

2018
Annual Report

U. S.
COAST
GUARD
FINANCE
CENTER



[HTTPS://WWW.USCG.MIL/FINCEN](https://www.uscg.mil/fincen)



U. S. Coast Guard



Transportation Security Administration



Countering Weapons of Mass Destruction

The 2018 U.S. Coast Guard Finance Center Annual Report

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Commanding
Officer**

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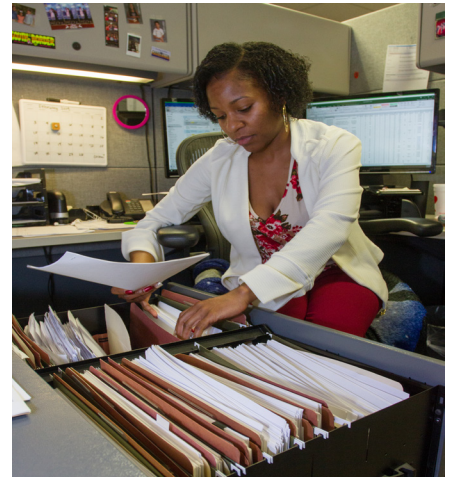
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“We will become the premier financial service center in the Federal Government.”

Providing Exceptional Financial Services

Dear Stakeholders,

This is my first letter as the Commanding Officer of the U.S. Coast Guard Finance Center (FINCEN).

I want to start off by thanking all my co-workers and colleagues who have shared their time and experiences with me to bring me up to speed in my duties. While the work we do here rarely makes headlines, it is vital in enabling Coast Guard operations. I am proud to lead such a successful and dedicated team of professionals that strives daily to sustain such a high level of excellence and improve stewardship of government resources.

Our mission is to provide exceptional financial services to our customers across the nation. Our customers are diverse: we service individual Coast Guard members, American small businesses, and large federal agencies. With each interaction we strive for customer service that reflects our organization's quest for excellence. Our competitive advantage is built upon the outstanding employees that make up our team, our strong external working relationships, and our culture of continuous improvement. Together we will continue working hard to maintain the trust of the customers we serve.

IMPACT & OPPORTUNITY

One of the greatest privileges I have as the Commanding Officer of FINCEN is to witness the critical link between effective financial management and our national security. I am proud to report in the last year we collaborated with the DHS Joint Program Management Office to successfully transition the Countering Weapons of Mass Destruction Office (CWMD) to the new Department of Homeland Security (DHS) Financial System Modernization Solution (FSMS). The experience we gained from this has prepared us for the greater challenge of supporting the upcoming transitions for both the Transportation Security Administration (TSA) and the U.S. Coast Guard (USCG).

While we are immensely proud of our contributions, which helped the USCG earn its sixth unmodified audit opinion, we recognize there is still room for improvement and have maintained our aggressive pursuit of better audit compliance. In the year ahead, we will continue our partnership with the U.S. Navy, U.S. Treasury and Defense Finance and Accounting Service in a pilot program to improve the efficiency, transparency and auditability of processes for making and collecting intergovernmental payments.

Additionally, we are building an organizational culture of making monthly progress on corrective action plans for internal control deficiencies to meet our goal of downgrading other material weaknesses.

Semper Paratus,

A handwritten signature in blue ink, appearing to read "Jeff Yarosh".

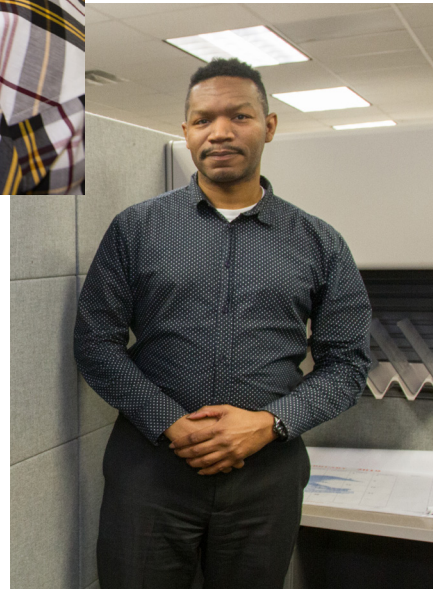
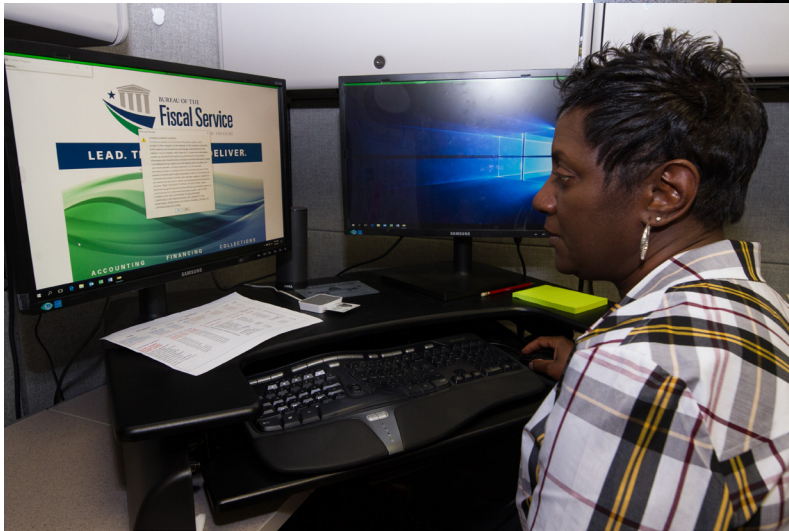
CAPT Jeff Yarosh
Commanding Officer
U.S. Coast Guard
Finance Center

As a customer service provider, we continue to reduce interest payments for multiple DHS agencies and can tout having the lowest interest payments among all Federal financial centers.

As we look over the horizon, we know that we must leverage automation technology to reduce manual repetitive tasks and elevate our employees to more analytical and decision-oriented work. This will ultimately develop more capacity for our staff to creatively solve the problems that will arise with a new financial system. Furthermore, we are in the final steps of reorganizing FINCEN processes to align with DHS lines of business for better compatibility throughout the Department. By taking proactive steps and preparing our people for the DHS FSMS transition, we will minimize disruptions to our affiliated customers.

