



DFAS BRAC Commission Update

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Service Rock Island



Agenda



- DFAS at a glance
- DFAS customer service matrix and organization
- DFAS success stories
- DFAS-RI information
- The road ahead



DFAS at a glance -- The big picture



- Mr. Zack E. Gaddy's priorities:
 - ✓ Take care of our customers
 - ✓ Improve our operations to become world-class in all we do
 - ✓ Deliver the best value that excites our customers & motivates our employees

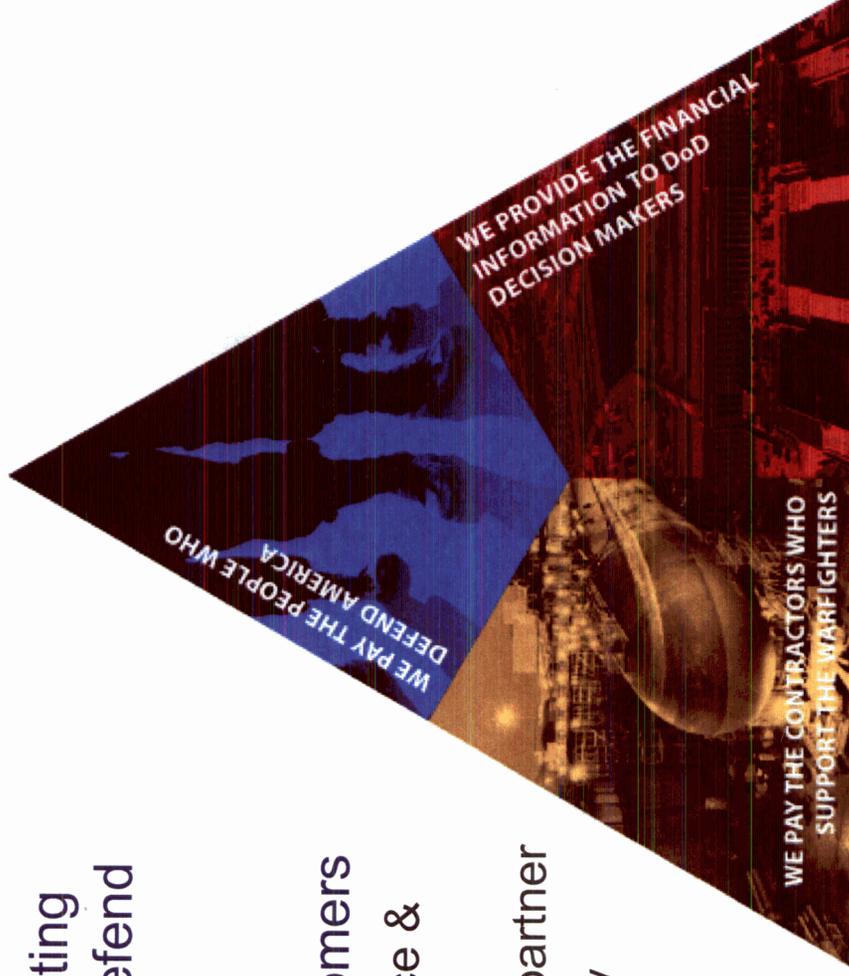
"These are exciting times for DFAS as we continue to transform & assert our role as the finance & accounting leader in the Department of Defense & ultimately in the federal government. NOW is the time for us to make a difference. I know I can count on you."



DFAS at a glance -- Our mission, vision & values



- *Mission:* Provide responsive, professional finance & accounting services for the people who defend America
- *Vision:* Best value to our customers
 - ✓ World-class provider of finance & accounting services
 - ✓ Trusted, innovative financial partner
 - ✓ One organization, one identity
 - ✓ Employer of choice, providing a progressive & professional work environment

