
Positive Transaction Control and Performance Reporting

By

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Reporting of Foreign Military Sales performance from the Implementing Agencies (IAs) has changed somewhat during the recent past. From a case manager's viewpoint, the changes are hardly noticeable. They are, however, extremely important and have had a very positive impact relative to FMS case management, especially during the execution and closure phases of the FMS case life cycle. One of these changes, which affects delivery reporting, as well as the reporting of work in process, below the line accessorial charges, and Reports of Discrepancy (ROD) replies, is known as Positive Transaction Control or PTC. Positive Transaction Control is a process that tracks performance reporting to and from the Defense Finance and Accounting Service Denver Center, Directorate for Security Assistance (DFAS-DE/F). PTC is designed to provide the IAs the capability to transmit performance report transactions to the DFAS-DE/F on a daily basis through the FMS Integrated Control System (FICS), to provide the reporting/transmitting activity feedback as to the status of those transactions within 24 hours, and also to provide a system for suspending and aging invalid transactions. One of many additional features of this system is the creation of historical files of all transactions that process through the DFAS-DE/F.

Positive Transaction Control will assist the case manager in two important areas: ensuring that the DOD Component case records are in agreement with the Defense Integrated Financial System (DIFS), and facilitating the case closure process. Before fully investigating PTC, a review of two areas is necessary; the DD Compt(M) 1517 Report and the FMS Integrated Control System.

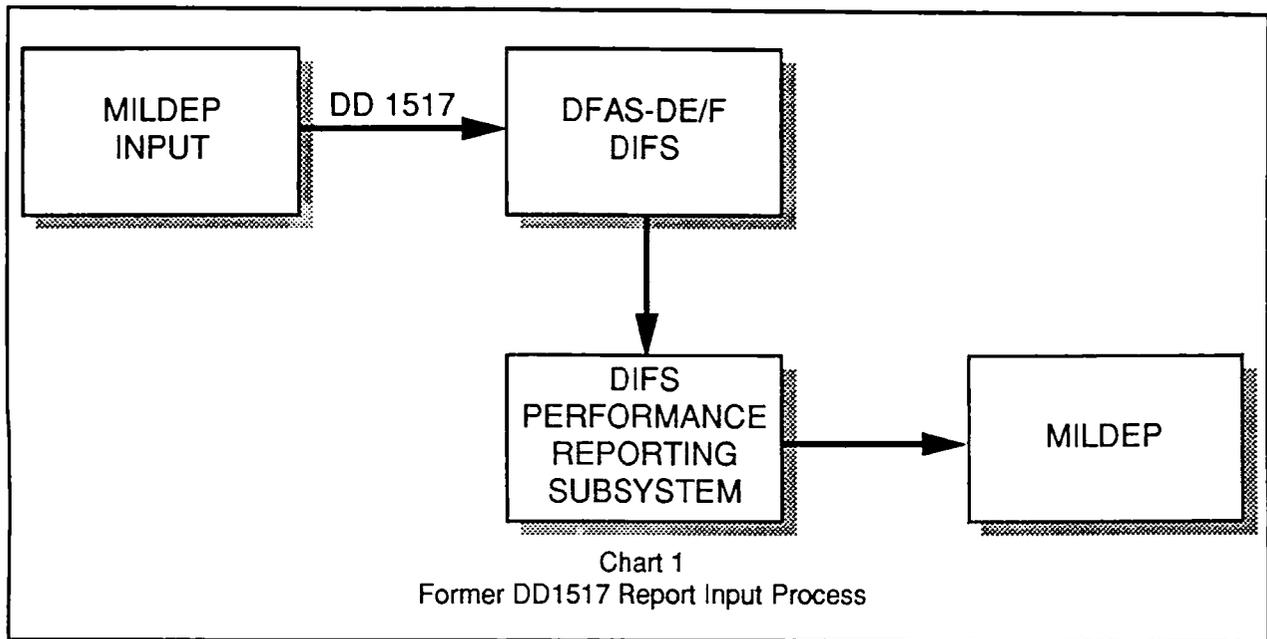
Performance reporting, within the FMS process, generally begins with the submission of a standard report to the DFAS-DE/F. This standard report, required by Chapter 8, DOD 7290.3-M, *The Foreign Military Sales Financial Management Manual*, is the FMS Detail Billing Report, DD Compt(M) 1517, or more commonly, the 1517 Report. While the title of this report contains the words "Detail" and "Billing," it is actually used to report, among other things, the cost of providing DOD services, deliveries from existing stocks (DOD inventories), deliveries from procurement, progress payments to vendors, financial adjustments based on ROD processing adjustments to previous reports (reversals/changes of initial estimated costs to actual costs), etc. Further, the 1517 Report is not a manually prepared document but a transaction sent through telecommunications systems, containing data divided into various data fields. The report "format," data fields, and information contained in each field are also shown, in detail, in Chapter 8, DOD 7290.3-M. The 1517 report "format," shown in DOD 7290.3-M is that of an 80 position transaction; however, now there is an expanded version of the 1517 report that can contain over 200 positions. This expanded version contains the data required by DOD 7290.3-M plus those additional fields required to make the PTC system work.