It is clear that the task ahead is a formidable one. Transitioning TSA and USCG to the new Financial System is an aggressive and necessary goal. It will take a tremendous amount of grit and perseverance to manage the complexity and magnitude of this endeavor in order to create a better future for our customers. However, we are ready for the task, shored up by the dedication of our people and the experience of our leaders. Despite the technical challenges, process re-engineering, and training required, we shall continually strive to fulfill our mission set with excellence. Thank you for your trust.





6TH

*Consecutive Unmodified
Audit Opinion Earned*

\$6.6

*Billion in Payments
for USCG, TSA, CWMD*

0.15%

Improper Payment Rate

\$20 BILLION
TOTAL CUSTOMER ANNUAL BUDGETS

\$170B

*Total Dollar Value
of Samples Tested by
Internal Control*

474

*Civilian, Active Duty
and
Contracted Personnel*

64M

Financial Transactions

98%

**Customer
Satisfaction**

\$5B

*Receivables Processed
for USCG, TSA, CWMD*

99.8%

System Availability



Dave Redden - Division Chief

ACCOUNTING OPERATIONS DIVISION

The Accounting Operations Division provides professional accounting services, payments, receivables, and collections for three DHS components: USCG, TSA, and CWMD. The Accounting Operations Division is the largest division at the Finance Center; it includes the Accounts Payables Branch and the General Accounting Branch. The Accounts Payables Branch processes a large volume of complex invoices and payments which support Coast Guard personnel, operations and missions. The General Accounting Branch is responsible for reconciling, recording, and reporting cash to Treasury, accounts receivable, Supply Fund transactions, and processing Military Interdepartmental Purchase Requests and Intra-Governmental billing and collections (IPAC's).







ACCOUNTS PAYABLE

FY 18 IMPACT

1.2
Million
Payments

- Processed 1.2 million payments for Coast Guard, TSA, and CWMD that amounted to over \$6.6 billion in disbursements, while achieving a 99.9% payment accuracy rate.
- Operated as a CG Profit Center with FY18 cumulative Net Earnings of over \$543,000 (invoice discounts earned minus Interest Penalties paid).

99.9%
Payment Accuracy
Rate

\$543,000
Net Earnings

\$6.6B in disbursements

- First government agency to complete a Commercial Payment Data Analytics and Integrity Check in partnership with the Treasury Bureau of Fiscal Service “Do Not Pay” team. This provided additional assurance for our external auditors, from an outside agency, that all controls over commercial payments were designed and operating effectively.

1
Publication in the
Armed Forces
Comptroller Journal

OFF THE BOW

Expand the Treasury Data Analytics & Integrity Check project to include payments made to CG travelers and TSA vendors, helping to identify and prevent improper and fraudulent payments.

Complete process timing and true **Cost Capturing** of all accounts payable processes, for benchmarking against processes in the new Financial System and FINCEN reorganization. This will also help identify manual data entry processes ripe for automation.

Implement the FINCEN reorganization plan to **Align** with the DHS lines of business structure, which will enable us to provide the best support to our customers through accurate, efficient and timely processing of invoices.

Provide continued subject matter expert **Support** for CG and TSA configuration and migration to FSMS.

ON THE HORIZON

Strive to **Develop** a replacement in FSMS for the “Recurring Charge Master” (RCM), which is an automated workflow for payments of leases and utilities. Included in this goal is the development of metrics for capturing utility usage in order to meet Federal energy consumption reporting requirements and to ensure proper obligation of leases in order to remediate an audit finding.

Effectively **Train** staff in utilizing the capabilities of FSMS to ensure FINCEN maintains exceptional payment statistics throughout the implementation. This data consistency and integrity is critical to effectively benchmarking against other agencies and ensuring continued compliance with wide ranges of regulations and mandates.

Leverage automation technology, including Robotic Process Automation (RPA), in order to reduce time spent on repeatable tasks.



GENERAL ACCOUNTING

FY 18 IMPACT

*\$1.9B
in IPAC's*

- Cash reconciliation and reporting of \$13 billion for CG, TSA, and CWMD, including commercial payments, collections, and intergovernmental fund settlement.
- Elimination of reconciliation differences between Intra-DHS Trading Partners for \$640 Million in trading activity.

\$385M
Reimbursable
Agreements

\$13B cash reconciliation

\$60 M
Transactions
Managed and
Reconciled

- Implemented reimbursable workflow to increase transparency and timeliness for establishment and recording of \$385M in reimbursable agreements.
- Managed and reconciled \$60 Million in transactions for subsistence, fuel, hazmat, and uniforms for the Supply Fund.

\$640M
Trading Partner
Activity

OFF THE BOW

Implement G-invoicing across DHS, the new online Treasury mandated system to be used for recording all intragovernmental buy/sell transactions, including General Terms and Conditions, Orders, Performance and Settlement. This year, FINCEN will support the first available phases of the G-Invoicing initiative in the entry of General Terms and Conditions and Orders. G-Invoicing will provide more transparency, efficiency, and accuracy when reconciling trading partner transactions.

Prepare accounting data for the TSA Migration to the new Financial System, including receivables, collections, and customer information. Continued preparation of accounting transaction data for USCG migration to the new financial system.

Leverage **Automation** tools, such as RPA and SharePoint, for routine tasks to increase efficiency, timeliness, and transparency of cash reconciliations, collections, and receivables.

ON THE HORIZON

Transform the IPAC process through full implementation of G-invoicing, to include performance, invoicing, and funds settlement, overcoming manual input of transactions. In the future, G-invoicing will generate the cash transfer to effect settlement of intergovernmental orders, improving efficiency, transparency, and integrity of intergovernmental transactions.

Support the CG Migration to the new DHS Financial System, including working closely with the CG and DHS System Migration Team to validate accounting data for collections, receivables, and cash transactions.

Re-Engineer business processes with Inventory Control Points and other government agencies to complete the G-invoicing pilot and bring CG onto the new Financial System. This includes eliminating the time-intensive cross-disbursing process and effectively training our staff in new procedures.



Chad DeJesus - Division Chief

ACCOUNTING SYSTEMS DIVISION

The Accounting Systems Division has direct responsibility over Coast Guard's Core Accounting System (CAS) for functional accounting and business processes in support of approximately 15,000 users worldwide for USCG and TSA. In addition, the Accounting Systems Division is responsible for running accounting and business processes in FSMS for CWMD.





