



2019
Annual Report

COAST GUARD FINANCE CENTER



DHS Shared Service Provider
for USCG, TSA, CWMD

The 2019 U.S. Coast Guard Finance Center Annual Report

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Commanding
Officer**

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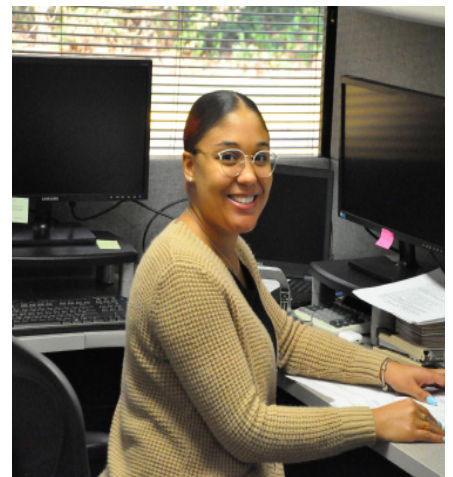
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“We will become the premier financial service center in the Federal Government.”

Providing Exceptional Financial Services

Dear Stakeholders,

First and foremost, thank you to the Finance Center’s exceptional workforce, comprised of civilian, active duty military, and contractor personnel. Without you, the Finance Center would be unable to meet its mission of providing exceptional financial services to our customers. I would also like to thank our colleagues at Coast Guard Headquarters and the Department of Homeland Security (DHS) for constantly advocating on behalf of the Finance Center and supporting our resource needs. Finally, thank you to our customer agencies, the U.S. Coast Guard (USCG), Transportation Security Administration (TSA), and the Office of Countering Weapons of Mass Destruction (CWMD), who by their business have shaped our organization as a federal financial shared service provider and have helped us serve American small businesses, other federal agencies, and our nation. We value our partnership with you and look forward to the opportunity to continue to serve you. Together, our efforts to provide exceptional financial services and exemplary stewardship of federal resources enable our shipmates at the “pointy end of the spear” to more effectively protect and serve the American people. I am honored to be serving alongside you.

IMPACT & OPPORTUNITY

We have made great strides in the past year. I am proud to report that through the diligent efforts of all our personnel, we have helped DHS earn its seventh unmodified audit opinion. We will continue to work meticulously towards remediating the material weaknesses in information technology controls, financial systems, and financial reporting and look forward to the implementation of the DHS Financial System Modernization Solution (FSMS) to fully remediate these material weaknesses.

During the last year, we held our course as we weathered the storm of the historic 35 day lapse in appropriations that resulted in the longest federal government shutdown in history. During this trying period, we strategically re-aligned resources to prioritize work assignments while the majority of our workforce was at home in a furlough status. We directed resources to staff the mail room where we processed, sorted and routed over 5,000 pieces of mail to populate invoice queues, which enabled the expedient disbursement of payments upon our workforce’s return from furlough and dramatically reduced interest penalties and late fees. I am extremely proud to say that despite the backlog of payments, we maintained our high standards for quality and were able to sail out of 2019 having made \$6.6 billion in payments with 99.95 percent accuracy.

Semper Paratus,

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

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

In October 2019 the Finance Center successfully completed a technical refresh implementation for CWMD, which upgraded their financial system to the newest version. This upgrade represented a significant milestone for the DHS FSMS effort because the same version will be used for the Coast Guard and TSA's implementation. The lessons learned from this upgrade and the collaborative relationships formed will be instrumental in the forthcoming preparations to transition the Coast Guard and TSA.



Looking to the horizon, we have collaborated with USCG Headquarters to pilot a property administrator centralization program, in order to transfer the responsibility for data entry in the system of record from field personnel to the Finance Center. We expect this pilot to establish a centralized data control point, create efficiencies gleaned from economies of scale, reduce errors in the system, and alleviate the administrative burden on our field units.

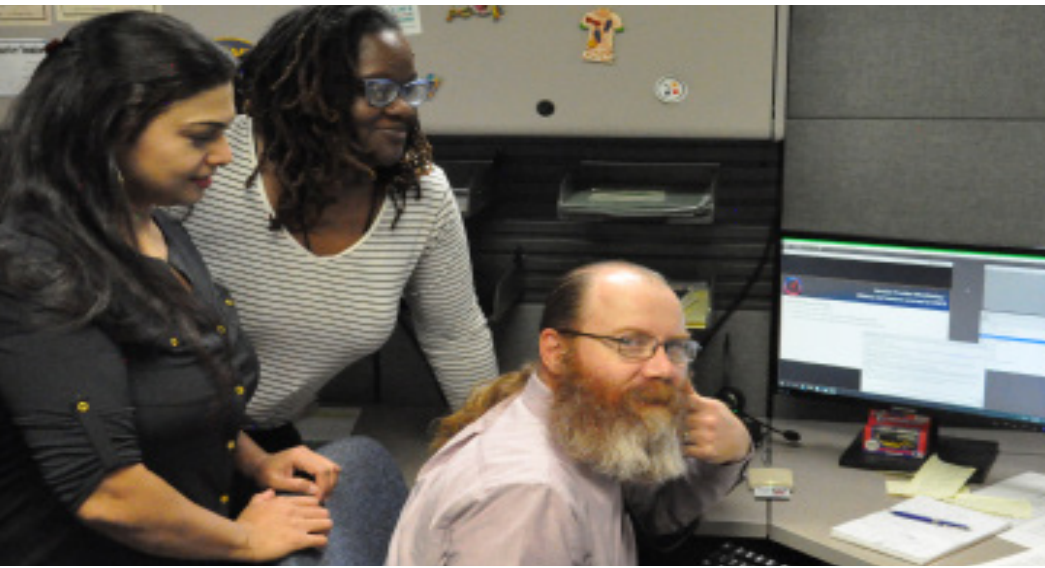
Furthermore, we made significant progress in the past year with the submission of the Finance Center Organizational Modification Request (OMR) to USCG Headquarters. The OMR will re-organize the Finance Center to leverage best practices among federal financial shared service providers and help us prepare for the TSA and CG transition to the new financial system. As the fiscal year drew to a close, the OMR entered the concurrent clearance process, giving our stakeholders an opportunity to comment on our proposed future organizational structure.