The FMS Integrated Control System is the automated telecommunications system used to submit financial data to and from the DFAS-DE/F. The FICS is also a rather new standard data transmission system utilizing the PBAS (Army), MISIL (Navy), and CMCS (Air Force) Systems.

Prior to the FICS standardization within the financial arena, there were 104 separate data input sources to the DFAS-DE/F from such diverse organizations as the Army Material Command,

the Army Corps of Engineers, the Air Force Logistics Command, the Air Training Command, the Navy International Logistics Control Office, the Chief, Navy Education and Training Office, etc. Additionally, these inputs came from several different automated data systems including the Army's Commodity Command Standard System (CCSS), and Program, Budgeting, and Accounting System (PBAS); the Air Force's Security Assistance Management Information System (SAMIS), and former Customer Order Control System (AFCOCS); the Navy's Management Information System for International Logistics (MISIL) and Standard Accounting and Reporting System (STARS).

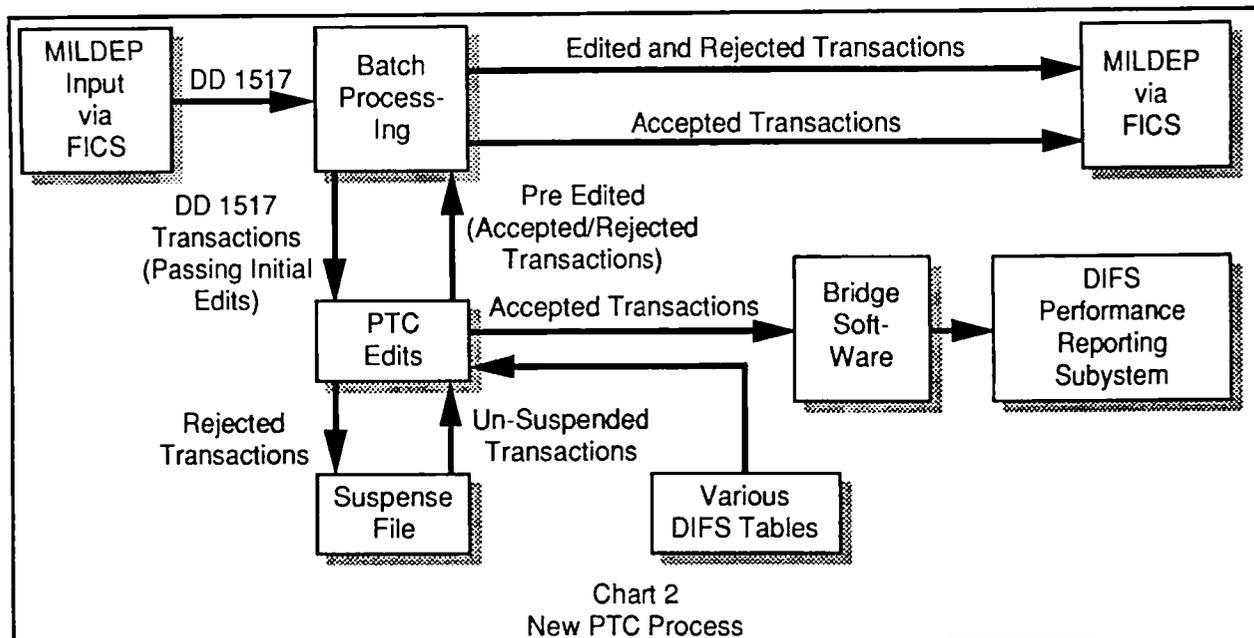
Processing of the various DD 1517 Report inputs to the DFAS-DE/F followed the process indicated below.



In this process, after the 1517 Report passed initial editing and validation at the DFAS-DE/F, it was posted to the DIFS performance subsystem. Feedback to the IAs occurred on a monthly basis, subsequent to processing to the DIFS system. Any rejected 1517 transactions that required corrections could not be reprocessed by the IA until the following month. Clearly, this performance reporting system did not provide the controls required to fully manage financial resources. The FICA provided the fix to the system by reducing the number of input sources to the DFAS-DE/F to four (one from the Air Force (CMCS), one from the Navy (M13IL), and two from the Army (PBAS), and inputs were standardized through only one standard data system, the FICS. Now, the 1517 Reports input to the DFAS-DE/F follows the following system diagram;

This new process looks complicated, but its really rather simple and one of the keys to the whole system is the PTC subsystem. To make PTC work, data fields were added to or eliminated from the DD 1517 Report, and an expanded, standardized 1517 Report emerged. One of the data fields added to the "old" 1517 Report is an element called the Transaction Control Number, a unique 13 position code assigned by the MILDEP FICS to each 1517 transaction going to the DFAS-DE/F. The transaction can then be tracked until its final disposition (posting to the DIFS performance reporting subsystem or deleted from the financial records). This unique transaction control number is analogous to an FMS document number. The difference is that while any given document number can be "billed" several times, especially through partial shipments on various

document number suffixes, reversals of estimated prices, etc., each one of these several transactions will have a separate, identifying Transaction Control Number.



