32-1020 Planning and Programming Built Infrastructure Projects and its references for more info on the subject.

## Conclusion

I will say this—it is very rewarding to play a big part in the procurement of a multi-million-dollar facility. It will take a while, but if you don't start now, you'll all be working from the same old facilities when you retire... which I am planning to do soon. Start your collaborations with AFCEC and Air Force Installation and Mission Support Center soon. I'll be traveling the world, so budget some funds now for planning and programming charettes, and work with CE as they are the ones who can actually help!

I'm most proud of helping the Federal Aviation Administration convert their nationwide Air Traffic Control system from an analog system to the Digital Air Surveillance Radar starting at Eglin, and that's considering I also planned and programmed \$30M for a state-of-the-art labor and delivery suite at Eglin's regional hospital.

## About the Author

*Mr. Dennis Rackard is an Operations Research Analyst for Air Force Life Cycle Management Center located at Eglin Air Force Base, Florida.*

**Photo Top:** Air Traffic Controller using the Digital Air Surveillance Radar system (circa 2015). **Middle:** The 300 foot tall Eglin test tower, a new construction MILCON effort to reconstitute Santa Rosa Island (an Eglin AFB test site) post Hurricane Opal of 1995. **Bottom:** The author checking hurricane damage on the 300 foot tower 15 years later.



## DEAMS Update

### DEAMS Functional Management Office

by DEAMS Functional Manager

#### Agile Development Update

#### Automated Funds Management

The Defense Enterprise Accounting Management System (DEAMS) program recently delivered the Automated Funds Management (AFM) interface that allows for the systemic processing of target loads from all Operating Budget Authority Documents (OBADs) initiated within AFM with Program Availability Type (PAT) Codes 62, 63, and a DEAMS Agency Accounting Identifier (AAI). SAF/FM is reviewing its policy on the level of funds distribution under Continuing Resolution. As a result, the AFM interface rollout has been temporarily paused, and the deployment strategy has been adjusted to pilot with a select number of organizations before being deployed enterprise wide. The DEAMS Functional Management Office (FMO) will provide more details based on the policy decisions. For more information, including Frequently Asked Questions, please visit the [AFM News Page](#) on the [DEAMS Outreach Portal](#).

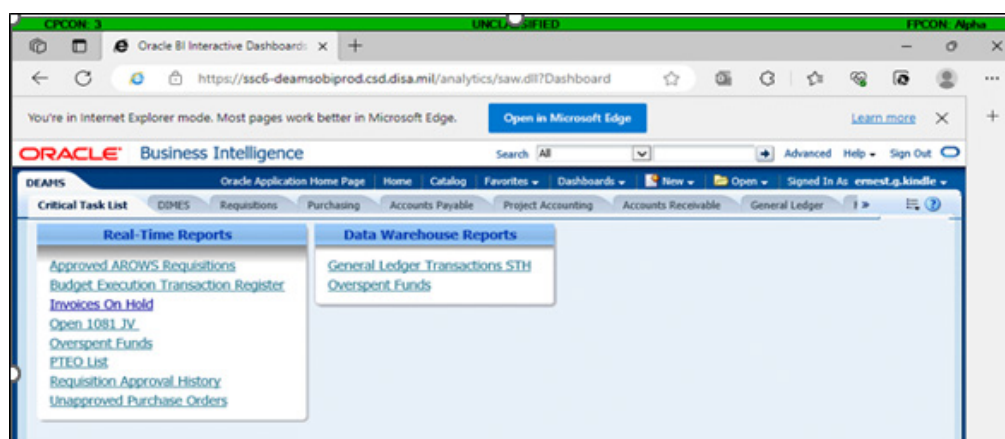
#### Oracle Business Intelligence Enterprise Edition Reports Update

The burn-down of Discoverer Viewer (DV or Disco) reports is a priority for the DEAMS Oracle Business Intelligence Enterprise Edition (OBIEE) Reports team. To date, almost 600 DV reports have been unshared with 283 remaining to be reviewed. As new OBIEE reports are published, the DV reports being replaced are tagged for removal and added as 'Pending' in column D of the [Unshared Disco Report List](#). These reports remain in 'Pending' status for at least 30 days to give users an opportunity to provide feedback or elevate concerns through their [Command Subject Matter Experts](#).