Despite our best efforts, due to last year's government shutdown and other factors beyond any one entity's control, Department leadership voted in January to shift the USCG's scheduled FSMS implementation date to October 1, 2021. This shift enables us to dedicate ourselves to preparations for TSA's implementation on October 1, 2020. I am pleased to report that in 2019 we stood up an internal Integrated Project Team (IPT) to coordinate our preparation and work activities in order to maximize our readiness for the implementation of FSMS. The IPT has four main priorities (1) coordinating data clean-up, (2) updating Standard Operating Procedures and desk guides, (3) identifying, analyzing and remediating gaps in business processes, and (4) training all users on their FSMS roles. Additionally, the FINCEN IPT is leveraging lessons learned from the CWMD technical refresh to better prepare for TSA's implementation.

While the upcoming FSMS implementation for TSA and the USCG will pose many challenges, we know that the effort will reap benefits in the form of better audit compliance, more effective operations, and lower costs. We are confident in the dedication of our people and the experience of our leaders. Thank you for your business, your partnership, and your trust.



3 - PEOPLE IN ACTION



<p>7TH</p> <p><i>Consecutive Unmodified Audit Opinion Earned</i></p>	<p>\$6.6</p> <p>Billion in Payments for USCG, TSA, CWMD</p>	<p>99.9%</p> <p>Payment Accuracy Rate</p>
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\$21 BILLION
TOTAL CUSTOMER ANNUAL BUDGETS

<p>\$40B</p> <p>Total Dollar Value of Samples Tested by Internal Controls</p>	<p>502</p> <p><i>Civilian, Active Duty and Contracted Personnel</i></p>	<p>62M</p> <p>Financial Transactions</p>
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<p>96%</p> <p>Customer Satisfaction</p>	<p>\$11B</p> <p><i>Cash Reconciliation for USCG, TSA, & CWMD in Payments & Collections</i></p>	<p>99.8%</p> <p>System Availability</p>
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Dave Redden - Division Chief

ACCOUNTING OPERATIONS DIVISION

The Accounting Operations Division provides professional accounting services which includes payments, receivables, and collections for three DHS components: USCG, TSA, and CWMD. The Accounting Operations Division is the largest division at FINCEN and is divided into an Accounts Payables Branch and a General Accounting Branch. The Accounts Payables Branch processes a large volume of complex invoices and payments which support DHS 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).



ACCOUNTING OPERATIONS

99.95%

Payment Accuracy
Rate

IN CONTRAST TO

95.5%

U.S. Government
Average Payment
Accuracy Rate

**\$6.6
BILLION**

In payments for
USCG, TSA, and
CWMD, totaling over
1 Million transactions

\$542M

In Trading Partner Activity,
and \$92 Million in elimination
of reconciliation differences
between Intra-DHS Trading
Partners

\$11B

in Cash
Reconciliation

9,500

Personally Procured
Moves processed,
totaling over
\$15M in payments



ACCOUNTS PAYABLE

FY 19 IMPACT

1.1
Million
Payments

- Processed 1.1 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.
- Successfully completed a technical refresh of CWMD’s Financial Management System with an upgrade from FSMS 12.2.4 to 12.2.7, involving a complete migration of data while minimizing operational down time.

99.9%
Payment Accuracy
Rate

\$278,000
Discounts Earned

\$6.6B in disbursements

9,500
Personally Procured
Moves processed,
totalling more than
\$15M in payments

- Completed a Commercial Payment Data Analytics and Integrity Check for TSA in partnership with the Treasury Bureau of Fiscal Service “Do Not Pay” team. FINCEN enabled the USCG to be the first government agency to complete this validation of commercial payment controls in FY18 and accomplished the same for TSA in FY19.

OFF THE BOW

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

Train staff and prepare processes for the implementation of the new Financial Management System for TSA and USCG .

Develop integration tools to interface legacy processes and the new Financial Management System.

Implement the FINCEN reorganization plan to **Align** staff members and teams with the architecture of the new Financial Management System.

ON THE HORIZON

Leverage intelligent automation technology, including Robotics Process Automation (RPA), in order to reduce audit risk and time spent on manual repeatable tasks.

Conduct an analysis of all CWMD vendors to build on the success of the Treasury Data Analytics & Integrity Check project for the USCG and TSA, preventing improper and fraudulent payments for all FINCEN customers.

Progressively **Capture** lessons learned from the phased implementation of FSMS.



GENERAL ACCOUNTING

FY 19 IMPACT

*\$3B
in IPAC's*

- Cash reconciliation and reporting of \$11 billion for CG, TSA, and CWMD, including commercial payments, collections, and intergovernmental fund settlement.
- Elimination of reconciliation differences between Intra-DHS Trading Partners for \$92 Million in trading activity.

\$300M
Reimbursable
Agreements

\$11B cash reconciliation

\$61 M
Transactions
Managed and
Reconciled

- Actively assisted in configuration sessions, training guide reviews, migration clean up and process mappings to prepare for FSMS.
- Managed and reconciled \$61 Million in transactions for subsistence, fuel, hazmat, and uniforms for the Supply Fund.