\$200 Billion
Journal Voucher Transactions
processed as a shared service provider



204

System
Development
Change Requests
Implemented



100% Validation

16,415

Users Accounts
Annually



97

Terabytes of Data
Managed

75K



CG-FixIT Help
Tickets Completed

\$5.7



Billion

Payroll Transactions
Reconciled
for Coast Guard,
TSA, and CWMD



FUNCTIONAL APPLICATION SERVICES

FY 18 IMPACT

99.8%
System
Availability

- Provided extensive support and contributions to facilitate the successful transition of FSMS for CWMD from the Department of Interior (DOI) to DHS.
- Provided front and back-end troubleshooting support for USCG and TSA on the Core Accounting System and CWMD on FSMS, resolving over 11K customer issues, including vendor requests, purchasing issues, and accounts payable sub-ledger activities.

468
Corrective Scripts
Implemented

204 system development
change requests

117K
Obsolete
Vendor Records
Removed

- Facilitated 180 technical and functional system improvements through extensive testing, and coordination, including Windows 10 and other applications. (a subset of the 204 change requests)

97.9%
Customer
Satisfaction

OFF THE BOW

Prepare for TSA and USCG migration to FSMS , including front and back-end subject-matter-expert level support.

Support the Smart Pay III Program **Transition** from JP Morgan to Citibank for travel, purchase, and fuel credit card transactions, enabling \$500M in transactions across the CG, TSA, and CWMD.

Perform extensive **Testing** and coordination to facilitate technical and functional system and application improvements, including testing of Office 365, reducing FINCEN legacy public-facing website footprint, and increasing electronic invoicing.

ON THE HORIZON

Support and **Implement** FSMS for TSA and the USCG, including defining requirements, testing applications, and providing subject matter expert supporting activities.

Establish the construct for scalable internal operations at FINCEN on FSMS, enabling an improved state of readiness for employing additional resources to service other components if required.

Support efforts to **Stand Down** the Core Accounting System suite and the establishment of a historical data warehouse.



FUNCTIONAL ACCOUNTING SERVICES

FY 18 IMPACT

97.9%
Customer
Satisfaction

- Successful transition of CWMD from the Department of Interior (DOI) to DHS FSMS.
- Successful implementation of ServiceNow ticketing system and new Centralized Help Desk for all DHS components on FSMS.

75K
Help Tickets
Completed

\$5.7 B payroll transactions
reconciled

\$217 B
Manual Journal
Vouchers
Processed

- Provided 126 external audit requests and worked closely with the Operations Division to support DHS earning the sixth consecutive unmodified audit opinion.

99.8%
System Availability

OFF THE BOW

Prepare for **Migration** of TSA to FSMS, including front and back-end subject-matter-expert level support.

Heavily support the **Discovery** Phase for preparing the USCG for migration to FSMS, as well as revise Accounting Systems' Standard Operating Procedures.

Establish Standard Operating Procedures for FSMS and **Initiate** Lean Six Sigma improvement events for future-state workflow changes.

Sustain shared service **Excellence** as TSA's accounting service provider as they transition to FSMS.

ON THE HORIZON

Support the migration and implementation of the USCG to FSMS, including defining requirements, testing applications, and providing subject matter expert supporting activities for Payroll, Projects, General Ledger, Assets, Accounts Receivable, Cash Management and Inventory.

Navigate the audit challenges, support limitations, and documentation of new protocol associated with the transition from local support of financial system applications by the Operations Systems Center (OSC) to IBM off-site support for FSMS.

Establish the construct for **Scaleable** internal operations at FINCEN on FSMS, enabling an improved state of readiness for employing additional resources to service other components if required.



TSA / CWMD LIAISON OFFICE

FY 18 IMPACT

*\$12 M
Hurricane
Payments*

- Facilitated approval of FY19 **Interagency Agreement**, a \$15M contract between the USCG and TSA and a \$2M contract between the USCG and CWMD for **financial and accounting services** provided by the USCG FINCEN.
- CWMD Liason served as an integral member of FSMS stabilization efforts in transition from DOI to DHS. Provided year-end preparation of Oracle closing and after hours contact between IBM, DHS, CWMD, and FINCEN.
- Enabled a seamless fiscal year transition through coordinating CWMD FY18 **Year End Planning** and FY19 **Opening Activities**; processed over 19 journals totaling \$8.6M.

\$8.6M
Journal Vouchers
Processed

\$17M interagency agreement

- Assisted in TSA emergency operations, specifically **coordinating \$12M in TSA's Hurricane priority payments**.
- CWMD Liason completed **mock testing, requirements gathering, and risk assessments** for Financial System transition from DOI to DHS.

OFF THE BOW

Assist with TSA's transition to FSMS, leveraging the lessons learned from CWMD's migration.

Promulgate a Finance Center Liaison Desk Guide to **Standardize** financial and accounting service customer support to TSA and serve as the guiding document for FINCEN's additional financial services to CWMD.

Share USCG best practices for Federal Emergency Management Agency (FEMA) reimbursements and Treasury payment integrity checks.

ON THE HORIZON

The Liaison Office looks forward to providing **World Class** financial liaison customer service and program management to its component customers.