In December, we notified users about the planned phase-out of over 130 DV reports in January, giving them the opportunity to identify any reports not addressed by OBIEE. However, once these reports were unshared, we saw a surge in questions from customers still searching for them. With 108 DV reports scheduled to be unshared in March, we want to reiterate the importance of these notifications and remind users of the various ways we share this information. This information is widely disseminated through various channels, including direct emails to user accounts, FM publications, the OBIEE News Page on the DEAMS Outreach Portal, the monthly DEAMS Top Ten, the DEAMS Users Group on milBook, Command Subject Matter Expert weekly emails, and all other available communication channels.

The Reports Team and the Command Subject Matter Experts are frequently asked how often OBIEE report information is updated. The refresh rate for OBIEE reports depends on whether they are Real Time Reports or Data Warehouse Reports. Real-Time Enterprise Business System (EBS) Reports pull directly from DEAMS, generally reflecting near real-time data. However, OBIEE caching can cause a short delay. If you encounter a data discrepancy or an unreasonable delay, please submit a ticket through the [SAF/FM Self Service Portal](#).

If Data Warehouse Reports are the source, currently, only General Ledger (GL) data is in the data warehouse, and it is being refreshed every 15 minutes. Note that it may take longer than 15 minutes for a GL transaction to be reflected in OBIEE due to processing times between the EBS and the data warehouse. ➤



## System Releases

System improvements and updates are a constant way of life for the DEAMS Agile Development teams. As updates are developed, they are installed timely to maximize the efficiencies gained. Many changes are behind-the-scenes system updates which enhance performance or improve data integrity, but occasionally, an update can display a new look or feel for customers. As updates are installed, the FMO publishes User [Release Notes](#) explaining these system changes. These notes can be found in the Release Notes library on the [DEAMS Outreach Portal](#).

## Deployment and Training Update

### FY25 Deployments

The DEAMS Deployment/Training Team is on site at Kirtland Air Force Base as well as Los Angeles Air Force Base and Peterson Space Force Base actively training new users how to use DEAMS in eleven different United States Space Force (USSF) programs. Preparations for the 1 March 2025 go-live at Space Systems Command (SSC) and the Space Operations Command (SpOC) were ongoing for several months. Classroom training wrapped up in late March and the team is currently on site to provide over-the-shoulder assistance until the end of April.

Following the USSF deployment, the team is planning for a June go-live with AFOTEC (Air Force Operational Test and Evaluation Center) and HQ AFMC/A5, before returning to SSC and AFLCMC for further program office deployments.

G-Invoicing pilot programs continue as more organizations volunteer to test the process, and the team is preparing to broaden the scope to include the Servicing side functionality in Q3FY25, preparing for user training and full implementation in FY26.

### Miscellaneous Payments Training

Miscellaneous Payments Basic and Experienced User courses are held monthly, with each month's classes scheduled to accommodate a specific time zone for the convenience of our users. The Basic course consists of 10 hours of training across two days for those financial managers and resource advisors who are new to the Miscellaneous Payments process. Experienced User training is a series of two-hour sessions, scheduled over four consecutive days. Each session covers a different topic to accommodate a multitude of financial roles: Supplier, Requisition and Purchase Order, Receipt and Invoice, and DAO Review and Troubleshooting. Continuing Education Training credits can be earned for attending these courses. Course schedules are posted to the [SAF/FMFO Training Calendar](#) on the DEAMS Outreach Portal with information on dates, times, access information, and training materials. Schedules are updated the last week of each month for the following month.

### Refresher Training

Refresher Training is available to the field on any DEAMS process they need assistance with. If your unit has a need for Refresher Training on a DEAMS process specific to your location, contact Mr. Ernest Kindle at [ernest.kindle.1.ctr@us.af.mil](mailto:ernest.kindle.1.ctr@us.af.mil).

For more information on the topics discussed in this article, please contact the DEAMS Strategic Communications Team at [saf.DEAMS.stratcomms@us.af.mil](mailto:saf.DEAMS.stratcomms@us.af.mil).