\$542M
Trading Partner
Activity

OFF THE BOW

Continue to **Implement** G-Invoicing, the federal government's long-term sustainable solution for Buy/Sell transactions between federal agencies, which will manage the receipt and acceptance of General Terms and Conditions (GT&C) Agreements, Orders, and Performance. G-Invoicing will also initiate fund settlement. This year, FINCEN will support subsequent phases of the G-Invoicing initiative across DHS through work- group participation, testing, training, and implementation in accordance with the DHS implementation plan. 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. Continue 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.

Fully **Support** the CG Migration to the new DHS Financial System by actively assisting in configuration sessions, training guide reviews, migration clean up, and process mappings to validate and reconcile accounting data for collections, receivables, and cash transactions.

Re-engineer business processes with Inventory Control Points and other government agencies to complete G-invoicing implementation and bring CG onto the new financial system. This includes reducing 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 the DHS FSMS for CWMD as the Department's Shared Service Provider. At the heart of the Systems Division is Customer Service with traditional helpdesk customer service and TIER II subject matter expert support to provide timely and professional responses to the field users. In addition, the Accounting Systems Division has liason responsibilities to Command, Control, Communications, Computers, Cyber, and Intelligence (C5I) entities to support operations and maintenance of the CAS suite.



\$335 Billion

Journal Voucher
Transactions
processed as a
shared service
provider



142

System
Development
Change
Requests
(SDCR's)
implemented



15,264

User
accounts
validated,
100%



98

Terabytes
of
data
managed

150+ Years

Accounting
Systems
Management
Experience
at FINCEN



\$6.3 Billion

Payroll
Transactions
reconciled
for USCG,
TSA, CWMD



81 Thousand

CG-FixIT
Help
Tickets
completed





FUNCTIONAL APPLICATION SERVICES

FY 19 IMPACT

99.8%
System
Availability

- Provided expert knowledge and historical experience to help facilitate a successful FSMS technical refresh of DHS's financial system for CWMD.
- 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.

405
Corrective Scripts
Implemented

142 system development
change requests

152K
Obsolete
Vendor Records
Removed

- Facilitated 142 technical and functional system improvements through extensive testing, and coordination, including Windows 10 and other applications.

96%
Customer
Satisfaction

OFF THE BOW

Deliver subject-matter-expert level support for TSA FSMS implementation and USCG data cleanup for FSMS migration, including front and back-end subject-matter-expert level support. Prepare for new DHS financial system.

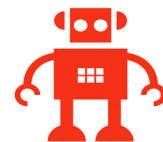
Coordinate and **Develop** SharePoint workflows to improve internal business processes by providing efficiency and standardization.

Perform rigorous **Testing** to facilitate technical and functional system and application improvements and mandates, including Cyber Security, Data Universal Numbering System (DUNS) to Unique Entity ID (UEI) transition, and E-Gov Travel Service (ETS2) implementation.

ON THE HORIZON

Implementation **Support** for FSMS for TSA and USCG, including testing applications, data clean up efforts, and providing subject matter expertise.

Support efforts to **Stand-up** the Robotics Process Automation (RPA) program at FINCEN to decrease tedious, repeatable processes and increase employee productivity.



Establish the construct for scalable internal operations at FINCEN on FSMS, enabling an improved state of readiness and sustainability.

Provide continued support for 15,000 USCG users on the Core Accounting System production suite.

FUNCTIONAL ACCOUNTING SERVICES

FY 19 IMPACT



96%
Customer
Satisfaction

- Successful implementation of the Technical Refresh of DHS Financial Systems Modernization Solution (FSMS) for CWMD, version 12.2.7.
- Reviewed and processed over 1.3K manual journal entries for USCG, TSA, and CWMD.

81K
Help Tickets
Completed

\$6.3B payroll transactions
reconciled

\$335B
Manual Journal
Vouchers
Processed

- Provided 165 external audit requests and worked closely with the Operations Division to support DHS earning the seventh consecutive unmodified audit opinion.

99.8%
System Availability

OFF THE BOW

Heavily **Support** TSA implementation of FSMS, including testing, training, documenting and managing lessons learned to ensure a successful transition to the new financial system.

Help **Facilitate** USCG FSMS implementation through testing, documenting, and managing migrated data and accounting line conversions.

Prepare for the implementation of Access Lifecycle Management for new user access, password, and role systems.

Begin discovery and testing of new interfaces and feeder systems in support of USCG FSMS Go-live.

ON THE HORIZON

Continued **Support** of CWMD, TSA, and USCG transition to FSMS through providing ongoing system training, completing lean six sigma projects, and updating documentation and desk guides for the newly implemented financial system.

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 as the shared service provider of excellence.

LIAISON OFFICE FOR TSA / CWMD



444
Scorecard
Performance
Metrics

FY 19 IMPACT

- Facilitated approval and administered 2 Interagency Agreements totaling over \$16.8M; a \$14.6M contract between the USCG and TSA and a \$2.2M contract between the USCG and CWMD for financial and accounting services provided by the USCG FINCEN.
- CWMD Liason served as an integral member of the DHS working group for the merger of DNDO and the Office of Health Affairs (OHA) to form CWMD, assisting in the determination of financial reporting requirements and the production of accurate financial statements for FY19.

\$435M
CWMD Enacted
Budget

\$14.6M
Contract managed
between USCG and
TSA

\$2.2M
Interagency
Agreement
managed between
USCG and CWMD

\$17M interagency agreement

- Provided TSA with 37 monthly scorecard metrics capturing all facets of FINCEN support, including accounts payable, receivables, payroll, system changes, property management, purchasing, internal control, and quality assurance.

OFF THE BOW

Leverage lessons learned from CWMD's transition to FSMS; assist TSA with plotting the way ahead for transition to the new financial system.

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 and potentially other components within DHS.

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

ON THE HORIZON

Leveraging lessons learned from TSA's FSMS transition, the liaison office looks forward to

Assisting the USCG with their transition to the new financial system, and

providing **World Class** financial liaison customer service and program management to its component customers.