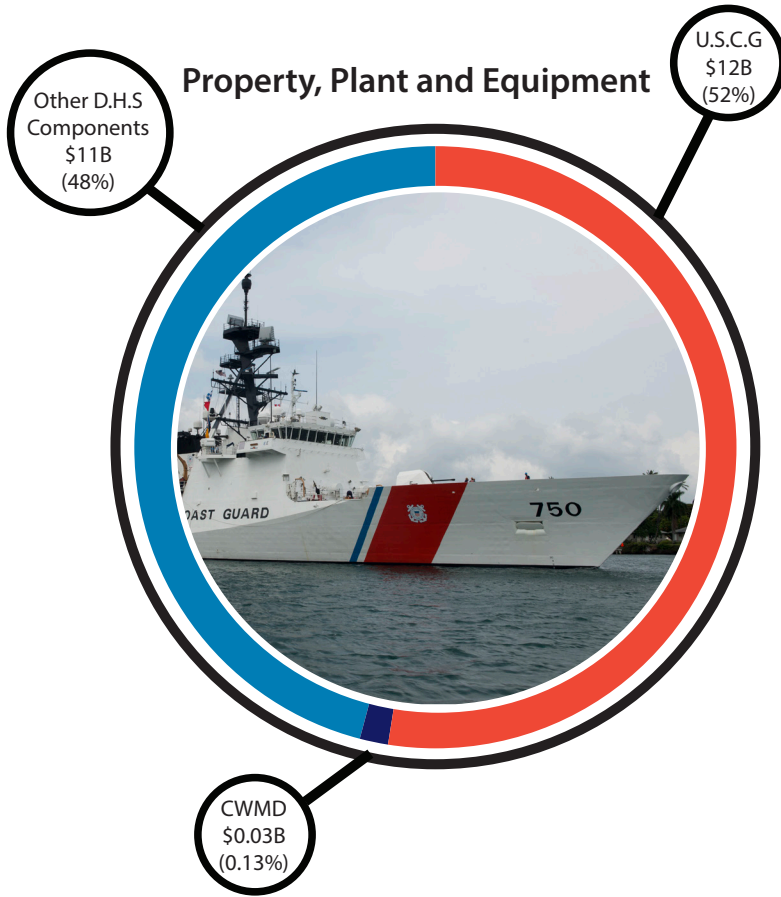


Jennifer Coston - Division Chief

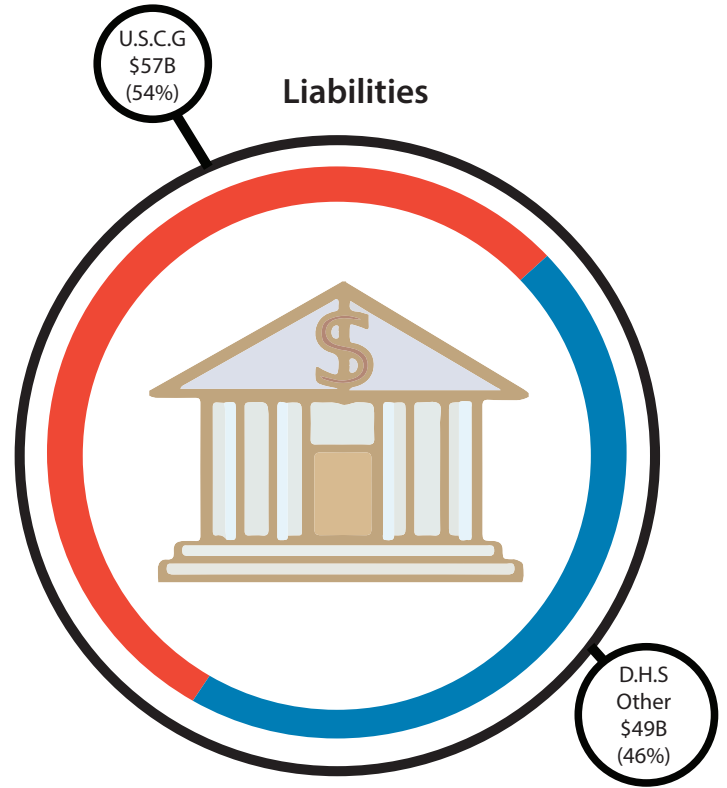
FINANCIAL INFORMATION & CONTROL DIVISION

The Financial Information and Control Division includes the Financial Reports and Analysis Branch, Property Control Branch, and Internal Control Branch. The division is responsible for planning and administering the service-wide financial accounting reporting program, the property, plant and equipment accounting transaction program, and the FINCEN internal control program. The division is responsible for the compilation and preparation of the USCG and CWMD principal financial statements, applicable financial reports, and reconciliations mandated by government laws and regulations. The division also enters and maintains transactional property data in Oracle Fixed Assets and Oracle Project Accounting financial management modules for USCG and TSA capitalized and non-capitalized assets. Additionally, to comply with the Federal Managers' Financial Integrity Act (FMFIA) and OMB-Circular A-123 Management's Responsibility for Enterprise Risk Management and Internal Control, the division oversees FINCEN's internal control program. This program is responsible for assessing the efficiency and effectiveness of business process controls operating at FINCEN for USCG and TSA.

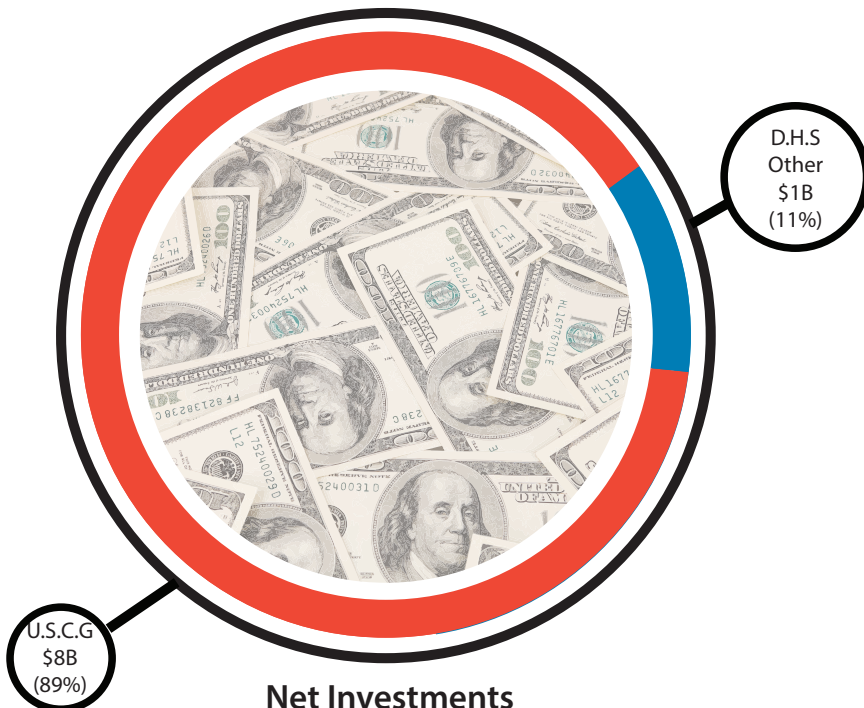




2,689
Standard General Ledger Adjustments



FINCEN Reporting
as a percentage of
DHS



4,775
Control Samples Tested



FINANCIAL REPORTING

FY 18 IMPACT

103
*Appropriations
Reported
Monthly*

2,689

Standard General Ledger Adjustments clearing 2,000 Fatal Errors in TIER



2,228

Trading Partner Intergovernmental adjustments accurately reporting trading partner activity



344

Abnormal Balances & Analytic Differences validated



0

Material Mistatements



- Implemented standardized electronic working papers across all appropriations, including automation of the reconciliation to DHS financial statements, saving 300 hours per year.
- Automated the Journal Voucher Database (JVDB) reconciliation to Treasury Information Executive Repository (TIER) for audit readiness, saving 180 hours per year.
- Enhanced the Fund Balance with Treasury (FBwT) adjusting entries process to record cash differences by Agency Location Code in order to remediate an audit finding.

