

FY08 DOE Accruals Webinar

Presented by

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Webinar Objective

- Provide the working level accountant with a corporate perspective on DOE accruals.
- Introduce the key reports necessary to monitor: 1) local accrual activity; 2) VIAS participation; and 3) costing on Purchase Orders excluded from automated accrual process.

Topics

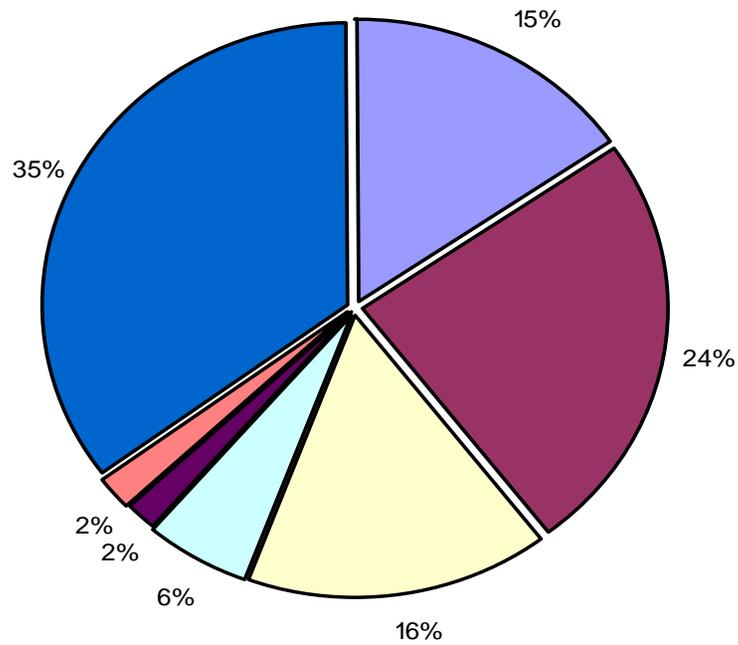
- I. Accruals in Perspective
- II. Policies & Procedures
- III. Key reports
- IV. Your accruals
- v. Feedback

I. Accruals in Perspective – Chronology

- Accruals in the DISCAS legacy system were based on “logged invoices”
- Disclaimer and Audit Findings on FY05 Statements
- Development of automated accrual program in FY05 implemented in Dec 2005
- Development of VIAS capability in STARS implemented April 2006
- Enhancements and modifications have been persistent into the present

Corporate View by Dollar Amount

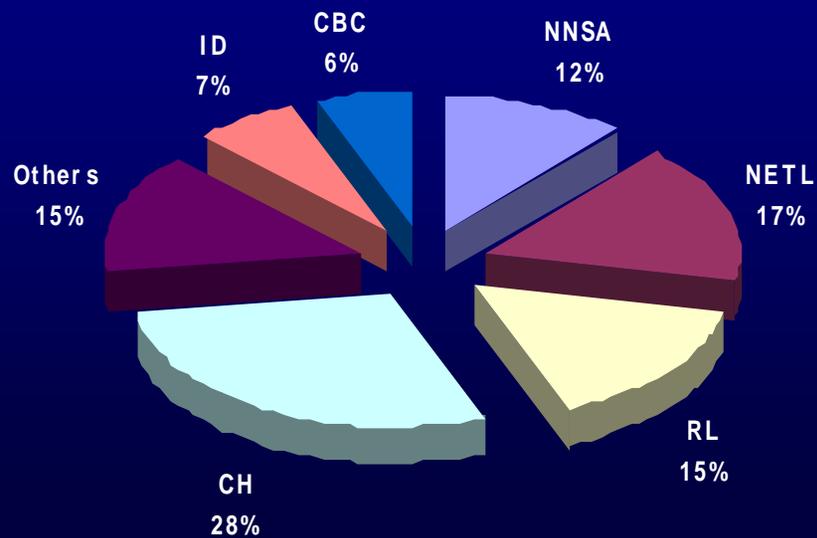
SGL 2190 Balance Sep-07 (\$2.4B)