Jennifer Coston - Division Chief

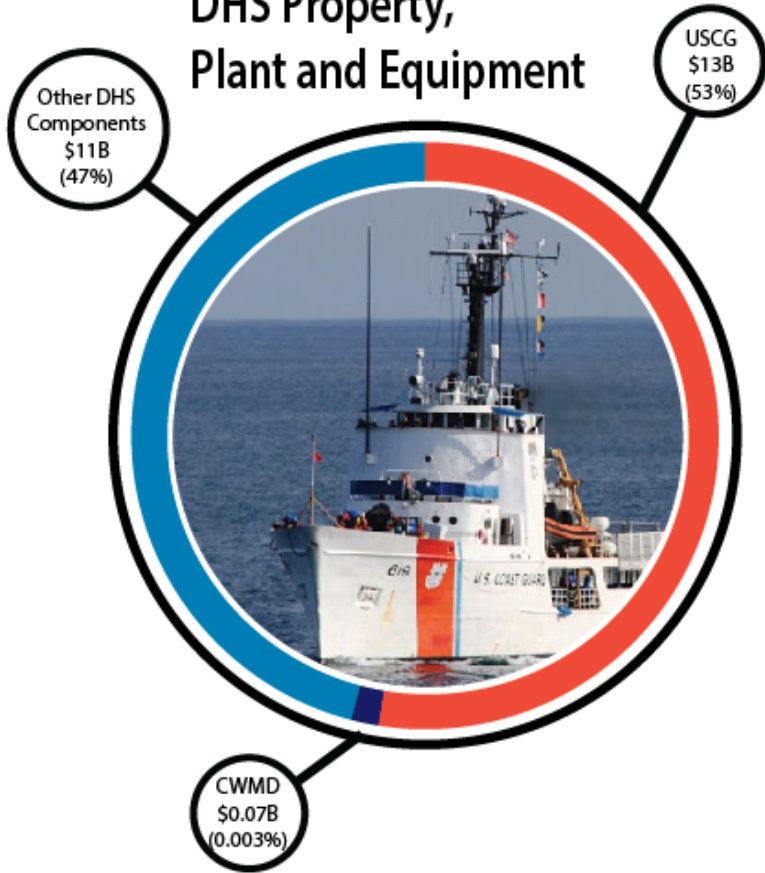
FINANCIAL INFORMATION & CONTROL DIVISION

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 Financial Reports and Analysis Branch 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 Property Branch 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. 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 Internal Control Branch 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.