6th consecutive **unmodified audit opinion**

- Financial Statements were presented fairly, in all material respects, in accordance with U.S. Generally Accepted Accounting Principles.

OFF THE BOW

Leverage Robotic Process Automation to pull individual adjusting entries from electronic working papers and enter into Journal Voucher Database (JVDB).

Enable real time rather than retrospective **Analysis** through an automated process that runs analytic formulas and allows for corrective action prior to system closing, preventing the need for adjusting entries after closing.

Further increase **Communication** between FINCEN and Inventory Control Points (ICP's) to allow corrections to be made directly in the appropriate system of record, reducing post-closing adjusting entries for audit remediation.

ON THE HORIZON

Establish correct systems posting logic in accordance with the Treasury Financial Manual and the Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) validations in preparation for the CG transition to FSMS.

Increase FINCEN's **Capacity** for financial analysis by working closely with USCG and DHS System Migration Teams to automate the DHS-mandated fluctuation analysis of account balances between fiscal years.

Create a CG online learning center for financial reporting to improve Organization-wide efficiency and effectiveness.



INTERNAL CONTROL

FY 18 IMPACT

4,775
Control
Samples
Tested

- Performed control testing of 4,775 samples totaling \$170 Billion in support of the Commandant’s annual internal control efforts as required by the FMFIA, OMB A-123, and the DHS Financial Accountability Act, reducing control exceptions from 9% to 3% year over year.
- Developed comprehensive internal control identification matrix, documenting and prioritizing testing of 350 DHS-required controls, significantly advancing the DHS audit remediation key priority to document controls and deficiencies “with sufficient precision.”

9% to 3%
Control Exception
Rate Reduction

\$170B in control samples

350
DHS Required
Controls Prioritized

- Standardized all FINCEN control testing; prioritized the 30 highest-risk process areas; developed 30 control-testing Guidebooks that were made available to external agencies.

30
Standardized
Desktop
Guidebooks

OFF THE BOW

Continue laying the **Groundwork** for an *SSAE 18 Attestation*, an external audit that would indicate FINCEN's controls are designed and operating effectively. This will reduce audit requests for our employees and DHS customers.

Increase test areas for Audit **Remediation**, expanding and deepening testing of property and financial reporting, documenting internal control weaknesses and helping process owners strengthen compensating controls to reduce significant deficiencies in these areas.

Elevate monthly **Corrective Action** Plan (CAP) progress through building a system of accountability with process owners, including monthly CAP reviews, annual Tests of Design, and a culture of working to remediate internal control deficiencies.

ON THE HORIZON

Re-think our test processes and apply new technologies to work more effectively as we bring FSMS online. We must continue to work closely with process owners to document controls and compensating controls with precision, and complete corrective action plans to remediate audit material weaknesses.

Automate repetitive, logical control test work using robotic process automation to free up accountants and technicians for higher level, higher risk, control test work. This will create more value for our DHS customers.

Work with each division to thoroughly document all controls and **Achieve** a *SSAE 18 Attestation* for FINCEN, indicating we have sound controls in place over all our business processes.



*6th
Unmodified
Audit
Opinion*

PROPERTY

FY 18 IMPACT

- Accurately accounted for \$24.5 Billion in capitalized property across the CG and TSA and \$1.4 billion in non-capitalized CG property, directly contributing to the Sixth Unmodified Audit Opinion of DHS Financial Statements.
- Interfaced \$474 Million in Construction in Progress Capitalization Packages to Oracle Fixed Assets to ensure timely, accurate accounting of USCG and TSA property for audit readiness.

\$2B
Construction in Progress Balance

\$1.4B in Property, plant, and equipment

\$20B
Personal Property

- Provided subject matter expert support for configuring the new FSMS for CG and TSA with regards to capital projects and fixed assets.

\$5B
Real Property

OFF THE BOW

Preparing all property data in the Core Accounting System to ensure a clean system migration for TSA to the new FSMS.

Align with DHS lines of business by completing and implementing the FINCEN reorganization plan.

Continue to provide subject matter expert **Support** for the CG and TSA configuration for the new FSMS with regards to capital projects and fixed assets.

ON THE HORIZON

Ensure a clean system **Migration** for the Coast Guard to the new FSMS by preparing all property and construction in progress data in the Core Accounting System.

Gain new responsibilities from Coast Guard Property Headquarters to support FINCEN reorganization plan, including creating construction in progress capitalization packages and direct acquisition packages.

Thoroughly **Train** staff on new FSMS responsibilities and processes, including project-centric accounting, new reconciliations, and creating new standardized monthly reports.



LCDR Holly Deal - Division Chief

COMPTROLLER DIVISION

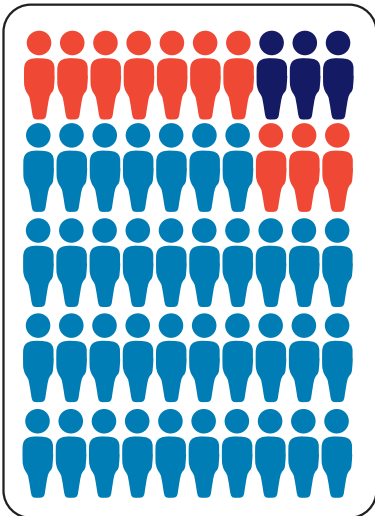
The Comptroller Division is responsible for supporting all FINCEN operations. The Comptroller Division includes the Administrative Services Branch, Logistics Branch, and Process Improvement and Training Branch. The division performs budget planning and execution, procurement, contracting and administrative support for over 450 military, civilian, and contract personnel, facility management services for a 100,000 + square foot facility, as well as oversees process improvement and training throughout the command. The division functions as the Imprest Fund Manager for the Coast Guard and is also designated as Head of Agency for authorizing certifying officials, payment approval officials and data entry operators for various U.S. Treasury payment systems.