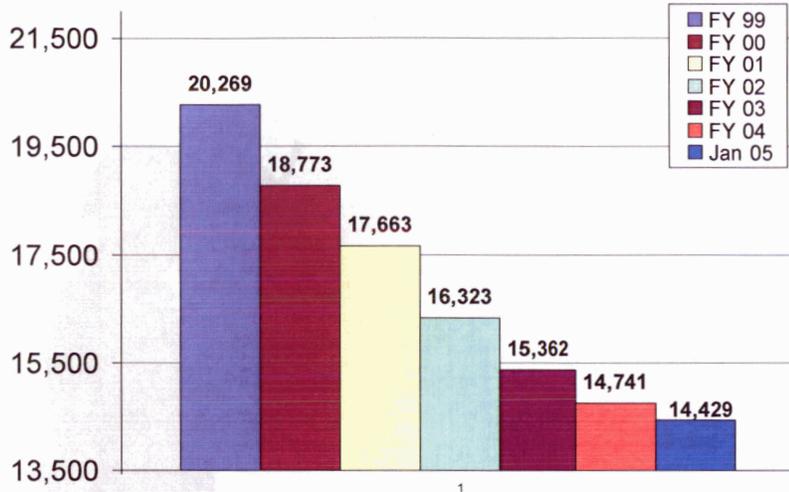


- *Values:* Integrity, Service, Innovation

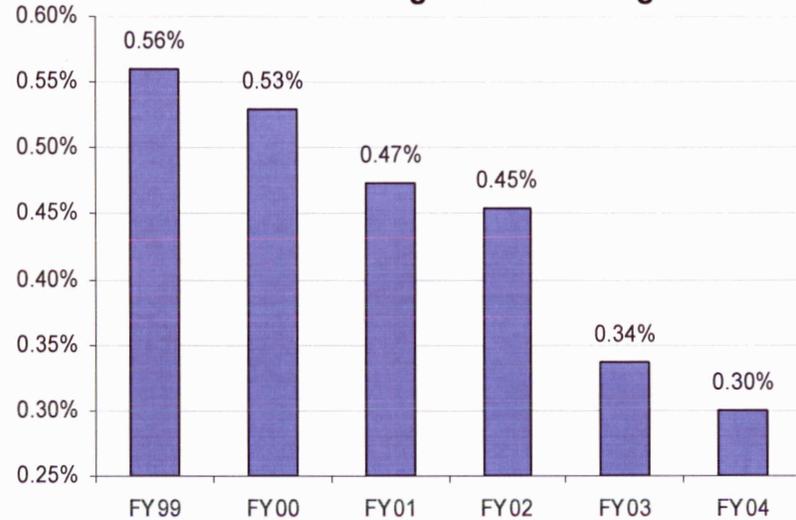
DFAS at a glance -- The state of DFAS today



