

Financial Management Systems Improvement Council
Meeting Notes
Hyatt Regency Bethesda
Bethesda, MD
April 19, 2005

Attendees: Tom Baranouskas-PNNL, Mike Bartos-ANL, Dan Becker-WSRC, Jim Campbell-DOE HQ, Jennifer Crooks-SNL, Bruce Chrisman-Fermilab, Lee Elster-LLNL, Nancy Fitchpatrick-DOE OR, John Hauser-BNL, Jim Herring-LANL, Brian Morishita-INL, Dean Olson-DOE HQ, Ron Ragland-BWXT Y12, Brian Sack-INL

Guests: Bonnie Apodaca-SNL, Marty Conger-PNL, Peggy Davis-Fluor Hanford, Mark Israel-BNL, Robert Myers- DOE HQ
Not present: Paul Keele-DOE ID, Dennis Martinez-NNSA,

Jim Campbell

- The new Secretary of DOE, Samuel Bodman, places strong management emphasis on safety and on keeping commitments particularly with overdue correspondence and overdue reports.
- Some of Secretary Bodman's top programmatic priorities are pursuing nuclear power and resolution of nuclear waste disposal and environmental cleanup issues; addressing the threat of nuclear proliferation; stimulating a global dialogue over the development and use of nuclear energy; advancing the role of science and technology to achieve energy solutions.
- While developing budgets for these programs he wants the following to be considered: ensuring the safety of our employees and the communities surrounding our facilities; instill respect for and observe the highest standards of security; and build a culture where merit determines promotion and hiring and diversity is viewed as key to recruiting and retaining the best people.
- A five year budget plan is being developed for FY-2007.
- President's Management Agenda. DOE continues to do well with this initiative with the department receiving clean audit opinions since 1999. The focus needs to be on results and not scores.
- STARS. In August, 2004, a decision to postpone the deployment of STARS was made. Susan Grant reorganized the project management team. Warren Huffer was named as the project manager in December. The first transaction into STARS will be entered next week. Thanks was given for all of the support of STARS, particularly

for getting the data in a day early. The next major milestone is to produce a full set of financial statements from STARS and this output will be the basis for the financial audit. The statements are due out in June. No room for errors or delays given the audit schedule. Training and a robust help desk are being provided to the users. Recording of cash work is anticipated to be a problem. The Accounting Handbook will be updated to reflect changes due to STARS. STARS recast would be severely restricted and almost exclusively Congressionally mandated.

- LDRD. A presentation was made to the House Energy and Water staff. The intent was to brief the subcommittee on how DOE manages its indirect costs and how LDRD is one of those indirect costs of doing work. The guidance by the subcommittee was not to use cash appropriated to finance the other agencies' component of LDRD. A July 1, 2005, implementation date of the guidance is now scheduled.
- Resolution of Audit Findings. The IG reviewed the follow-up of audit findings. Dr. Carnes implemented a compliance process for closing audit findings.

Jim Herring

- GPP & IGPP. A letter was sent a year ago requesting an increase to \$10M. Susan Grant reviewed the proposal and said we needed a business case to support it. Escalation itself was insufficient justification for an increase from \$5M to \$10M. Need to obtain both EFCOG and NLIC support. Her position questions the purpose of GPP and the proposed increase needs more justification. We need a group of people who understand GPP and who understand DOD to meet with her including someone from DOE. Need to also compare DOE to how other agencies do GPP and what levels they have authorized. Need to convey the need to revitalize the infrastructure by using the increase as a mechanism to do this and that multi-purpose labs have no single funding source to deal with infrastructure revitalization. Marty Conger, Richard Conway, Jeff Smith-Oak Ridge, will develop a presentation and present to Susan Grant. Richard Conway through Bonnie, will lead this group and instigate the required action. Should someone from EFCOG be included during the presentation? Bonnie will mention our intent to present to Ms. Grant to David Robinson.
- It was announced that the capitalization threshold for accounting was raised to \$50K, effective 10/01/05 and applies to new acquisitions only.
- IGPE. This is still a pilot project among NNSA labs. Could use the flexibility argument. This will be presented dealt separately from and after we get through the IGPP issue.
- NNSA Procurements. There is concern about moving small business activity to DOE. This is being driven by the SBA and OMB. What kind of work and contracts should be realigned to the field office? Kansas City initiative – Consolidation of procurement efforts could save million of dollars. FMSIC would not advance any unsolicited proposals or be advocates for such a change. However, if forced to come up with a

methodology, the Council would support the usage of the IWO process for this. This topic should continue to be on future the August FMSIC agendas.

- The election of the FMSIC Chairman-Elect was held and Tom Baranouskas was elected to this position.

Brian Morishita

- FMSIC All-Contractors Meeting. 85 people have registered to attend the ACM, which will start at 8:00 a.m. on April 20 and conclude after the luncheon on April 21. Both internal and external speakers will be presenting including a representative from The Hackett Group and PayStream Advisors.
- The next FMSIC meeting will be August 9, 2005, Hyatt Regency Bethesda.