100K
Building Square
Footage
Maintained

\$8.8M
Planning &
Execution of
Budget Authority

11
Financial Management
and
Leadership Training
Courses Held



761
Building
Trouble Tickets
Resolved

Civilian
359

Contractor
96

Military
19

\$79K
Coast Guard
Mutual Assistance
Loans Processed

18
Lean Six Sigma
Process Improvement
Events



ADMINISTRATIVE SERVICES

FY 18 IMPACT

476
FINCEN
Employees
Supported

- Fully utilized in-house contracting and DHS Strategic Sourcing vehicles to execute 280 procurements totaling \$1.20 million, \$200k below funding. Savings were reallocated to support CG Hurricane Response operations.
- Initiated procurement of local Blue Prism© software license, first in Coast Guard to support Robotic Process Automation (RPA) implementation at FINCEN.

280
Procurements

\$8.8M budget planning
and execution

\$200K
In Savings

- Implemented a pilot program to increase cyber security for contractor system access, completing initial background screenings prior to arrival. This reduced cyber security risk by preventing temporary access to the CGOne Network prior to formal issuance of CAC cards and completion of contractor onboarding.

OFF THE BOW

Increase the use of Coast Guard Common Core tools and practices, applying them to our unit processes to improve timeliness, accuracy, and transparency of procurement actions.

Leverage DHS **Strategic** Sourcing Contract Vehicles to reduce labor hours, delays, and costs associated with contracting actions.

Continuously explore opportunities to gain operational **Efficiencies** to free up funding to fully support the RPA initiative and associated hardware requirements.

In FY18 we undertook the first significant revision of the unit's Continuity of Operations Plan in over 15 years; we intend to continue the momentum on this project in FY19.

ON THE HORIZON

Initial testing suggests that there is a significant **Increase** in the time and data required to complete a procurement request in the FSMS. Consequently, we shall focus on storekeeper training and development to foster excellent proficiency with this system to prevent backlogs and delayed procurements.

Increase **Automation** related to tracking the status of procurement actions to reduce time spent on routine tasks, thereby enabling increased capacity for personal interaction and improved quality of customer service.



LOGISTICS

FY 18 IMPACT

600+
Workspaces

- Ensured a clean, healthy and functional work environment for over 600 military, civilian and contractor personnel (support includes other commands); diagnosed and remedied 761 building trouble tickets.
- Negotiated terms of 15 year lease renewal, including provisions for \$1.9M in tenant improvement work to improve the appearance, habitability and compliance of all building spaces.

100K
Building Footprint

\$45M personal property value

150K
Mail Transactions

- Developed a Facility Layout Plan to support the implementation of the Finance Center’s largest strategic re-organization since its inception to align like functions, create efficiencies and standardize processes.

OFF THE BOW

We plan to pursue work projects that will increase the **Security** of our building, such as the final installment of digitized card readers on all access spaces which will eliminate the need for physical keys.

Will continue to pursue **Energy Efficient** solutions, such as the replacement of all standard lighting with light-emitting diode (LED) technology.

Will continue to cultivate best practices in personal **Property Management** and use those practices to reduce the labor burden associated with managing the command's 1,450 accountable property line items valued at over \$45 million.

ON THE HORIZON

We will strive for a facility that is **Fully Compliant** with the provisions of the Americans with Disabilities Act and complies with the Architectural Barriers Act Accessibility Standard, which is the federal government's standard for accessibility.

We will continue to advocate for facilities, equipment and materials that best support the needs of our diverse workforce to ensure that the Coast Guard Finance Center remains an employer of choice.

We will continuously **Evaluate** space allocations against existing needs to support the implementation of the command's strategic re-organization and FSMS; we anticipate that these events will result in changes to the mix of civilian, employee and contractor personnel within the command.

We will adopt technological **Advances**, particularly those that reduce costs, increase efficiency and support eco-sustainability.

PROCESS IMPROVEMENT AND TRAINING



35
Lean Six Sigma Certifications

FY 18 IMPACT

- Completed more than **18 process improvement projects** for FINCEN and external customers, in order to reduce process cycle time, remediate audit findings, and establish appropriate accounting treatment to meet federal requirements and streamline processes.
- Led a command-initiated process improvement project aimed at **improving the quality of the on-boarding and orientation process for new civilian employees**, resulting in significant changes to customary practices, which ultimately was captured in a new unit instruction.

13
Finance and Leadership Courses

18 lean six sigma process improvement events

- Hosted **13 financial management and leadership training courses** to support the professional development of over 400 employees.

400
Employees Professional Development Management

OFF THE BOW

We will continue to support the **Implementation** of a pilot program to test intra-governmental invoicing processes in anticipation of future mandates; will produce process mapping and desk guides to standardize and document all processes.

We plan to **Champion** emerging technologies and incorporate them into our portfolio; in FY19, we envision that RPA will be incorporated into the command's Continuous Improvement Program as a process improvement tool.

We will **Develop**, monitor and maintain a command dashboard with strategic, management and compliance metrics to improve transparency of information.

ON THE HORIZON

We plan to continuously **Explore** opportunities for both technical and non-technical training available to our civilian and military employees to maximize the impact and reach of training funds while forwarding the readiness, qualification and motivation of our employees.

We will **Cultivate** an environment where innovation is encouraged and rewarded through the use of crowd-sourcing and other practical techniques to draw out the ideas of FINCEN employees.

We will continue to expand the selection of services offered by our Process Improvement professionals, ensuring the maximum return on investment of our team.

We will **Leverage** technologies such as Sharepoint to improve the ease of administrative functions across the Division, such as routing correspondence and registering for training.



John Melchers - Deputy Director

Investing in our PEOPLE

As the world becomes increasingly fascinated with technology and its promises, we must not forget that our most important asset is our people. Here at the Finance Center, we take a very intentional approach in how we invest in our people. We are proud of our incredibly diverse staff, and we make it a priority to celebrate the important contributions of differing cultures and experiences.

