
Defense Finance and Accounting Service

In 1991, the Secretary of Defense created the Defense Finance and Accounting Service (DFAS) to reduce the cost of Department of Defense (DOD) finance and accounting operations and to strengthen financial management through consolidation of finance and accounting activities across the department. Since inception, DFAS has consolidated more than 300 installation-level finance and accounting offices into 13 DFAS sites and reduced the work force from about 28,000 to less than 12,000. (To date, we have a record of less than 5% involuntary separation rate.) We have also reduced the number of systems we use from 330 to 75.

Base Realignment and Closure (BRAC) will ultimately consolidate our infrastructure to five primary and five supporting sites, reduce our overall staffing to less than 10,000 employees, and our systems to 57. The good news is that our BRAC efforts will provide us with a net savings of \$461 million by 2011.

Mission

Direct, approve, and perform finance and accounting activities for DOD.

Our mission is about the customer. It is to deliver responsive accounting and finance services to the men and women in uniform, as well as to those who support the warfighters defending our country. It is about providing timely and useful business intelligence to decision-makers who, with the right information, can more effectively manage their resources in support of our troops at home and abroad.

Vision

Transforming with the warfighter to remain the trusted financial partner for DOD.

Our vision is about our future, and DFAS focuses on being a trusted partner and a Center of Excellence (COE) for government finance and accounting. To achieve this vision, DFAS is pursuing continuous improvement in the delivery of finance and accounting services in support of the warfighter. Strategic goals that support this vision align with those in the Office of the Under-Secretary of Defense (Comptroller) strategic plan and focus on achieving measurable outcomes.

Core Values

Integrity = doing what is right

Service = striving to be a trusted financial partner

Innovation = creating new ways to do business

Scope of Business

DFAS is the largest accounting and finance operation in the world. The following are our annual financial activity numbers from 2007 and 2008.

	2007	2008
Pay Transactions (6 million people)	156 million	169 million
Travel Payments	7 million	7.5 million
Commercial Invoices	14 million	14.4 million
General Ledger Accounts (containing billions of transactions)	55 million	55.7 million
Military Retirement and Health Benefit Funds	\$328 billion	\$394 billion
Disbursements to Pay Recipients	\$446 billion	\$591 billion
Foreign Military Sales	\$22 billion	\$26.5 billion
Active numbers of DoD Appropriations	865	927

Measuring Outcomes

To track our progress towards achieving our goals, we use a Balanced Scorecard (BSC) methodology which we have aligned with our strategic goals. The BSC enables us to translate this strategy into quantifiable measures and targets by bringing together, in a single management report, various aspects of our competitive agenda. The aspects are: becoming customer oriented, shortening response time, improving quality, emphasizing teamwork, enhancing employee growth and satisfaction, and positioning ourselves for the future.

Using the BSC methodology has allowed us to really focus on results. While we have many successes that we are proud of, a couple of key strategic areas where we have seen significant improvements include: our accuracy and timeliness of pay is at the 99.99 percent level and we've experienced a 112 percent increase in productivity improvements.

We adopted the BSC in 2001 to help us implement major strategic changes. We have since been inducted into the BSC Collaborative Balanced Scorecard Hall of Fame for achieving breakthrough performance results.

It is the goal of DFAS to provide a world-class accounting and finance service. To accomplish this, we will continue to strive for process improvements and increased responsiveness to our customers.