## RECOGNIZING AIR FORCE RESERVE COMMAND FMERS!

Your fellow FMers at the 914th Air Refueling Wing were recipients of **three** awards at the Air Force Reserve Command level for their distinctive achievements in CY2024. Read the DVIDS article [here](#) for more details. Way to go teammates, great work executing the mission.

## Empowering Financial Excellence: A Proactive Engagement Strategy for SAF/FMFO

*Ms. Jenny Beer, Director, SAF/FMFO Accounting Policy & Operations*



To better align with our 2025-2029 Strategic Plan and Vision of “Success through Customer Focus,” Accounting Policy & Operations (SAF/FMFO) is transforming how we engage with customers. We recognize the evolving challenges facing the Financial Management (FM) community, and through this new strategy, are prioritizing proactive support, data-driven decision-making, and a culture of continuous improvement.

Our current support model needs to evolve to empower a self-sufficient, data-driven FM workforce. This strategy will equip Commands with the knowledge and tools to solve problems independently, reducing reliance on reactive channels and fostering resilience.

### Three Methods of Engagement

**Quarterly Operational Engagements:** Tailored 60-minute sessions with each Command and their bases, commencing May 2025, will proactively address financial management needs, identify trends, and provide customized insights. This collaborative approach will foster a deeper understanding of financial health and promote problem-solving.

**Refocused Accounting Calls:** Concise 20-minute quarterly calls, starting April 2025, will efficiently deliver targeted updates on policies, guidance, DEAMS changes, and SAF/FMFO initiatives. This ensures Commands have the information needed to maintain compliance and operational efficiency, supporting audit readiness and standardized processes.

**Streamlined Users Forums:** Transitioning to a quarterly schedule with our next session in May 2025, these forums will optimize content delivery and enhance user engagement. Streamlined team rotations will allow for higher-quality, in-depth content, while expanded Q&A sessions will provide direct access to subject matter experts.

### Implementation and Measurement

A phased implementation plan outlines key activities, timelines, and roles and responsibilities for each engagement method. Success will be measured by tracking:

- **Increased engagement:** Attendance and participation rates across all activities
- **Improved KPIs:** Progress on pre-defined performance metrics for each Command
- **Enhanced user satisfaction:** Regular feedback gathered through polls and questionnaires
- **Decreased reliance on reactive support:** Tracking trends in ServiceNow tickets and assistance requests

### Benefits and Challenges

This strategy, utilizing existing resources and platforms, promises significant benefits:

- Improved audit readiness and potential cost savings
- A more capable and efficient FM workforce
- Enhanced data-driven decision-making and resource allocation
- Stronger partnerships between SAF/FMFO and Commands

Potential challenges, such as workload management and user adoption, will be addressed through careful planning, communication, and ongoing feedback mechanisms.

By embracing proactive engagement, data-assisted insights, and a commitment to continuous improvement, this strategy empowers the FM community to excel in today's complex financial environment. This roadmap ensures SAF/FMFO effectively supports achieving financial excellence across the Department of the Air Force.



## Share Your Inputs!

### DEAMS Outreach Portal Suggestion Box

The Defense Enterprise Accounting Management System (DEAMS) Functional Management Office is excited to introduce a new feature to the DEAMS Outreach Portal: the Suggestion Box! This feature is designed to give you a voice in shaping the site to better meet your needs. Whether you have ideas for improvements, notice something that might be hard to find, or encounter any issues that aren't working as expected, the team wants to hear from you. Your feedback is invaluable in helping them create a more user-friendly and efficient experience. The Suggestion Box is simple to use and ensures your input is considered as the team continues to enhance and grow the site. Together, you can help make this platform work better for everyone— so don't hesitate to share your thoughts!



## Simple Reminders for Returning to Office

As our FM team returns to in-person work, it is exciting to connect, collaborate on tasks, and continue to stay mission ready. Check out some simple tips below to keep in mind for working in the office.



Ease into the morning routine by grabbing a cup of coffee or breakfast on the way in.



Organize your workspace to make it a comfortable and productive environment.



As always, prioritize communication; make sure the team is aligned on goals and expectations.



Keep a healthy sleep pattern so you can maintain focus and remain charged.



Respect the personal space and boundaries of your colleagues.



Have patience and understanding with yourself and others as everyone adjusts.



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