

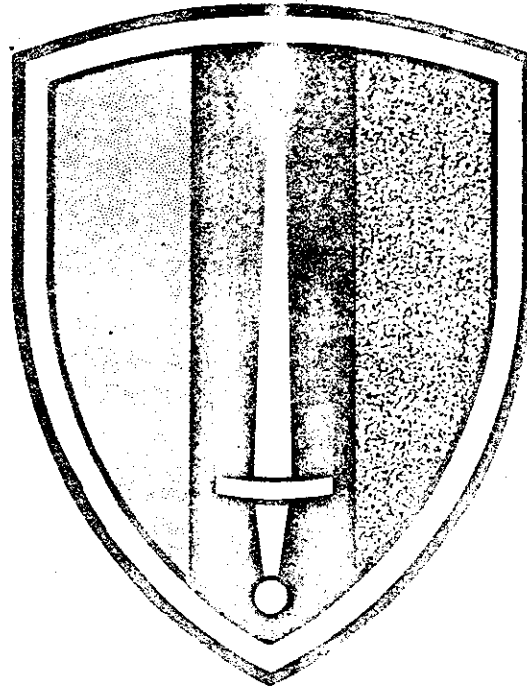
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DAIM-FAR-RR #

19-*mm* DATE: 17 June 1987

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THE COMMAND PROGRESS REPORT

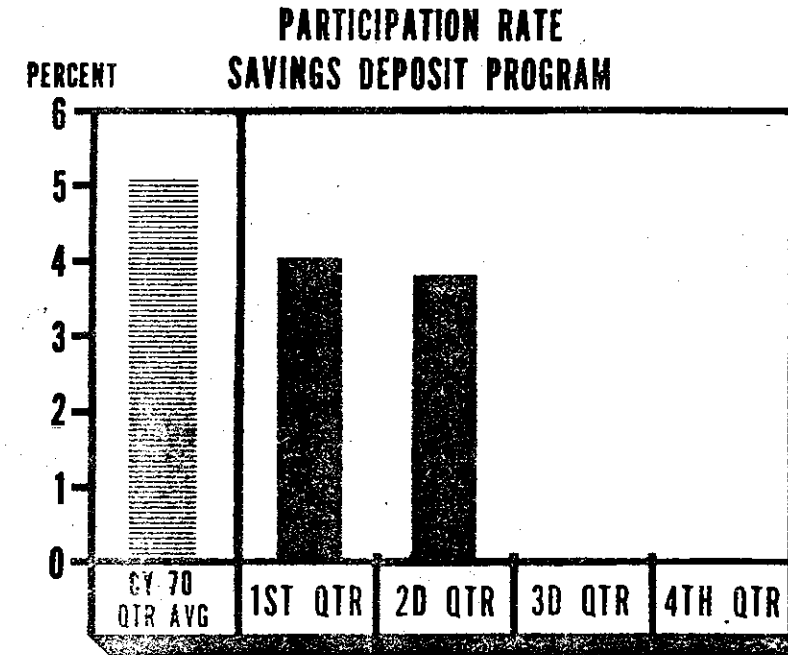
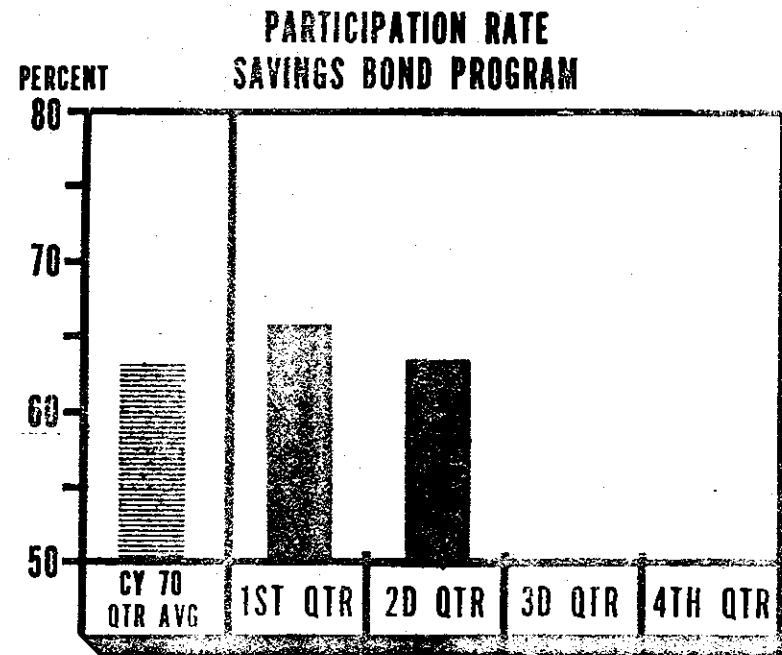


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ARMY SAVINGS PROGRAM CY - 71



OBJECTIVE: To achieve and sustain maximum participation in the Army Savings Program.