- Richland Ops & ORP
- Integrated Contractors
- Automated Accruals
- VIAS Adjustments
- Naval Reactors (PNR & SNR)
- DOE Payroll Accruals
- Other (mostly Grants)

Corporate View by Allottee

Accruals by Office Sep-07 (\$2.4B)



Accruals in Perspective

- The STARS automated cost accrual routine records cost accruals on over 10,000 financial instruments every month.
- Automated cost accruals generally range from \$350M to \$400M per month. This does not include:
 - Integrated Contractors which record their own accruals through the IC interface.
 - PMAs
 - Payroll
 - Manual cost accruals for CIDs on the PO Exclusions List

Sep-07 Automated Cost Accruals By Field Office

Allottee	Cost Accruals	# of P.O.s
NNSA	\$ (76,994,961.59)	1,552
Idaho	\$ (59,717,085.59)	234
Oak Ridge	\$ (8,181,204.39)	327
NETL	\$ (101,640,876.05)	2,377
OSTI	\$ (396,935.44)	100
CBC	\$ (68,944,505.38)	832
Richland	\$ (5,520,271.86)	188
Rocky Flats	\$ (1,484,770.40)	26
SRS	\$ (4,296,816.44)	184
SPRO	\$ (733,869.10)	50
HQ	\$ (42,571,787.08)	3,648
Chicago	\$ (10,647,689.64)	606
Grand Total	\$ (381,130,772.96)	10,124

Auto Accrual Exclusions

- In certain cases, where cost reports or other information is regularly available, offices may request to exclude financial instruments from the automated accrual program.
- Items excluded from the automated accrual program require submission of a monthly cost report to EFASC in lieu of an automated accrual. VIAS adjustments may still be performed on excluded instruments.
- ORFSC does not cost excluded items.

Excluded Instruments by Site as of Sep-07

Allottee	Number of PO's Excluded From Auto Accrual
NNSA	17
ID	7
OR	9
NETL	63
OSTI	33
CBC	3
RL	9
SR	4
SPRO	3
HQ	21
CH	258
Total	427

Background – VIAS Cost Accrual Adjustments

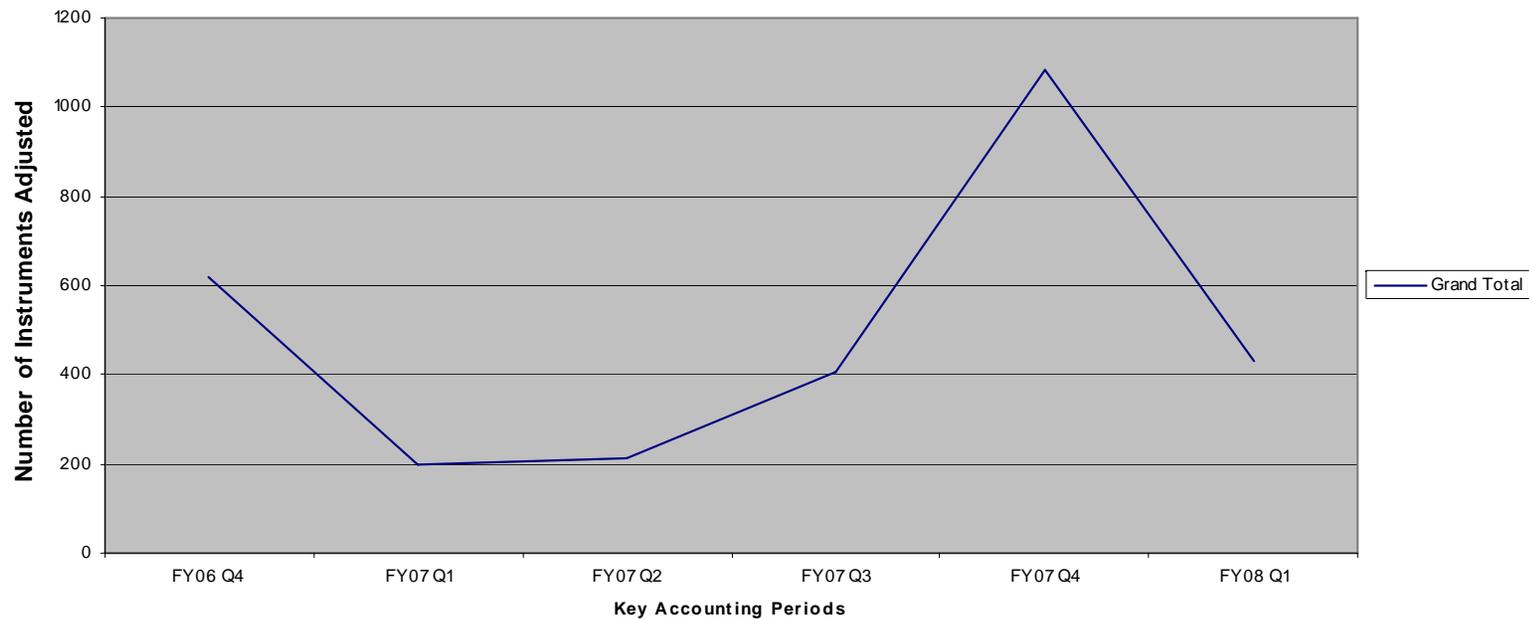
- Current DOE financial policy requires “owners” of large financial instruments (those with uncosted balances exceeding \$1M) to review and adjust automated cost accruals on a monthly basis.
- For Sep-07 period, over 1,000 financial instruments were adjusted by program customers.