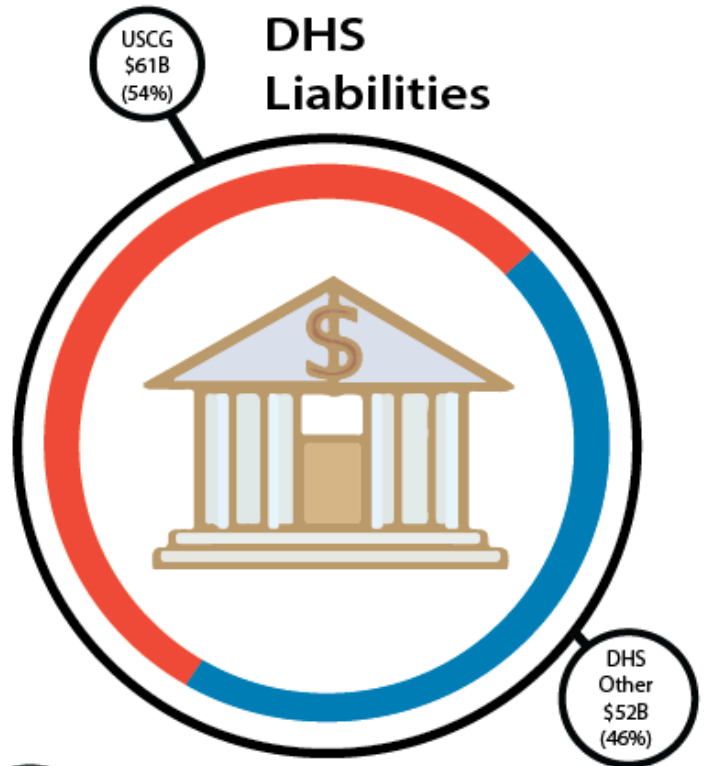


**FINCEN Reporting
as a percentage of
DHS**

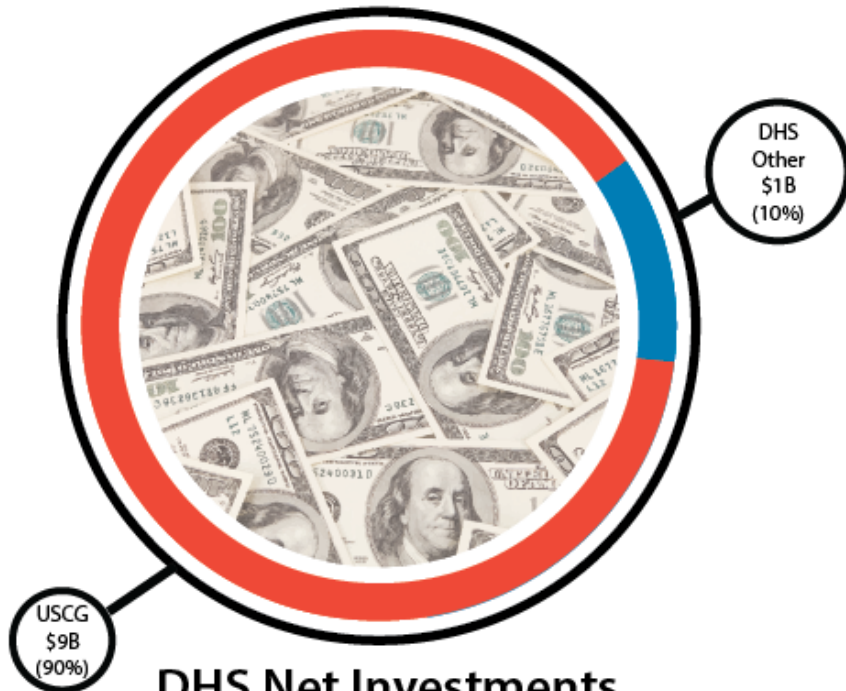
**DHS Property,
Plant and Equipment**



**DHS
Liabilities**



DHS Net Investments



2,349
*Standard General
Ledger Adjustments*

3,707
*Control
Samples Tested*



108
*Appropriations
Reported
Monthly*

FINANCIAL REPORTING

FY 19 IMPACT

2,349

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

1,917

Trading Partner Intergovernmental Adjustments accurately reporting trading partner activity

254

Abnormal Balances & Analytic Differences validated

0

Material Misstatements

- Implemented process to ensure **Intra-departmental Eliminations** reflected **zero differences** as of September 2019.
- Passed CG-85 Test of Design controls for 13 financial reporting processes.
- Validated process implemented in FY18 to correct **Supply Fund** anticipated reimbursable authority posting logic.
- Implemented a standardized Treasury Account Fund Symbol (TAFS) Workbook for 107 appropriations.

7th 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

Enhance standardized TAFS Analysis Workbooks across all Fund Groups to include Management Execution crosswalks, GTAS Edits, and Oil Spill Liability Trust Fund workbook.

In preparation for the USCG migration to FSMS, **Correct** direct/reimbursable discrepancies within the no-year AC&I TAFS, correct posting logic issues within the Revolving Fund TAFS (Supply and Yard Fund TAFS), and complete crosswalk of CAS Data to FSMS Internal Fund Code.

Implement crosswalks and improvements in CG TIER Access database to reduce on-top adjustments and allow more time for reporting analysis.

ON THE HORIZON

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

Establish correct system 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 19 IMPACT

3,707
Control
Samples
Tested

- Performed control testing of 3,707 samples totaling \$40 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 3% to 2% year over year.
- Completed annual risk assessment documenting and prioritizing the testing of 214 DHS-required controls, refining 28 highest priority testing areas, significantly advancing the DHS audit remediation key priority to document controls and deficiencies “with sufficient precision.”

3% to 2%
Control Exception
Rate Reduction

214
DHS Required
Controls Prioritized

28
Testing Areas and
Standardized
Guidebooks
Developed

\$40B in control samples

- Standardized all FINCEN control testing; prioritized the 28 highest-risk process areas; developed 28 control-testing Guidebooks that were made available to external agencies.

OFF THE BOW

Continue to **Expand** external office reliance on FINCEN Internal Controls testing results. This will result in less duplication of efforts and take unnecessary workload off process owners.

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-Evaluate our test processes to ensure proper alignment with FSMS. We must begin working with each of the process owners to understand what impact the new system will have and how drastically our test plans will change.

Train our staff on how to navigate FSMS in order to effectively test controls in each process area across FINCEN.

Automate repetitive, logical control test work using robotics 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.

PROPERTY

FY 19 IMPACT



*7th
Unmodified
Audit
Opinion*

- Accurately accounted for \$24.6 Billion in capitalized property across the CG and TSA and \$900M in non-capitalized CG property, directly contributing to the Seventh Unmodified Audit Opinion of DHS Financial Statements.
- Interfaced \$2B in Construction in Progress Capitalization Packages to Oracle Fixed Assets to ensure timely, accurate accounting of USCG and TSA property for audit readiness.

\$2.7B
Construction in
Progress Balance

\$15B in plant, property
and equipment, for
CG and TSA

\$20.3B
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 FSMS.

Aligning 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 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 FSMS responsibilities and processes, including project-centric accounting, new reconciliations, and creating new standardized monthly reports.



LCDR Holly Deal - Division Chief

COMPTROLLER DIVISION

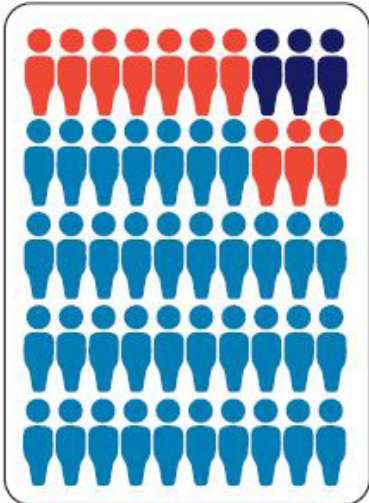
The Comptroller Division is responsible for supporting all FINCEN operations. The Comptroller Division includes the Administrative Services Branch, Logistics Branch, and Process Improvement and Training Branch. The division performs budget planning and execution, procurement, contracting and administrative support for over 600 military, civilian, and contractor personnel (over 500 at FINCEN and over 100 detached duty and tenant command 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

\$9.6M
Planning & Execution of Budget Authority

31
Financial Management and Leadership Training Courses Held



1076
Building Trouble Tickets Resolved

 Civilian 336
 Contractor 147
 Military 19
 FINCEN Personnel

\$193K
Coast Guard Mutual Assistance Loans Processed

12
Lean Six Sigma Process Improvement Events



ADMINISTRATIVE SERVICES

FY 19 IMPACT

502
FINCEN
Employees
Supported

- Fully utilized in-house contracting and DHS Strategic Sourcing vehicles to execute 241 procurements totaling \$1.4 million, \$45k below funding. Savings were reallocated to support critical DHS border patrol operations.
- Completed a \$78K scanning upgrade from 5 to 14 operational scanners to better support scanning workload of 135,000 pages per month.