We also realize this investment must be tangible. This is why we provide carefully curated professional training and development opportunities to our 476 employees. We actively seek to build trust and commitment within our organization through the leadership, professional development, and teamwork initiatives we provide using our Leadership Diversity Advisory Council, Mentoring Program, and Morale Committee. We are committed to making our employees feel valued and empowered to grow personally and professionally every day they come to work at the Finance Center.

We are committed to making our employees feel valued and empowered. Every day.

We **CELEBRATE** our **DIVERSITY** by promoting each Special Emphasis month. An inclusive Gospel choir sang a traditional praise hymn during our African American History Month celebration.



Gospel Choir



Employee Appreciation Day

We promote **FUN** and **CARE** for our employees each year during Employee Appreciation Week. The focus is on building camaraderie and spirit de corps.

Our Morale Committee does an excellent job organizing creative activities for our unit that promote **SOCIALIZATION** and **TEAMWORK**.



Painting Workshop



Mentoring

Effective

MENTORING is a critical tool to success. By creating a formal Mentoring Program, we are able to ensure that every employee has the opportunity to develop and learn from a mentor who can help advance his or her career.

We have numerous heritages to celebrate here at FINCEN. To promote **INCLUSION**, each year we sponsor a Diversity Day where our employees share their cultures.



Polynesian Dance

FY 18 Invoices Paid by Document Type

DOC TYPE	COAST GUARD		TSA		CWMD	
	FY18 COUNT	FY18 AMOUNT	FY18 COUNT	FY18 AMOUNT	FY18 COUNT	FY18 AMOUNT
11 - Travel	140,532	\$126,408,196	47,942	\$45,095,522	1,123	\$754,542
13 - Continuous Travel	23,483	\$35,757,527	60,151	\$107,942,143		
12 - Permanent Change of Station (PCS) Travel	26,988	\$49,087,724				
12 - Temporary Lodging Allowance (TLA)	3,359	\$7,569,266				
14 - Government Travel Account (GTA)/Centrally Billed Account (CBA)	55,044	\$16,160,675				
14 - Government Travel Account (GTA)/Military Entrance Processing Station (MEPS)	713	\$813,958				
15 - Syncada Commercial Transportation Approval Payment Systems (CTAPS)	22,908	\$13,052,623				
15 - Syncada Household Goods (HHG)	15,333	\$73,023,133				
15 - Manual Government Bill of Lading (GBL) HHG	208	\$228,227				
17 - Syncada Non-Temporary Storage (NTS)	6,582	\$4,018,994				
17 - Personally Procured Move (PPM)	8,204	\$12,549,971				
17 - Direct Procurement Method (DPM)	4,758	\$1,861,586				
17 - Manual Non Temporary Storage (NTS)	470	\$50,779				
17 - Mass Transit	762	\$111,177				
17 - Personally Procured Move (PPM) Advance	250	\$380,964				
19 - Miscellaneous Obligations	11	\$1,001,425	3,570	\$761,748		
20 - Imprest Fund	16	\$651,419	42	\$11,566		
22 - SF-44 Purchase Orders (PO)	1	\$896				
23 - Purchase Orders (PO)	10,049	\$87,937,423				
24 - Contracts	18,128	\$2,294,103,939	17,525	\$2,168,993,356	908	\$123,034,654
26 - Food Provisional	15	\$217,805				
27 - Auxiliary	14,518	\$2,349,883				
28 - Inter Service Support Agreement (ISSA)/Military Interdepartmental Purchase Request (MIPR) Category 2 - Commercial Vendors	124	\$11,418,417	13	\$756,684		
30 - Training	1,041	\$7,923,347	356	\$3,813,062		
32 - Fleet Fuel Card	24,352	\$9,181,925	5,444	\$343,732		
32 - Purchase Card	339,479	\$210,610,453	82,820	\$52,349,965	108	\$93,296
32F - Federal Express	73,883	\$1,091,870	48,459	\$552,574		
33 - Miscellaneous Payments	3,433	\$142,946,602	1,734	\$5,050,383		
33 - Grants	336	\$91,485,763	8	\$14,761	718	\$29,634,937
34 - Reimbursable Work Authorization (RWA)/Oil Spill Liability Trust Fund (OSLTF)	16	\$1,140,617				
35 - Air Card/Sea Card	903	\$15,209,360				
38 - Blanket Purchase Agreement (BPA)	10	\$8,073				
39 - Intra-Governmental Payment and Collection (IPAC) Payments	25	\$826,689	34,799	\$524,159,637	3,564	115,099,604
40 - Leases	10,268	\$30,910,361				
44 - Utilities - Electric	23,704	\$43,414,654	1	\$1,697		
45 - Utilities - Phone	15,472	\$12,598,828				
46 - Utilities - Water	10,111	\$10,349,197	0	\$0		
49 - Utilities - Natural Gas	12,231	\$5,035,935	0	\$0		
66 - Public Voucher for refunds	1,056	\$454,572	240	\$131,404		
TOTALS	868,776	\$3,321,944,255	303,104	\$2,909,978,233	6,421	\$268,617,033

FY18 Yard Total Q1-Q4	7,474	\$143,063,847.28
FY18 FINCEN and Yard Total	876,250	\$3,465,008,103
FY18 Grand Total (CG, TSA & DNDO) Accounts Payable	1,185,775	\$6,643,603,369

USCG
Balance Sheet
As of September 30, 2018 and 2017
(In Millions)