ANALYSIS: The above charts show the average participation rates for CY 70 and the first half of CY 71. These percentages include only those participating on an allotment basis, exclusive of members who are participating on a cash basis.

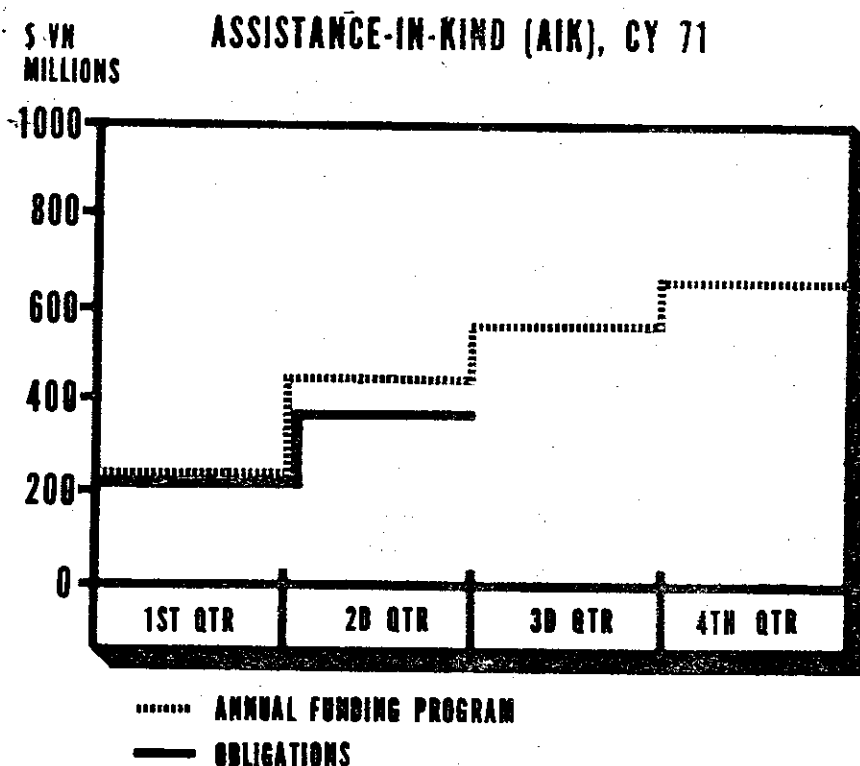
ACTIONS/FUTURE OUTLOOK: Participation in the Army Savings Program remained constant throughout the prior year and should remain constant for this calendar year.

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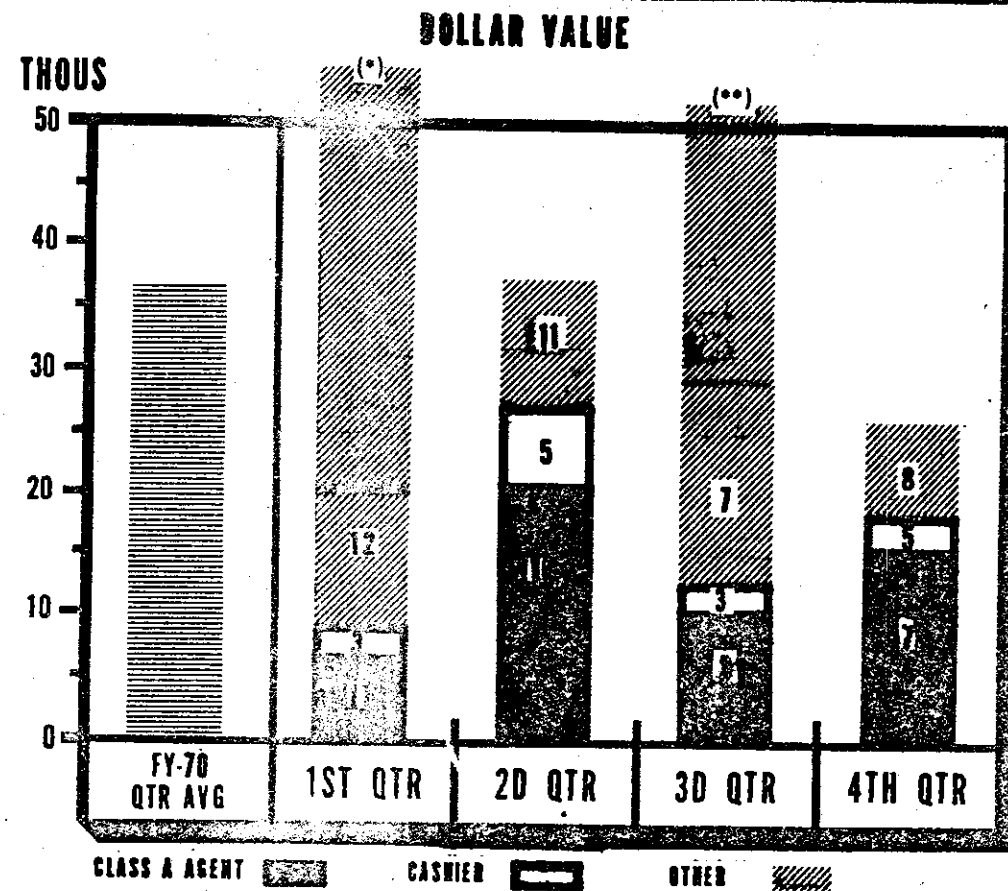
OBJECTIVE: To insure that funds allotted this command by HQ USMACV are utilized only as prescribed by MACV Dir 37-32.