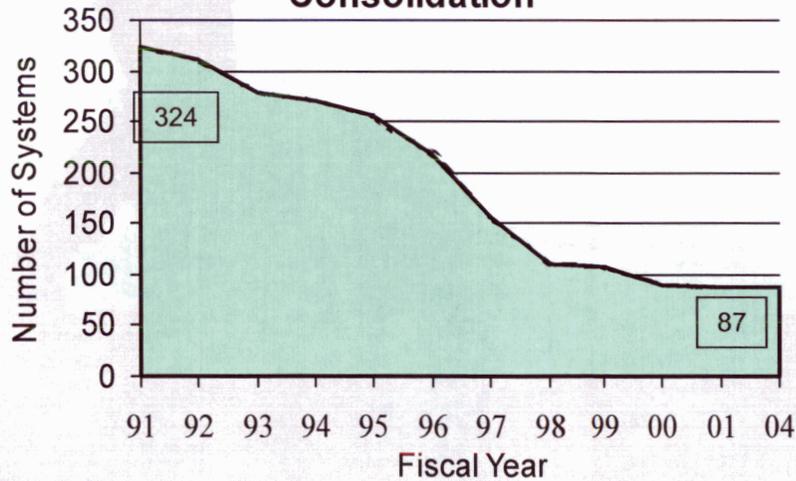
Total Work Force



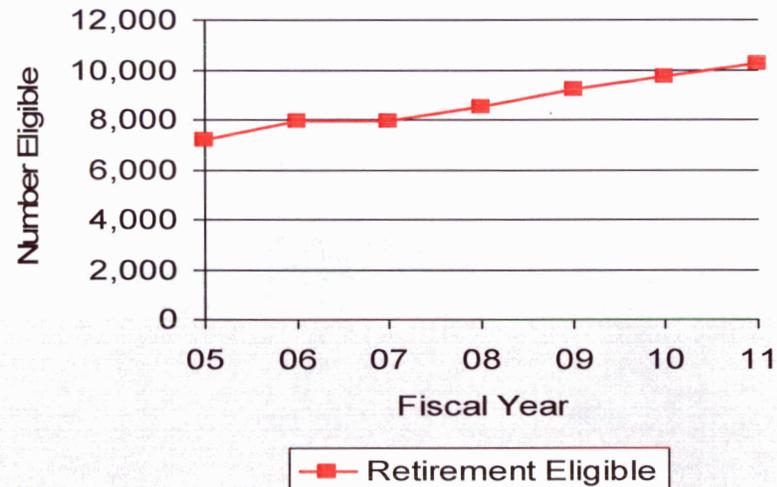
DFAS Percentage of DoD Budget



Financial Management System Consolidation



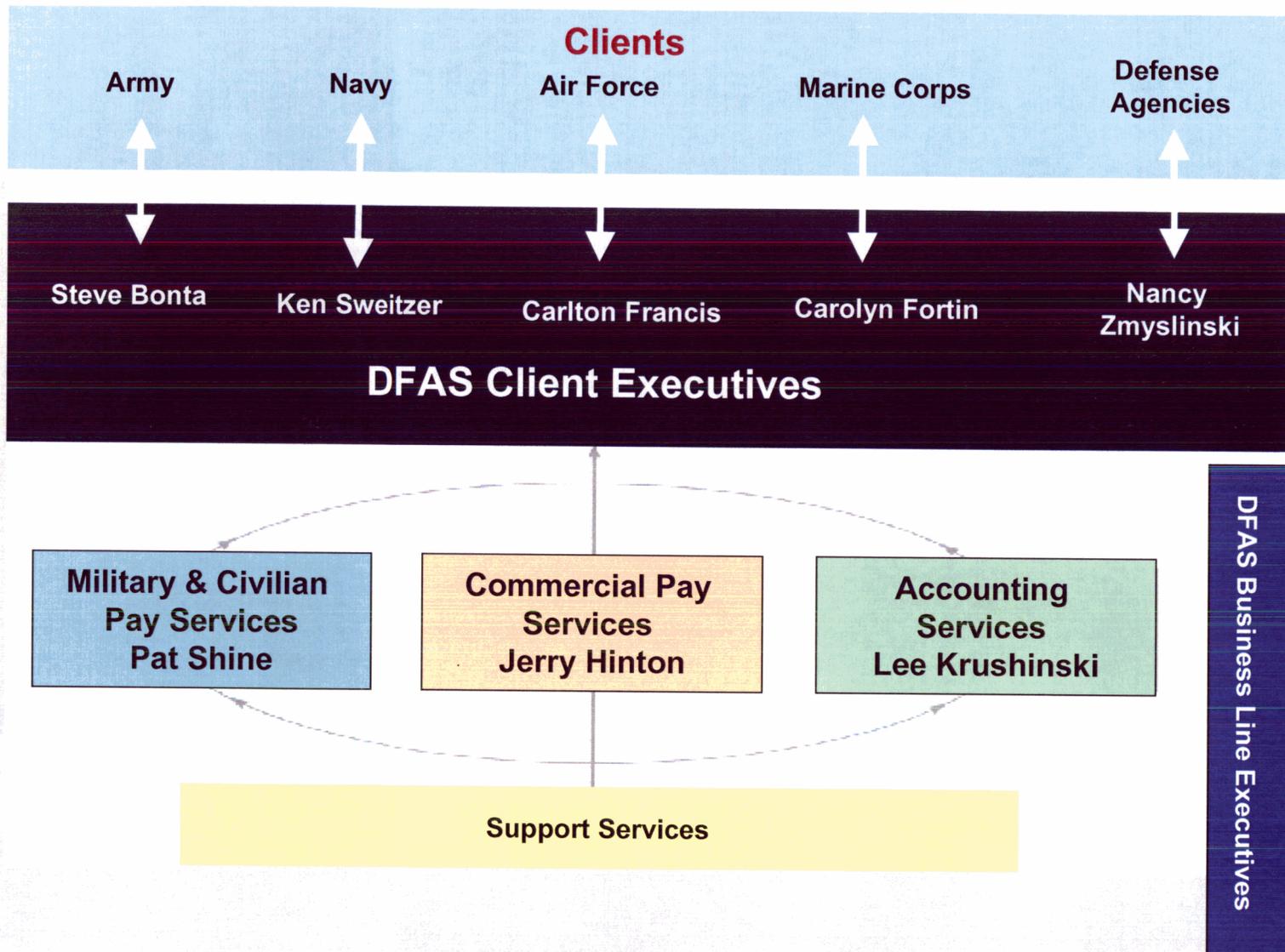
Demographics



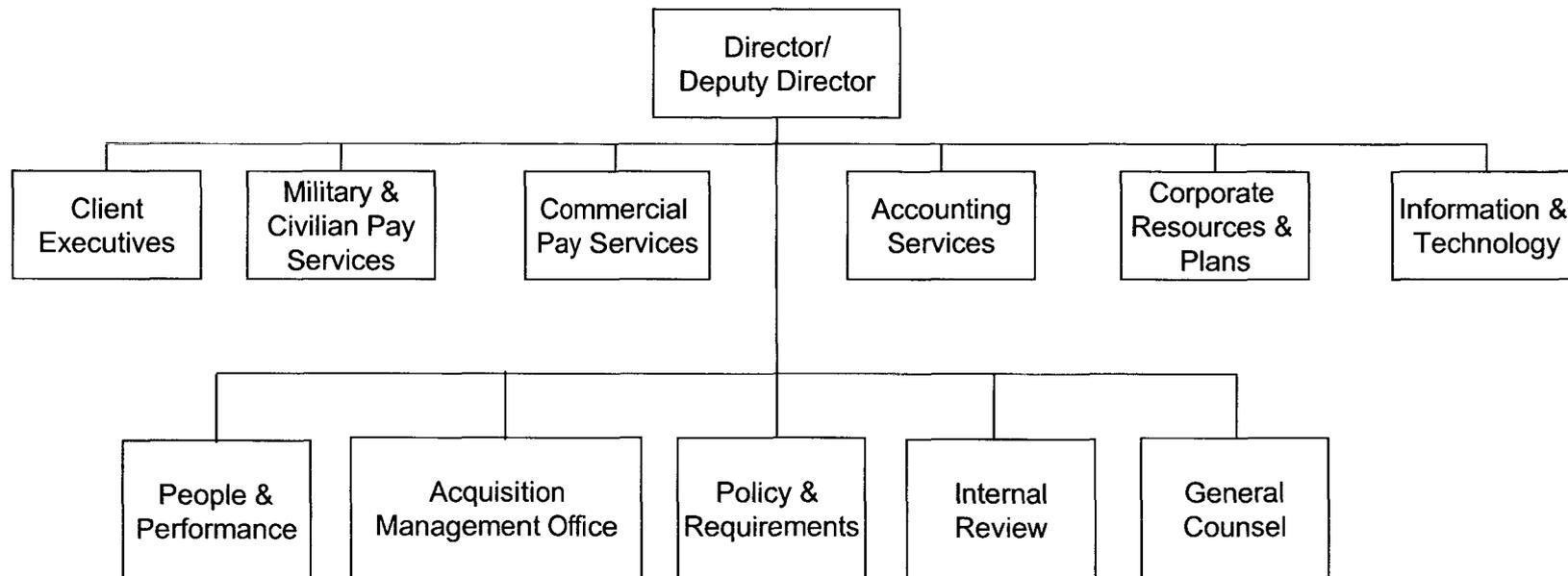
- Process 104M pay transactions to 5.9M military, civilians, retirees and annuitants
- Make 6.9M travel payments
- Pay 12.6M commercial invoices
- Process 127.3M general ledger postings
- Manage military and health benefits funds (\$234B)
- Make an average of \$455B in disbursements to pay recipients
- Manage \$13.5B in foreign military sales (reimbursed by foreign governments)
- Account for 282 active DoD appropriations

It's about the customer!