Background – Sep-07 VIAS Activity

Allottee	VIAS Adjustments	# of P.O.s Adjusted
NNSA	\$ (31,789,504.72)	134
Idaho	\$ 9,642,522.56	30
Oak Ridge	\$ (2,029,641.04)	115
NETL	\$ (42,811,938.49)	478
OSTI	\$ (138,203.29)	1
CBC	\$ (21,304,580.71)	52
Richland	\$ (6,758,553.62)	55
Rocky Flats	\$ 916,263.84	6
SRS	\$ (194,669.88)	11
SPRO	\$ 186,174.84	5
HQ	\$ (37,579,338.22)	198
Chicago	\$ (196,000.00)	1
Grand Total	\$ (132,057,468.73)	1086

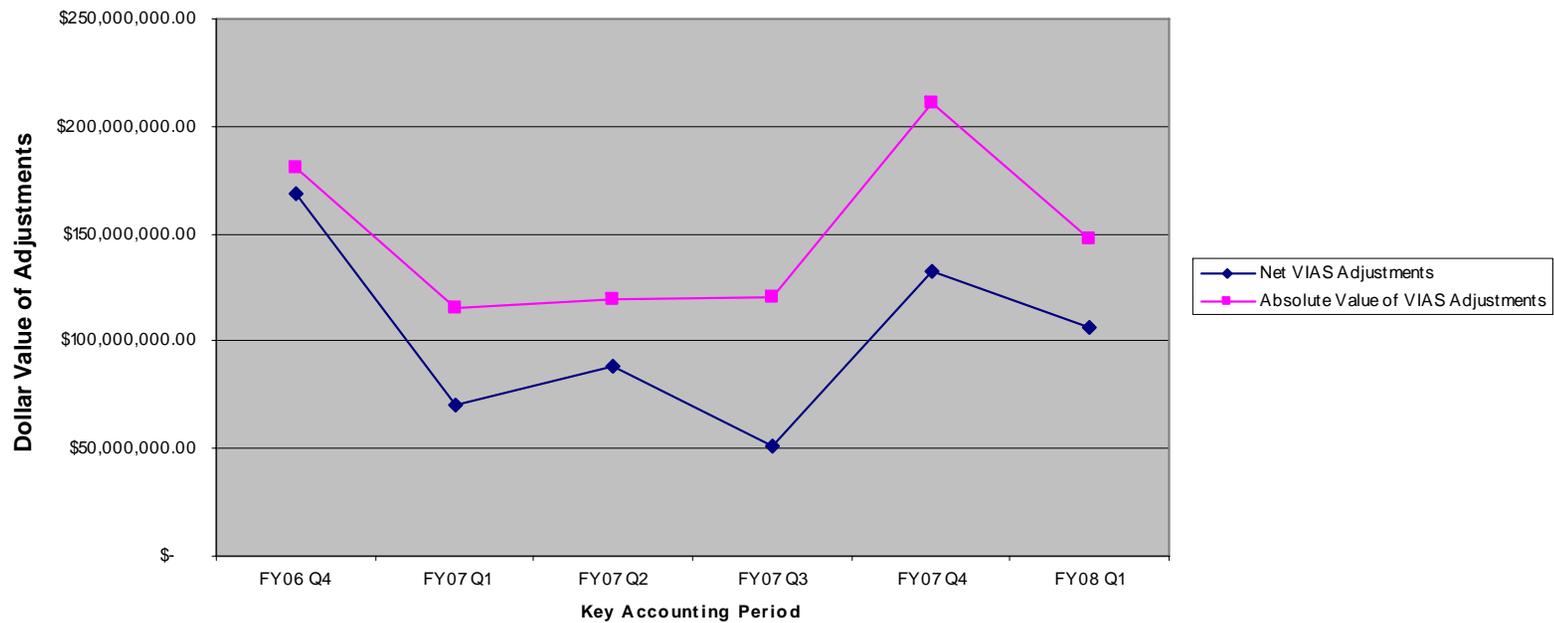
VIAS Participation Since FY06