ANALYSIS: Assistance-In-Kind funds available for the first half of CY 71 were VN \$445.0 million of which VN \$365.8 million were obligated.

ACTIONS/FUTURE OUTLOOK: For the Midyear Review, MACV reduced the financing VN \$148 million. When the 3rd Qtr allocation was received, the annual funding was reduced VN \$188 million, resulting in reduced 3rd and 4th Qtr allocations, for CY 71 total of VN \$657 million. To meet reduced funding for the second half of the year, unobligated balances from the first half of the year will be used to make up the difference. Programs particularly funded by OMA funds have been dropped from AIK during May.

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LOSSES OF PUBLIC FUNDS , FY-71



NOTE: Figures within columns indicate number of losses by category.

(*) 1st Qtr total losses - \$2,469,842. which includes a \$2,449,124. loss by fire at 173rd Abn. Bde. However, \$1,000,000. in reconstructed vouchers have been accepted to date by GAO.

(**) 3rd Qtr losses totaled \$67,796. which includes \$46,116. lost by a Class A agent in combat action - 23d Inf Div. However, \$28,070. in reconstructed vouchers have been accepted to date by GAO.

OBJECTIVE: To reduce the number of losses of appropriated funds in USARV.

ANALYSIS: 4th Qtr, FY 71 figures include a loss of \$4,880. involving collusion and fraud by Vietnamese employees in padding the Vietnamese TET Bonus and other payrolls which was discovered in April 71. Three other significant losses by class A agents were reported: one in the amount of \$9,682, funds stolen from an unguarded safe; one of \$2,459. lost in helicopter flight; one of \$2,000. stolen from an orderly room safe. The 20 reported losses is seven more than reported in the 3rd quarter. For the entire FY a total of 85 losses were reported totaling almost 2.6 million dollars in cash and original signed vouchers.

ACTIONS/FUTURE OUTLOOK: In dollars, the losses by class A agents continue to be substantial. Continued command emphasis is required in safeguarding all funds. Finance and accounting officers must place increased emphasis on indoctrination of their class A agents of the importance for security of funds entrusted. They must also implement effective procedures to prevent losses recorded in the "other" category, which consist of forgery on pay vouchers, erroneous checks issued, and payment of fraudulent vouchers.

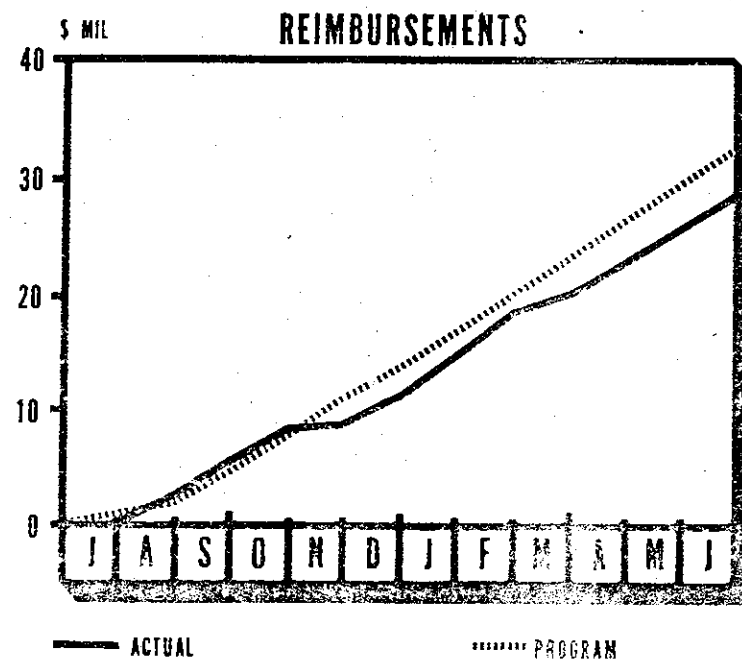
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19-Perm DATE: 17 June 1987