Another aspect of the PTC subsystem is the addition of another data element to the “old” 1517 Report—the Action Code. Transactions leaving the IA are identified by a manually assigned Action Code designed to identify the reason that this particular 1517 Report is being submitted. If this 1517 Report is being submitted for the first time, the Action Code is “A” for “add.” In other words, this 1517 is to be added to any previously submitted transactions. In the case where a previously submitted 1517 Report needs to be changed, the Action Code is then “C” for “Change.” The third Action Code is “D” for “Delete.” This may be used when, for example, a previously submitted 1517 Report contained an incorrect case identifier and that transaction needs to be deleted from the records. The necessity of these Action Codes is explained by another file within the PTC process: the Rejected Suspense File.

Transactions which may contain invalid data are posted, after initial PTC edits, to the Rejected Suspense File. Rejected transactions remain on this file until they are removed (cleared) by the IA that processed the initial transaction.

Transactions leaving the IA contain, in addition to all of the DOD 7290.3-M required data, the Transaction Control Number and the Action Code. Upon receipt at SAAC, all incoming transactions are subjected to initial edits and validation. Those that pass the initial tests are then passed on to the PTC process (subsystem). Here, those incoming transactions with Action Codes “C” or “D” are compared to the Rejected Suspense File to determine if a match exists. For those transactions with Action Code “C”, if a match is found, the suspended transaction will be removed from the file and the latest “C” transaction is then treated as, basically, a new 1517 submission. If a match is found for those transactions with an Action Code of “D,” the “old” one is removed from the Rejected Suspense File and posted to another file called, appropriately, the Deleted Transaction History File.

At this step of the process, the latest change (Action Code “C”) transactions and those being submitted for the first time (Action Code “A”) undergo detailed PTC edits based on certain logic

and various tables within the DIFS system. Those transactions passing all of the PTC edits are passed on to a "bridge" software system that removes the Transaction Control Number, Action Code, etc., and forwards the basic 80 columns of data on to the DIFS performance reporting subsystem for posting to the data base. Those transactions failing the PTC edits are posted to the Rejected Suspense File.

One of the more salient features of any management system is that some form of feedback be provided subsequent to any action/job/task that is performed. The PTC process does this for all transactions sent to SAAC within 24 hours of 1517 Report receipt. The processing system not only informs the IA/MILDEP of transaction receipt, but indicates the status of each and every 1517 Report received. That feedback consists of a duplicate of the transaction received, along with information contained in an area of the returned 1517 Report called the Transaction Reply Code(s), indicating what action was taken/performed with respect to that particular transaction.

The Transaction Reply Code(s) is another addition to the "old" 1517 Report and is another aspect of the Positive Transaction Control subsystem. This area, contained only in the transaction reply from SAAC to the IA, is 15 positions "long" and can contain up to five different three-digit codes. Each three-digit code has a unique meaning and conveys particular management information regarding the transaction.

Once received at DFAS-DE/F, most transactions will be accepted and processed to the DIFS Performance Reporting Subsystem, or rejected and placed on the Rejected Suspense File. There is, however, one other action that could happen. Based on certain "rules" within the overall FMS/MILSTRIP/FICS systems, performance reporting via the 1517 Report cannot violate these "rules," i.e., special characters are not permitted within the Document Number or NSN fields, nor are blank spaces permitted within the Document Number. Should one of these conditions exist in a 1517 Report, the PTC subsystem edit will mechanically assign a zero (0) to those special characters or blanks and process the transaction. Assuming that a 1517 Report containing such an incompatibility passes all other PTC edits, it would be processed to the DIFS Performance Reporting Subsystem. In order for the IA/MILDEP to review processed transactions containing possible incompatibilities, Management Alerts will be contained within the Transaction Reply Code field of the feedback. These management alerts are also three-digit code(s), each with a specific meaning. Thus, the Transaction Reply Code portion of the 1517 report returned to the IA can contain information indicating acceptance, acceptance with management alerts, or rejection.

The advantage to such a 24-hour feedback system is that it provides for quick correction of suspense reports by the IA prior to the monthly Performance Report processing by DFAS-DE/F.

Another advantage is that the DOD Component records are more closely in agreement with those contained in the DIFS. Positive Transaction Control is a system designed to track performance reporting to and from the DFAS-DE/F, and to also provide 100% feedback to the reporting agencies, improve the system interface edits, and provide a rejected transaction suspense and ageing system. While "invisible" to the case manager, this system should assist in carrying out those case manager responsibilities found in DOD 5105.38-M (SAMM).

ABOUT THE AUTHOR

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