VIAS Participation by Volume of Instruments



VIAS Adjustments by \$

VIAS Adjustments \$



VIAS Participation by Site (# of Instruments Adjusted)

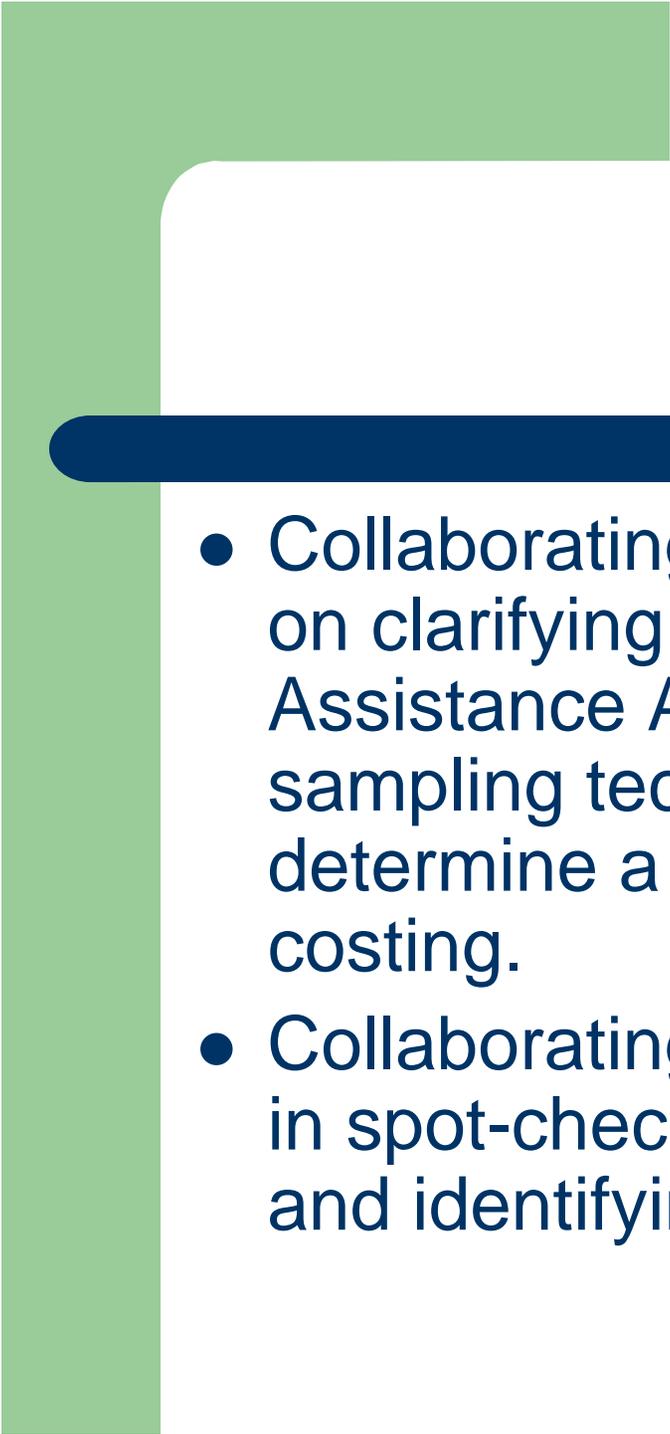
Allottee	FY06 Q4	FY07 Q1	FY07 Q2	FY07 Q3	FY07 Q4	FY08 Q1
NNSA	11	6	9	2	134	47
ID	19	6	12	19	30	11
OR	171	2	3	3	115	6
NETL	194	107	103	287	478	267
OSTI	2	1	1	1	1	1
CBC	58	28	29	43	52	43
RL	28		1		55	
RF	5	4	2	7	6	10
SR	8	4	2		11	5
SPRO	6	4	9	8	5	7
HQ	111	34	44	35	198	32
CH	4				1	
Grand Total	617	196	215	405	1086	429

