

OL Files

BUD

27 OCT 1987

MEMORANDUM FOR: Comptroller

VIA: Deputy Director for Administration

FROM: John M. Ray
Director of Logistics

SUBJECT: Revised Yearend Closeout Procedure

REFERENCE: Memo for ExDir fm Comptroller, dtd 20 Oct 87,
Subject: FY 1987 Yearend Closing

1. The purpose of this memorandum is to provide information concerning the fiscal year (FY) 1987 yearend procurement process, actions the Office of Logistics (OL) will take to enhance the management of the procurement process in FY 1988, and a recommendation concerning closure of the 1988 fiscal year in paragraph 5.

25X1 2. Background: During the month of September 1987, the Agency
25X1 procurement system obligated [redacted] encompassed in [redacted]
25X1 contract actions (Attachment A). This represents a [redacted] percent
increase in contract actions and [redacted] percent increase in dollars
over September 1986. The attachment compares the flow of
procurement activity in September of FY 1986 and FY 1987.

3. Action Plan: Discussions have been held with the Offices of Finance (OF) and Information Technology (OIT) concerning the difficulties entailed in processing such a dramatic increase in procurement activity, and we have initiated the following action plan to eliminate perceived uncertainties relative to the yearend procurement process and the actual obligation of Agency funds. While we are acting in concert with OF and OIT, these two offices are responding separately on actions assigned to them in the referenced document.

a. We have prepared a Headquarters Notice (HN) (Attachment B), which clarifies and restructures the yearend

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activity into a more manageable process. We have streamlined the Agency's approach by consolidating all 14 classes of activity into 3 major groupings. We have also reduced the number of deadline dates applicable to this process from 11 to 4. A major change in the HN is the establishment of 15 September 1988 as the operational end date of the Agency's fiscal year. The early closing date will provide sufficient time to analyze all accounts for assignment of any uncommitted funds to actions which can be obligated by 30 September 1988. I believe this action will result in an effective closeout of the fiscal year.

b. Attachment C, Procurement Request Receipt, has been revised to include distribution of a copy to the cognizant budget officer. This process is applicable to all requisitions for goods and services and will help to identify the actual procuring element responsible for their completion.

c. We have also established quarterly meetings with OF and OIT. These meetings are an extension of the yearend closeout meetings which will identify early in the fiscal year potential process problems requiring action on an ongoing basis. The frequency and scope of these meetings will be adjusted as circumstances dictate.

d. OIT will provide OF and OL with a Commitment/Encumbrance Exception Report, which will enable OL to quickly identify discrepancies between the Inventory Control System (ICS) encumbrances and the General Accounting System (GAS) commitments.

e. OL will also receive a Work-in-Progress Report from each Agency procurement element on a monthly basis which should give us new insight into aged commitments in procurement elements.

f. The issue of difference between the ICS and GAS system clocks has been resolved. OF and OL have agreed to a common monthly cutoff of each system.

4. Staff Portion: This memorandum has been coordinated with appropriate officers in OF and OIT.

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5. Recommendation: Based upon the foregoing, OL recommends issuance of the revised [redacted] which includes new deadline dates and the 15 September cutoff for fiscal year activity. Upon your approval, we will take immediate action to publish this HN. With the implementation of this recommendation, along with other improvements stated above, significant enhancement to the yearend closeout will be achieved.

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John M. Ray

Attachments A through C

CONCUR:

Deputy Director of Administration

Date

APPROVED:

Comptroller

Date

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25X1 OL/PMS, (26 Oct 87)
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Action being processed by PTG and BnF. OFord OIT will be forwarding separate memo for their areas of responsibility		
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