Customer Service Matrix

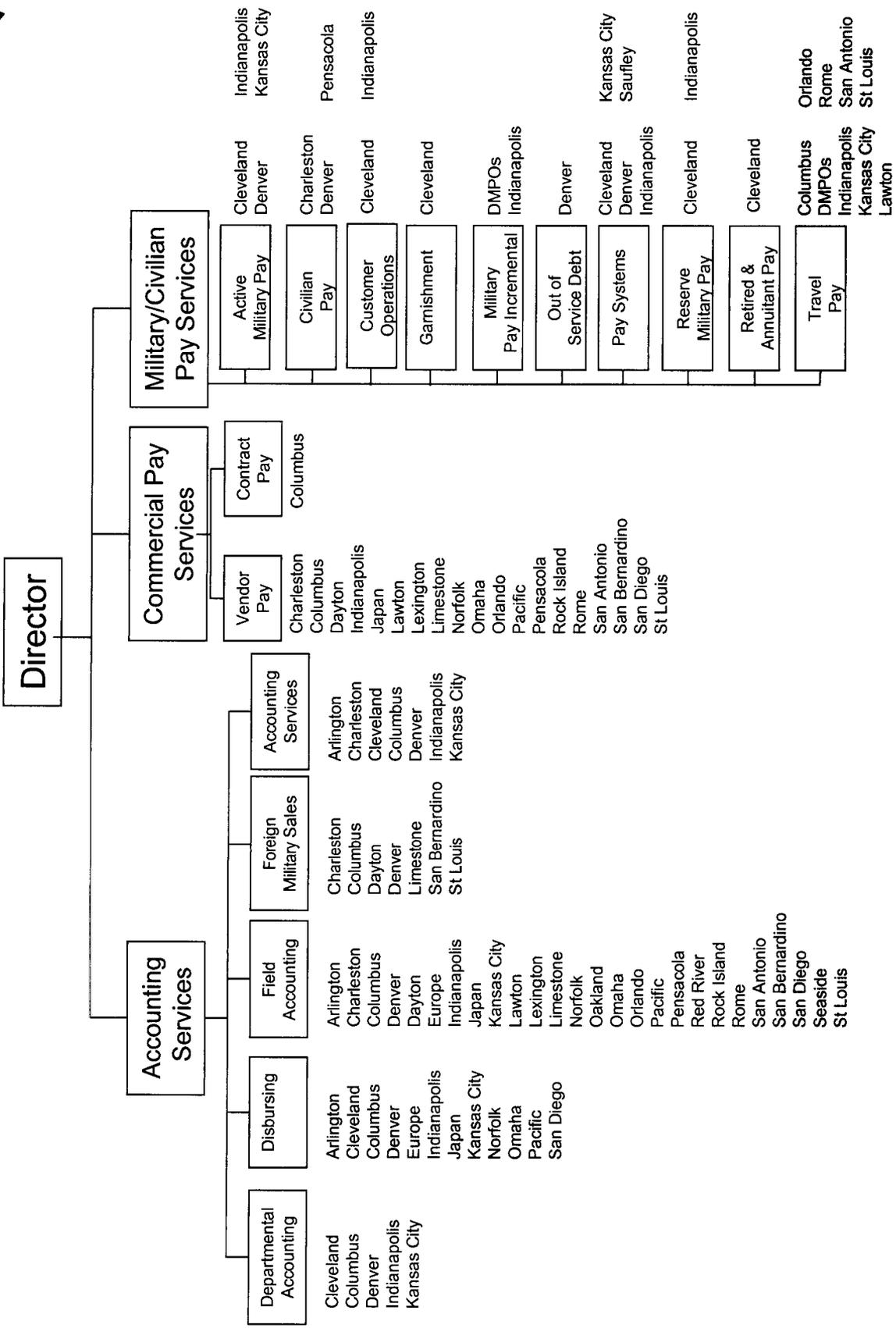


DFAS Organization



As of Feb. 28, 2005

DFAS Product Line/Locations



DFAS success stories



- Earned a 5th consecutive “unqualified opinion” and assisted five clients to achieve clean opinions of their own
- Reduced time to publish year-end financial statements from 80 to 45 days and reduced quarterly reports to 21 days from 45
- Reduced interest per million disbursed by 20% since July 2003
- Returned 5.19% on the \$195B Military Retirement Fund & 2.43% on \$39B Medicare-Eligible Retiree Health Care Fund
- Exceeded our FY 04 goal for NULOs by finishing \$76M below our \$171M goal
- Reduced total Unmatched Disbursements over 120 days from \$134M in FY 03 to \$23M in FY 04
- Fielded the Deployable Disbursing System to 39 deployed Army sites to automate transactions, improve internal controls & accelerate posting of financial transactions

DFAS success stories



- Launched Reserve Center of Excellence
- Won national honors for innovation and excellence for myPay while expanding its customer base to 3.1M
- Earned worldwide recognition as one of the world's 10 best government intranets according to the Nielsen Norman Group
- Won the Security Assistance Accounting A-76 competition
- Achieved 100% security certification and accreditation of all essential DFAS financial management systems
- Consolidating USAF field accounting databases
- Beginning the roll out of Forward Compatible Pay to replace the existing 30-year-old military pay system



To provide professional finance and accounting support for two major commands of the US Army, the Army Materiel Command (AMC) and the Army Test and Evaluation Command (ATEC). Over 80 installations are serviced by DFAS Rock Island.