FY07 Audit Issues

- Inconsistent application of current financial policy related to costing of financial assistance awards. The issue centers around each office's interpretation of threshold for costing.
 - Office of Financial Policy and Office of Financial Control and Reporting are collaborating on clarifying guidance to address this.

FY07 Audit Issues

- Incorrect or unsupported VIAS adjustments made by program customers.
 - There are significant challenges related to continually educating the VIAS user community
 - Each field office is responsible for educating its VIAS users on an on-going basis.
 - On-line and classroom training has been made available to program customers but is not yet extensive enough to prevent findings.

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- Collaborating with Office of Financial Policy on clarifying guidance related to Financial Assistance Award costing. Statistical sampling techniques will be used to help determine a reasonable threshold for full costing.
 - Collaborating with Office of Internal Review in spot-checking VIAS adjustment activity and identifying areas of improvement.

Policies and Procedures

- FASAB Number 1
<http://www.fasab.gov/standards.html>
- DOE Accounting Handbook Chapter 11
<http://www.mbe.doe.gov/policy/actindex/index.htm>
- VIAS Cost Accrual Tutorial
<https://orfsc.oro.doe.gov/invoices/logon.asp>
- Procurement Delegations of Authority

Key Reports

- DOE Accrual Detail Report
- DOE Accrual QA Report
- DOE Accruals For Excluded PO Report

DOE Accrual Detail Report

- I. Provides all the detail necessary to determine how automated accruals were calculated (uncosted balances; payments used; billing cycle parameters, etc.)
- II. Can be sorted by pre-accrual UDO
- III. Used primarily to demonstrate how the auto accrual program works and to confirm that excluded Pos, funds, object classes, etc were properly treated.

DOE Accrual QA Report

- I. Provides a CDR based look at the accrual process and shows CIDs that were impacted by automated accrual & those that were excluded.
- II. Primarily used to identify the VIAS Approving Officials responsible for managing the instrument and to prove out exclusions at the AFF level.

DOE Accruals for Excluded PO Report

- I. Identifies all Purchase Orders excluded for a given period(s).
- II. Determines whether cost reports were properly submitted as of a given period(s).
- III. Identifies the “owner” of the instrument.