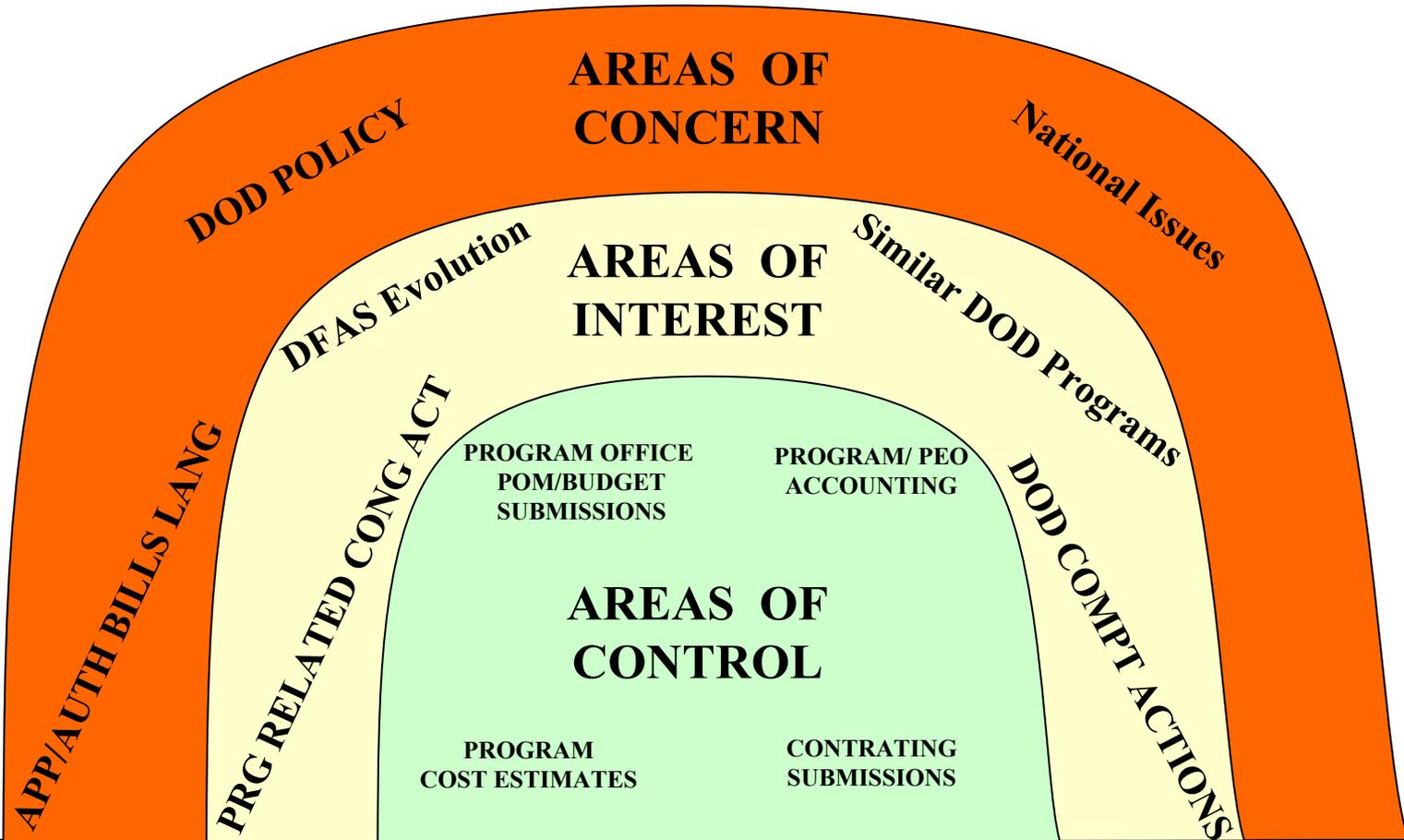


**RECIPE FOR STRONG/SUCCESSFUL
BFM - - SOME THOUGHTS**

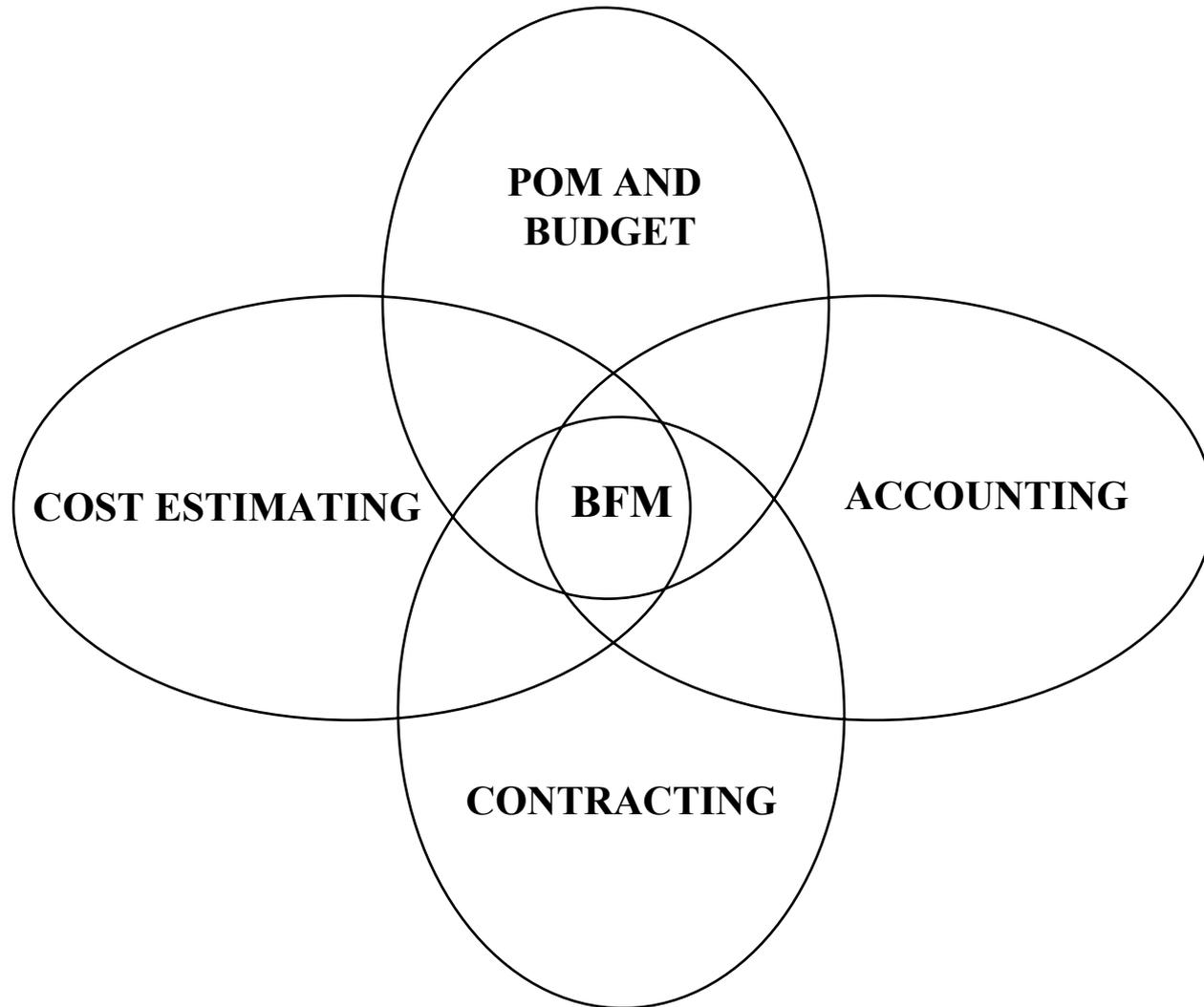


Dr. Robert L. Buhrkuhl

BFM Vision



THE DISCIPLINES A BFM MUST KNOW AND CONTROL



BFM PRIMARY DUTIES

Ensure Cost estimates fairly portray program costs.

POM justifications and Budget documentation schedule the arrival of resources accurately and in the proper appropriation to meet program objectives.

Resource consumption is properly accounted within Financial Accounting Systems.

Resource decision making information is readily available.

Contracting vehicles meet program objectives.

PROGRAM AND BUDGET

BFM must provide the cost information necessary to justify POM & Budget submissions for resource allocation decisions.

Budget documentation should come directly from Financial Accounting system actuals and cost estimate projections.

Budget/financial questions from OSD & Congress should be answerable from cost estimates and accounting systems.

ACCOUNTING

BFM must use two types of accounting to track program execution:

Managerial:

- Provides decision making information.
- Tracks activity based costs.
- Provides up to the minute financial position.
- Generally an Ad Hoc non-standard system.
- Easily customizable to meet financial information requirements.
- Used to check Financial Accounting system.
- Feeds cost estimate updates.

ACCOUNTING

Financial:

- Accounts for dollars received, committed, obligated and expended.
- Tracks cost IAW DOD accounting structure.
- Standard DFAS provided accounting system.
- Not easily customizable, accounting information must be translated to managerial information.
- Feeds POM and budget submission requirements.
- Feeds cost estimate updates.

CONTRACTING

BFM must participate fully in determining type contract vehicles to meet program objectives/requirements.

Must be able to advise on the financial impact of the different type contracts: fixed price, cost plus, time & materials, etc.