DFAS ROCK ISLAND



TOTAL ON BOARD
300

Off-Site
HQ/Corporate
Resource
Management

CORPORATE
RESOURCE
MANAGEMENT
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Off-Site
BLE

Off-Site
Product Line
Management

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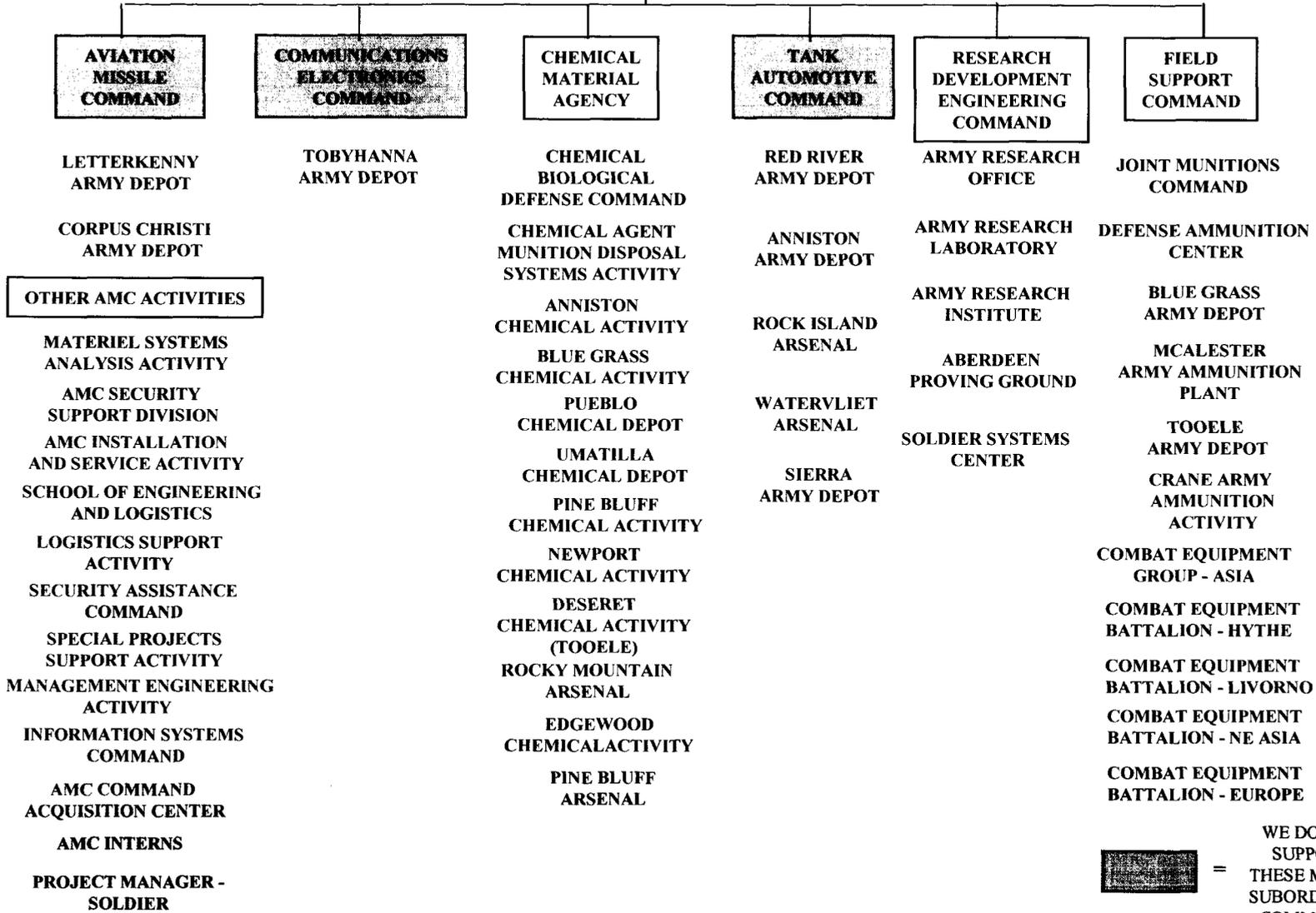
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HQ, U.S. ARMY MATERIEL COMMAND