241
Procurements
totaling \$1.4M

\$9.6M budget planning
and execution

\$45K
In Savings

- Processed 74 Coast Guard Mutual Assistance (CGMA) applications for civilian and active duty Coast Guard families with benefits totaling \$75K, the most of any CGMA representative CG-wide during the historical 35-day FY19 government shut down. By providing over \$193K in mutual assistance loans throughout FY19, the branch helped CG families meet rent, child care, utility, and critical financial obligations in times of need.

\$193K
In CGMA loans
for CG families
in need

OFF THE BOW

To align with Business Process Re-engineering, **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.

Continue to leverage DHS **Strategic** Sourcing Contract Vehicles to reduce labor hours, delays, and costs associated with contracting actions, including providing a \$123K Audio-Visual Modernization Project for the Hamilton and Eagle conference rooms, and a \$55K Defense Logistics Agency (DLA) multifunction device contract to replace 25 outdated machines.

Continuously explore opportunities to gain operational **Efficiencies** while fully supporting the RPA initiative and associated hardware requirements.

ON THE HORIZON

Continue to **Improve** FINCEN's Continuity of Operations Plan (COOP) to develop an innovative solution to reconstitute FINCEN operations in the event of any type of disaster to ensure minimal delay of USCG, TSA, and CWMD financial transactions. In FY19 we completed our first table top exercise in many years and are looking to build upon this momentum.

We will continue to focus on storekeeper **Training** and development to promote proficiency from the onset of the new financial management system implementation.

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 19 IMPACT

600+
Workspaces

- Ensured a clean, healthy and functional work environment spanning 100K square feet for over 600 military, civilian and contractor personnel (500+ at FINCEN, 100+ detached duty and tenant command personnel); diagnosed and remedied 1,076 building trouble tickets.
- Completed installation of digitized card readers on all doors, eliminating physical key control work and improving security. At the end of FY19, the Annex Architectural Barriers Act Accessibility Standards (ABAAS) projects were completed, making our facility fully handicap accessible.

1,076
Building Trouble
Tickets Resolved

92
Property
Transactions,
totaling over \$300K

\$46M personal property
value

- Ensured continuity of mailroom operations during the 35-day government-wide shut down, the longest U.S. government shutdown in history. Re-aligned limited resources to sort, organize, and process over 5,000 pieces of mail to populate invoice queues, enabling payments to be disbursed immediately upon employees return from furlough. This prudent action dramatically decreased interest penalties and late payment fees and enabled FINCEN to expedite its return to operations.

116,000
Mail
Transactions
totaling over \$27K

OFF THE BOW

In FY20 we will **Complete** \$1.9M in tenant improvement work to improve appearance, habitability, and compliance of all building spaces. This includes new carpet, luxury vinyl tile, combining the two Annex lounges into one, new CCTV cameras to increase security visibility and parking lot curb stops in all spaces that line the buildings. These projects will be phased and planned to minimize disruptions to employees' work.

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

This FY we will complete a \$123K Audio-Visual **Modernization** Project for the Hamilton and Eagle conference rooms to replace outdated equipment. This digital technology upgrade will help boost collaboration between offices and improve meeting productivity.

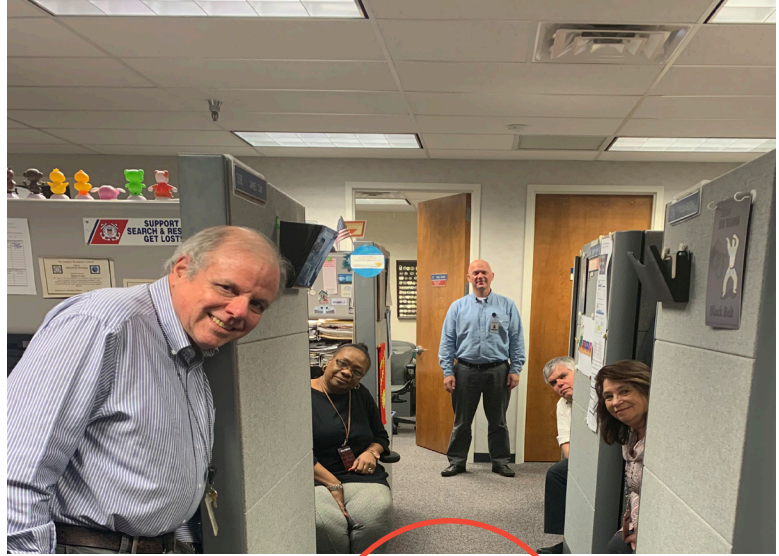
ON THE HORIZON

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 know that these events will result in changes to the mix of military and civilian employees as well as 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



FY 19 IMPACT

- Completed 12 process improvement projects for FINCEN and external customers, in order to streamline processes, reduce process cycle time, remediate audit findings, and establish appropriate accounting treatment to meet federal reporting requirements.
- Led a command-initiated process improvement project updating over 53 Accounts Payable process maps to include processing times and resource analysis to standardize process documentation and enable the crosswalking of current-state processes to those in FSMS.

12
*Lean Six
Sigma
Projects*

31
**Finance and
Leadership
Courses**

12 lean six sigma process improvement events

- Hosted 31 financial management and leadership training courses to support the professional development of over 350 employees.

350
**Employees
Professional
Development
Management**

OFF THE BOW

We will continue to support the **Re-organization** of the Finance Center to better align with best in industry federal financial shared service providers by examining, mapping and assisting in standardizing FINCEN processes. This will help us prepare for the TSA and CG transition to the DHS FSMS and the pending Organizational Modification Request.

We plan to **Champion** emerging technologies and incorporate them into our portfolio; in FY20, 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 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

We believe 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 502 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 and 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. During our American Indian, Alaskan Native, and Veterans Day observance, FINCEN military members played a drum as part of an American Indian Ritual.