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REIMBURSEMENT PROGRAM, FY 71



OBJECTIVE: To insure reimbursement is received for all reimbursable supply and service support furnished to other services DOD agencies, government agencies and contractors.

ANALYSIS: Actual FY 71 results compared to the FY 71 program are:

| Month | FY 71 Actual * | | FY 71 Program * | |
|-------|----------------|------------|-----------------|------------|
| | Monthly | Cumulative | Monthly | Cumulative |
| Jul | 0.0 | 0.0 | 0.8 | 0.8 |
| Aug | 2.5 | 2.5 | 1.0 | 1.8 |
| Sep | 3.1 | 5.6 | 3.1 | 4.9 |
| Oct | 2.9 | 8.5 | 3.1 | 8.0 |
| Nov | 0.7 | 9.2 | 3.1 | 11.1 |
| Dec | 2.5 | 11.7 | 3.1 | 14.2 |
| Jan | 3.1 | 14.8 | 3.1 | 17.3 |
| Feb | 3.7 | 18.5 | 3.1 | 20.4 |
| Mar | 2.4 | 20.9 | 3.1 | 23.5 |
| Apr | 4.8 | 25.7 | 3.1 | 26.6 |
| May | 2.6 | 28.3 | 3.1 | 29.7 |
| Jun | 0.7 | 29.0 | 3.1 | 32.8 |

* In millions of dollars

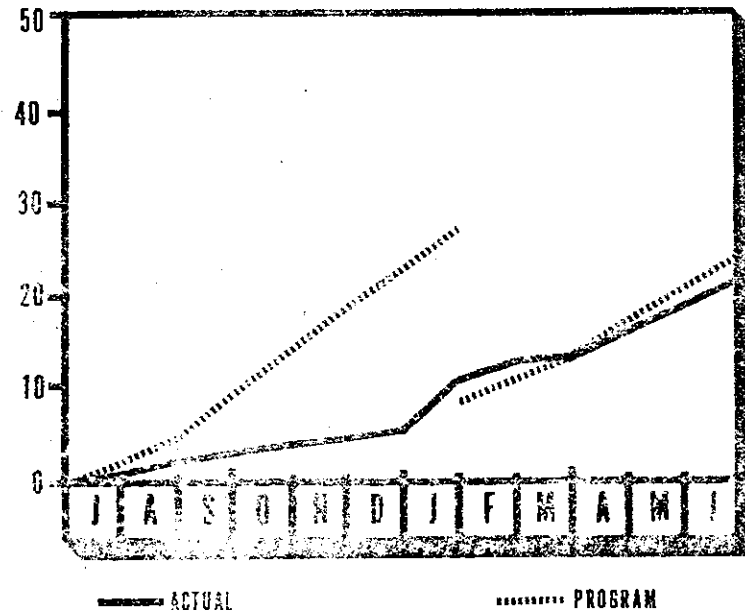
Reimbursements through 30 June were \$29 million or 3.8 million below our FY 71 projection.

ACTIONS/FUTURE OUTLOOK: This program was considerably stronger in the second half of the fiscal year but still performed below expectations. Emphasis at all levels of command must be continued to insure the success of this program in the new fiscal year.

UNCLASSIFIED

COST TRANSFER PROGRAM, FY 71

\$ MIL SUPPLY SUPPORT COST TRANSFERS, RVNAF / FWMAF



OBJECTIVE: To insure that all supply support costs incurred by OMA Primary Program - 2 and in support of RVNAF and FWMAF are documented and transferred to Primary Program - 10.