= WE DO NOT
SUPPORT
THESE MAJOR
SUBORDINATE
COMMANDS

ARMY TEST AND EVALUATION COMMAND (ATEC)
Alexandria, VA



| |
|---|
| OTC Operational Test Command Fort Hood, TX |
| AVTD Aviation Test Directorate Fort Hood, TX |
| ACTID Advanced Concepts Test and Integration Directorate Fort Hood, TX |
| CCTD Close Combat Test Directorate Fort Hood, TX |
| C4TD Command, Control, Communications and Computers Test Directorate Fort Hood, TX |
| ECSTD Engineer and Combat Support Test Directorate Fort Hood, TX |
| ABNSTOD Airborne and Special Operations Test Directorate Fort Bragg, NC |
| ADATD Air Defense Artillery Test Directorate Fort Bliss, TX |
| IEWTD Intelligence and Electronic Warfare Test Directorate Fort Huachuca, AZ |
| FSTD Fire Support Test Directorate Fort Sill, OK |

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|--|
| DTC Developmental Test Command Aberdeen, MD |
| ATC Aberdeen Test Center Aberdeen, MD |
| ATTC Aviation Technical Test Center Fort Rucker, AL |
| RTTC Redstone Technical Test Center Huntsville, AL |
| WSMR White Sands Missile Range White Sands, NM |
| EPG Electronic Proving Ground Fort Huachuca, AZ |
| DPG Dugway Proving Ground Dugway, UT |
| YPG Yuma Proving Ground Yuma, AZ |
| CRTC Cold Regions Test Center Fort Greely, AK |
| TRTC Tropic Regions Test Center Hawaii |

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|---|
| AEC Army Evaluation Center Alexandria, VA Aberdeen, MD |
| ADED Air Defense Evaluation Directorate Alexandria, VA |
| AVED Aviation Evaluation Directorate Alexandria, VA |
| C3ED Command, Control, and Comm Eval Dir Alexandria, VA |
| CCED Close Combat Evaluation Directorate Alexandria, VA |
| CSED Combat Support Evaluation Directorate Alexandria, VA |
| FSED Fire Support Evaluation Directorate |
| IED Intelligence Evaluation Directorate Alexandria, VA |
| IMAED Information Mission Area Evaluation Directorate Alexandria, VA |
| SED Survivability Evaluation Directorate Aberdeen, MD |

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|---|
| OTHER ARMY ACTIVITIES |
| PROGRAM EXECUTIVE OFFICE SIMULATION TRAINING INSTRUMENTATION (STI) |
| SPECIAL OPERATIONS FORCES SUPPORT ACTIVITY |
| CENTER FOR HEALTH PROMOTION AND PREVENTIVE MEDICINE |
| NATIONAL GROUND INTELLIGENCE CENTER |
| SPACE & STRATEGIC DEFENSE COMMAND |
| HIGH ENERGY LASER SUPPORT TEST FACILITY |
| RESEARCH INSTITUTE OF ENVIRONMENTAL MEDICINE |
| PROGRAM MANAGER COUNTERNARCOTICS |
| PROGRAM MANAGER INTELLIGENCE FUSION |
| MEDICAL RESEARCH INSTITUTE OF CHEMICAL DEFENSE |
| CHEMICAL DEMILITARIZATION |
| TRADOC ANALYSIS CENTER |



Entitlement System

- ✓ Computerized Accounts Payable System-windows version (CAPS-W)

Accounting Systems

- ✓ Standard Operations and Maintenance Army Research and Development System (SOMARDS)
- ✓ Commodity Command Standard System-Financial (CCSS-F)
- ✓ Standard Industrial Fund System (SIFS)
- ✓ Logistics Modernization Program (LMP)

SOMARDS Technical Operations Support

Work Force Demographics



DFAS - Agency Wide

Rock Island

| | |
|---------------------------|-----|
| ■ 95% over age 30 | 95% |
| ■ 83% over age 40 | 81% |
| ■ 49% over age 50 | 48% |
| ■ 27% age 55 and over | 29% |
| ■ 48 Average age | 48 |
| ■ 26% reg. retire. elig. | 13% |
| ■ 17% early retire. elig. | 27% |

DFAS

Your Financial Partner @ Work