American Indian, Alaskan Native, and Veterans Day Program



Employee Appreciation Day

We promote **FUN** and **CARE** for our employees each year during Employee Appreciation Day (EAD). The focus is on building camaraderie and esprit de corps.

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



Internal Control Branch Haunted Maze and Pet Cemetery on EAD



Women's History Program

We love celebrating our **SHARED HISTORY**. Health Services Technician Master Chief Claudia Simpson and Channel 3 News Anchor Barbara Ciara were the special guest speakers for the 2019 Women's History observance program.

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.



Asian American and Pacific Island Heritage Program & Diversity Day

FY19 Invoices Paid by Document Type

DOC TYPE	COAST GUARD		TSA		CWMD	
	FY19 COUNT	FY19 AMOUNT	FY19 COUNT	FY19 AMOUNT	FY19 COUNT	FY19 AMOUNT
11 - Travel	132,685	\$131,957,858	48,990	\$43,690,254	1,400	\$906,121
13 - Continuous Travel	16,286	\$21,473,726	52,964	\$92,516,879		
12 - Permanent Change of Station (PCS) Travel	27,252	\$53,196,174				
12 - Temporary Lodging Allowance (TLA)	2,434	\$7,747,138				
14 - Government Travel Account (GTA)/Centrally Billed Account (CBA)	60,599	\$14,519,097				
14 - Government Travel Account (GTA)/Military Entrance Processing Station (MEPS)	688	\$1,725,527				
15 - Syncada Commercial Transportation Approval Payment Systems (CTAPS)	18,457	\$10,522,588				
15 - Syncada Household Goods (HHG)	22,392	\$103,296,287				
15 - Manual Government Bill of Lading (GBL) HHG	170	\$233,917				
17 - Syncada Non-Temporary Storage (NTS)	11,484	\$4,217,450				
17 - Personally Procured Move (PPM)	9,492	\$15,553,344				
17 - Direct Procurement Method (DPM)	2,735	\$980,982				
17 - Manual Non Temporary Storage (NTS)	392	\$49,339				
17 - Mass Transit	772	\$125,837				
17 - Personally Procured Move (PPM) Advance	275	\$494,842				
19 - Miscellaneous Obligations	9	\$138,841	2,558	\$510,163		
20 - Imprest Fund	6	\$299,945	41	\$10,329		
22 - SF-44 Purchase Orders (PO)	0	\$0				
23 - Purchase Orders (PO)	9,369	\$94,987,306			788	\$115,000,066
24 - Contracts	16,956	\$2,333,645,883	17,251	\$2,219,531,820		
26 - Food Provisional	5	\$31,270				
27 - Auxiliary	13,405	\$2,190,657				
28 - Inter Service Support Agreement (ISSA)/Military Interdepartmental Purchase Request (MIPR) Category 2 - Commercial Vendors	106	\$12,849,511	13	\$2,103,407		
30 - Training	1,241	\$8,607,360	179	\$3,082,746		
32 - Fleet Fuel Card	23,469	\$9,541,117	7,332	\$2,894,238		
32 - Purchase Card	308,865	\$218,174,072	57,496	\$42,900,650	115	\$182,711
32F - Federal Express	64,102	\$962,639	34,965	\$403,662		
33 - Miscellaneous Payments	3,703	\$147,146,826	1,392	\$3,432,501		
33 - Grants	313	\$80,153,591			605	\$24,247,156
34 - Reimbursable Work Authorization (RWA)/Oil Spill Liability Trust Fund (OSLTF)	12	\$1,207,443				
35 - Air Card/Sea Card	859	\$12,559,119				
38 - Blanket Purchase Agreement (BPA)	0	\$0				
39 - Intra-Governmental Payment and Collection (IPAC) Payments	21	\$6,315,775	33,758	\$444,461,738	1,881	\$1,188,669
40 - Leases	9,981	\$31,004,987				
44 - Utilities - Electric	24,622	\$45,737,970				
45 - Utilities - Phone	15,283	\$13,152,564				
46 - Utilities - Water	10,584	\$11,981,229				
49 - Utilities - Natural Gas	12,158	\$5,567,932				
66 - Public Voucher for refunds	888	\$521,498	206	\$153,937		
TOTALS	822,070	\$3,402,871,643	257,145	\$2,855,692,323	4,789	\$221,524,723
FY19 Yard Total Q1-Q4	6,879	\$160,100,790				
FY19 FINCEN and Yard Total	828,949	\$3,562,972,433				
FY19 Grand Total (CG, TSA & DNDO) Accounts Payable	1,090,883	\$6,640,189,479				

USCG
Balance Sheet
As of September 30, 2019 and 2018
(In Millions)