	<u>2018</u>	<u>2017</u>
Intragovernmental Assets		
Fund Balance with Treasury	8,442	6,297
Investments, Net	8,488	7,612
Accounts Receivable	417	346
Loans Receivable		
Other Intragovernmental Assets		
Advanced Prepayments	111	133
Total Other Intragovernmental Assets	<u>111</u>	<u>133</u>
Total Intragovernmental Assets	<u>17,458</u>	<u>14,388</u>
Non-governmental Assets		
Cash and Other Monetary Assets	-	-
Accounts Receivable, Net	1,163.0	1,412
Inventory and Related Property, Net	1,873	1,743
General Property, Plant and Equipment, Net	12,465	11,894
Other Non-governmental Assets		
Advances and Prepayments	5	5
Other Assets	-	-
Total Other Non-governmental Assets	<u>5</u>	<u>5</u>
Total Assets	<u>32,964</u>	<u>29,442</u>
Intragovernmental Liabilities		
Accounts Payable	1,634	1,601
Debt	0	0
Other Intragovernmental Liabilities		
Due to the General Fund	7	7
Accrued FECA Liability	20	20
Other	143.5	189
Total Other Intragovernmental Liabilities	<u>171</u>	<u>216</u>
Total Intragovernmental Liabilities	<u>1,805</u>	<u>1,817</u>
Non-governmental Liabilities		
Accounts Payable	506	449
Federal Employee and Veteran Benefits	54,120	50,866
Environmental and Disposal Liabilities	389	349
Other Non-governmental Liabilities		
Insurance Liabilities	0	0
Accrued Payroll	557	348
Deferred Revenue and Advances from Others	2	2
Other Non-governmental Liabilities	(17)	8
Total Other Non-governmental Liabilities	<u>542</u>	<u>358</u>
Total Liabilities	<u>57,362</u>	<u>53,839</u>
Net Position		
Unexpended Appropriations - All Other Funds	7,500	5,508
Cumulative Results of Operations - Funds from Dedicated Collections	8,549	7,947
Cumulative Results of Operations - All Other Funds	(40,447)	(37,852)
Total Net Position - Funds from Dedicated Collections	<u>8,549</u>	<u>7,947</u>
Total Net Position - All Other Funds	<u>(32,947)</u>	<u>(32,344)</u>
Total Net Position	<u>(24,398)</u>	<u>(24,397)</u>
Total Liabilities and Net Position	<u>32,964</u>	<u>29,442</u>

USCG
Statement of Budgetary Resources
As of September 30, 2018 and 2017
(In Millions)

	<u>2018</u>	<u>2017</u>
BUDGETARY RESOURCES:		
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	1,942	2,272
Appropriations (mandatory and discretionary)	13,037	10,546
Spending Authority from offsetting collections (discretionary and mandatory)	509	467
Total Budgetary Resources	<u>15,488</u>	<u>13,285</u>
STATUS OF BUDGETARY RESOURCES:		
New obligations and upward adjustments (Total)	11,854	11,456
Unobligated balance, end of year:		
Apportioned, Unexpired Accounts	3,364	1,542
Exempt from Apportionment, Unexpired Accounts	3	2
Unexpired Unobligated Balance, end of year	3,366	1,545
Expired Unobligated Balance, end of year	268	285
Total Unobligated Balance, end of year	<u>3,634</u>	<u>1,829</u>
Total Budgetary Resources	<u>15,488</u>	<u>13,285</u>
	-	-
Outlays, net:	-	-
Outlays, net (total) (discretionary and mandatory)	10,699	10,526
Distributed offsetting receipts (-)	(74)	(61)
Agency Outlays, net (discretionary and mandatory)	<u>10,625</u>	<u>10,465</u>

USCG
Statement of Custodial Activity
As of September 30, 2018 and 2017
(In Millions)

	2018	2017
Revenue Activity		
Sources of Cash Collections		
Miscellaneous - User Fees	23	23
Miscellaneous - Fines and Penalties	0	0
Miscellaneous - Interest	0	0
Miscellaneous	3	3
Total Cash Collections	26	26
Accrual Adjustment (+/-)	0	0
Total Custodial Revenue	26	26
Disposition of Collections		
Transferred to Federal Entities	26	26
(Increase)/Decrease in Amount Yet to be Transferred	0	0
Total Disposition	26	26

USCG
Statement of Net Cost
As of September 30, 2018 and 2017
(In Millions)

	2018	2017
Statement of Net Cost		
Summary, Department of Homeland Security Programs		
(1) Gross Cost	12,945	11,518
(2) Earned Revenue	(609)	(424)
(3) Net Cost of Operations Before (Gain)/Loss on Pension, ORB, or OPEB Assumption Changes	12,336	11,094
(4) (Gain)/Loss on Pension, ORB, or OPEB Assumption Changes	1,213	(226)
(5) Net Cost of Operations Including Assumption Changes	13,549	10,868
(5a) Net Cost of Operations for Funds from Dedicated Collections	131	134
(5b) Net Cost of Operations for All Other Funds	12,205	10,960
(Gain)/Loss on Pension, ORB, or OPEB Assumption Changes for Funds from Dedicated Collections	-	-
(Gain)/Loss on Pension, ORB, or OPEB Assumption Changes for All Other Funds	1,213	(226.00)
Gross Cost - Eliminations	227	248.00
Gross Cost - Federal (F/G/Z)	1,725	1,628.00
Gross Cost - With the Public (N/Blank)	10,993	9,642.00
Earned revenue - Eliminations	(243)	(140.00)
Earned Revenue - Federal (F/G/Z)	(194)	(142.00)
Earned Revenue - With the Public (N/Blank)	(172)	(142.00)
Net Cost of Operations Before (Gain)/Loss on Pension, ORB, or OPEB Assumption Changes	12,336	11,094
(Gain)/Loss on Pension, ORB or OPEB Assumption Changes	1,213	(226)
Net Cost of Operations Including Assumption Changes	13,549	10,868

USCG
Statement of Change in Net Position
As of September 30, 2018 and 2017

	2018	2017
Unexpended Appropriations:		
Beginning Balance	5,508	5,673
Beginning Balance, as Adjusted	5,508	5,673
Budgetary Financing Sources:		
Appropriations Received	12,896	10,409
Appropriations Transferred In/Out	(35)	-
Other Adjustments (+/-)	(176)	(196)
Appropriations Used	(10,693)	(10,379)
Total Budgetary Financing Sources	1,992	(166)
Total Unexpended Appropriations	7,500	5,507
Cumulative Results of Operations:		
Beginning Balance	(29,904)	(30,234)
Beginning Balance, as Adjusted	(29,904)	(30,234)
Budgetary Financing Sources:		
Appropriations Used	10,693	10,379
Non-Exchange Revenue	1,342	1,278
Donations and Forfeitures of Cash/Equivalents	2	3
Transfers In/Out without Reimbursement	(572)	(571)
Other	-	-
Other Financing Sources		
Transfers In/Out without Reimbursement	21	63
Imputed Financing	67	48
Other	2	(2)
Total Financing Sources	11,555	11,198
Net Cost of Operations	(13,549)	(10,868)
Net Change	(1,994)	330
Cumulative Results of Operations	(31,898)	(29,904)
Net Position	(24,398)	(24,397)

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[HTTPS://WWW.USCG.MIL/FINCEN](https://www.uscg.mil/fincen)

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