Must review contract documentation for financial “gotchas,” especially in termination clauses.

Must ensure contractor accounting systems meet DOD standards.

Need to review Contractor Earned Value Reports & ensure contractor billings are submitted and paid timely.

COST ESTIMATES

Cost Estimate is the foundation document for program resourcing.

BFM must ensure it fairly and accurately portrays the anticipated Total Cost of Ownership.

Living document that must be updated at each decision point.

Feeds POM justification, budget documentation, and execution year spend plans.

AUTHORITY

PEOs must have the proper authority/tools to do the job:

Reprogramming - PEOs have authority to realign/reprogram subject to Congressional/command constraints. PEO BFM initiates, with Comptroller assist when required.

Funds Distribution (Program Budget Accounting Sys. [PBAS]): Provides the PEO BFM with the capability to electronically distribute program/budget authority to PMs for execution.

DFAS interface:

Provides capability to load target/run queries to obtain financial status (commitments, obligations, expenditures).

IN SUMMARY

Serves as an honest broker of financial information to the PEO and/or program manager.

Assists and advises the PEO / program manager on all financial matters.

Keeps the PEO / program manager informed of program execution and the status of reprogramming actions.

Completes requested funding transactions quickly and accurately.

Checks the accuracy of budget and POM submissions.

Systematically monitors program execution to see if opportunities exist where it would be advisable to reallocate funds.

Monitors new start issues and advises the PEO / program manager on how to comply with Comptroller guidance.

Closely monitors expiring funds and oversees all aspects of fiscal year closeout.

Looks for opportunities to accelerate planned obligations / expenditures.

Devises fair and sensible solutions on how to apply taxes / decrements imposed by OSD or other sources.

Maintains thorough records and documentation of program financial activity.