	2019	2018
Intragovernmental Assets		
Fund Balance with Treasury	9,666	8,442
Investments, Net	8,848	8,488
Accounts Receivable	372	417
Loans Receivable		
Other Intragovernmental Assets		
Advanced Prepayments	161	111
Total Other Intragovernmental Assets	161	111
Total Intragovernmental Assets	19,047	17,458
Non-governmental Assets		
Cash and Other Monetary Assets	-	-
Accounts Receivable, Net	1,081	1,163
Inventory and Related Property, Net	1,977	1,873
General Property, Plant and Equipment, Net	13,185	12,465
Other Non-governmental Assets		
Advances and Prepayments	6	5
Other Assets	-	-
Total Other Non-governmental Assets	6	5
Total Assets	35,296	32,964
Intragovernmental Liabilities		
Accounts Payable	1,680	1,634
Debt	-	-
Other Intragovernmental Liabilities		
Due to the General Fund	8	7
Accrued FECA Liability	19	20
Other	156	144
Total Other Intragovernmental Liabilities	183	171
Total Intragovernmental Liabilities	1,863	1,805
Non-governmental Liabilities		
Accounts Payable	448	506
Federal Employee and Veteran Benefits	57,568	54,120
Environmental and Disposal Liabilities	390	389
Other Non-governmental Liabilities		
Insurance Liabilities	-	-
Accrued Payroll	593	557
Deferred Revenue and Advances from Others	2	2
Other Non-governmental Liabilities	30	(17)
Total Other Non-governmental Liabilities	625	542
Total Liabilities	60,894	57,362
Net Position		
Unexpended Appropriations - All Other Funds	8,792	7,500
Cumulative Results of Operations - Funds from Dedicated Collections	8,710	8,549
Cumulative Results of Operations - All Other Funds	(43,100)	(40,447)
Total Net Position - Funds from Dedicated Collections	8,710	8,549
Total Net Position - All Other Funds	(34,308)	(32,947)
Total Net Position	(25,598)	(24,398)
Total Liabilities and Net Position	35,296	32,964

USCG
Statement of Budgetary Resources
As of September 30, 2019 and 2018
(In Millions)

	<u>2019</u>	<u>2018</u>
BUDGETARY RESOURCES:		
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	3,723	1,942
Appropriations (mandatory and discretionary)	12,690	13,037
Spending Authority from offsetting collections (discretionary and mandatory)	438	509
Total Budgetary Resources	<u>16,851</u>	<u>15,488</u>
 STATUS OF BUDGETARY RESOURCES:		
New obligations and upward adjustments (Total)	13,140	11,854
 Unobligated balance, end of year:		
Apportioned, Unexpired Accounts	3,460	3,364
Exempt from Apportionment, Unexpired Accounts	3	3
Unapportioned, Unexpired Accounts	(5)	-
Unexpired Unobligated Balance, end of year	3,458	3,366
Expired Unobligated Balance, end of year	253	268
Total Unobligated Balance, end of year	<u>3,711</u>	<u>3,634</u>
Total Budgetary Resources	<u>16,851</u>	<u>15,488</u>
	-	-
 Outlays, net:		
Outlays, net (total) (discretionary and mandatory)	11,351	10,699
Distributed offsetting receipts (-)	(131)	(74)
Agency Outlays, net (discretionary and mandatory)	<u>11,220</u>	<u>10,625</u>

USCG
Statement of Custodial Activity
As of September 30, 2019 and 2018
(In Millions)

	2019	2018
Revenue Activity		
Sources of Cash Collections		
Miscellaneous - User Fees	20	23
Miscellaneous - Fines and Penalties	-	-
Miscellaneous - Interest	-	-
Miscellaneous	3	3
Total Cash Collections	23	26
Accrual Adjustment (+/-)	1	-
Total Custodial Revenue	24	26
Disposition of Collections		
Transferred to Federal Entities	23	26
(Increase)/Decrease in Amount Yet to be Transferred	1	-
Total Disposition	24	26

USCG
Statement of Net Cost
As of September 30, 2019 and 2018
(In Millions)

	2019	2018
Statement of Net Cost		
Summary, Department of Homeland Security Programs		
(1) Gross Cost	13,346	12,945
(2) Earned Revenue	(552)	(609)
(3) Net Cost of Operations Before (Gain)/Loss on Pension, ORB, or OPEB Assumption Changes	12,794	12,336
(4) (Gain)/Loss on Pension, ORB, or OPEB Assumption Changes	1,274	1,213
(5) Net Cost of Operations Including Assumption Changes	14,068	13,549
(5a) Net Cost of Operations for Funds from Dedicated Collections	160	131
(5b) Net Cost of Operations for All Other Funds	12,633	12,205
(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	1,274	1,213
Gross Cost - Eliminations	210	227
Gross Cost - Federal (F/G/Z)	1,809	1,725
Gross Cost - With the Public (N/Blank)	11,326	10,993
Earned revenue - Eliminations	(169)	(243)
Earned Revenue - Federal (F/G/Z)	(202)	(194)
Earned Revenue - With the Public (N/Blank)	(180)	(172)
Net Cost of Operations Before (Gain)/Loss on Pension, ORB, or OPEB Assumption Changes	12,794	12,336
(Gain)/Loss on Pension, ORB or OPEB Assumption Changes	1,274	1,213
Net Cost of Operations Including Assumption Changes	14,068	13,549

USCG
Statement of Change in Net Position
As of September 30, 2019 and 2018

	2019	2018
Unexpended Appropriations:		
Beginning Balance	7,500	5,508
Beginning Balance, as Adjusted	7,500	5,508
Budgetary Financing Sources:		
Appropriations Received	12,495	12,896
Appropriations Transferred In/Out	(27)	(35)
Other Adjustments (+/-)	(168)	(176)
Appropriations Used	(11,009)	(10,693)
Total Budgetary Financing Sources	1,292	1,992
Total Unexpended Appropriations	8,792	7,500
Cumulative Results of Operations:		
Beginning Balance	(31,898)	(29,904)
Beginning Balance, as Adjusted	(31,898)	(29,904)
Budgetary Financing Sources:		
Appropriations Used	11,009	10,693
Non-Exchange Revenue	999	1,342
Donations and Forfeitures of Cash/Equivalents	2	2
Transfers In/Out without Reimbursement	(629)	(572)
Other	-	-
Other Financing Sources		
Transfers In/Out without Reimbursement	145	21
Imputed Financing	60	67
Other	(10)	2
Total Financing Sources	11,576	11,555
Net Cost of Operations	(14,068)	(13,549)
Net Change	(2,492)	(1,994)
Cumulative Results of Operations	(34,390)	(31,898)
Net Position	(25,598)	(24,398)

Created by:
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February, 2020

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