ANALYSIS: Actual FY 71 results through June 1971 compared to the FY 71 program are:

| Month | FY 71 Actual * | | FY 71 Program * | |
|-------|----------------|------------|-----------------|------------|
| | Monthly | Cumulative | Monthly | Cumulative |
| Jul | 0.5 | 0.5 | 2.0 | 2.0 |
| Aug | 1.8 | 2.3 | 3.0 | 5.0 |
| Sep | 0.9 | 3.2 | 4.5 | 9.5 |
| Oct | 1.0 | 4.2 | 4.5 | 14.0 |
| Nov | 0.5 | 4.7 | 4.5 | 18.5 |
| Dec | 1.0 | 5.7 | 4.5 | 23.0 |
| Jan | 4.5 | 10.2 | 2.8 | 8.5 |
| Feb | 2.5 | 12.7 | 2.8 | 11.3 |
| Mar | 1.4 | 14.1 | 2.8 | 14.1 |
| Apr | 1.1 | 15.2 | 2.8 | 16.8 |
| May | 1.4 | 16.6 | 2.8 | 19.6 |
| Jun | 4.7 | 21.3 | 2.8 | 22.4 |

* In millions of dollars

The program was reevaluated and adjusted at mid-year to 22.4 million dollars for FY 71. Cost transfers through Jun were 21.3 million dollars missing our FY 71 goal by 1.1 million dollars.

ACTIONS/FUTURE OUTLOOK: This program was saved by a yearly high of 4.7 million transferred in Jun 71. As a result of providing more support to the FWMAF and especially to RVNAF this program should increase in the next FY.

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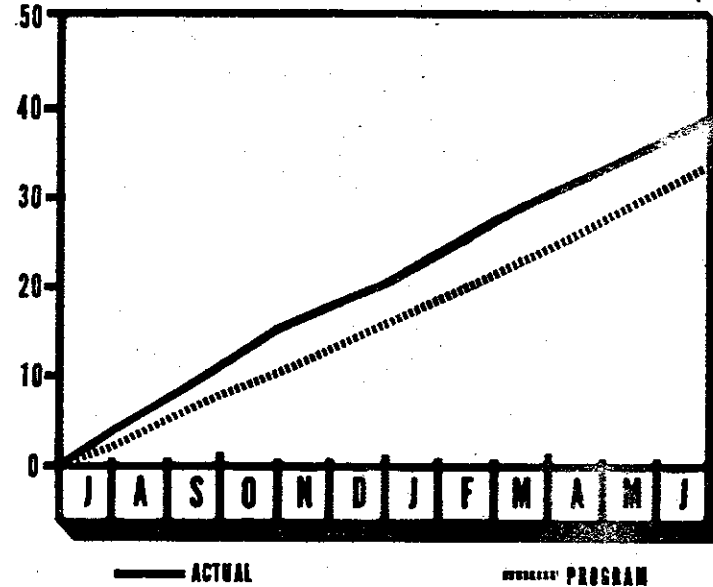
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UNCLASSIFIED

NONREIMBURSABLE SERVICE SUPPORT COSTS, FY 71

\$ MIL SERVICE SUPPORT COST TRANSFERS, RVNAF / FWMAF



OBJECTIVE: To insure that all service support costs incurred by OMA Primary Program - 2 and in support of RVNAF and FWMAF are identified and transferred to Primary Program - 10.

ANALYSIS: Actual FY 71 results compared to the FY 71 program are:

| Month | FY71 Actual * | | FY 71 Program * | |
|-------|---------------|------------|-----------------|------------|
| | Monthly | Cumulative | Monthly | Cumulative |
| Jul | 4.2 | 4.2 | 2.7 | 2.7 |
| Aug | 3.5 | 7.7 | 2.7 | 5.4 |
| Sep | 4.0 | 11.7 | 2.7 | 8.1 |
| Oct | 4.0 | 15.7 | 2.7 | 10.8 |
| Nov | 2.3 | 18.0 | 2.7 | 13.5 |
| Dec | 2.8 | 20.8 | 2.8 | 16.3 |
| Jan | 3.3 | 24.1 | 2.8 | 19.1 |
| Feb | 3.2 | 27.3 | 2.8 | 21.9 |
| Mar | 2.8 | 30.1 | 2.8 | 24.7 |
| Apr | 4.0 | 34.1 | 2.8 | 27.5 |
| May | 1.3 | 35.4 | 2.8 | 30.3 |
| Jun | 2.4 | 37.8 | 2.8 | 33.1 |

* In millions of dollars

This program exceeded the projected 33.1 million by 4.7 million. Another 2 million in service support was documented but could not be transferred due to the non-availability of PP-10 funds.

ACTIONS/FUTURE OUTLOOK: Continued emphasis on cost transfers in this area should aid in justifying future requests for funds for support of allies. As US Forces phase out it appears that more demands will be made to provide this support to our allies.

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PROGRAMS - FY 71

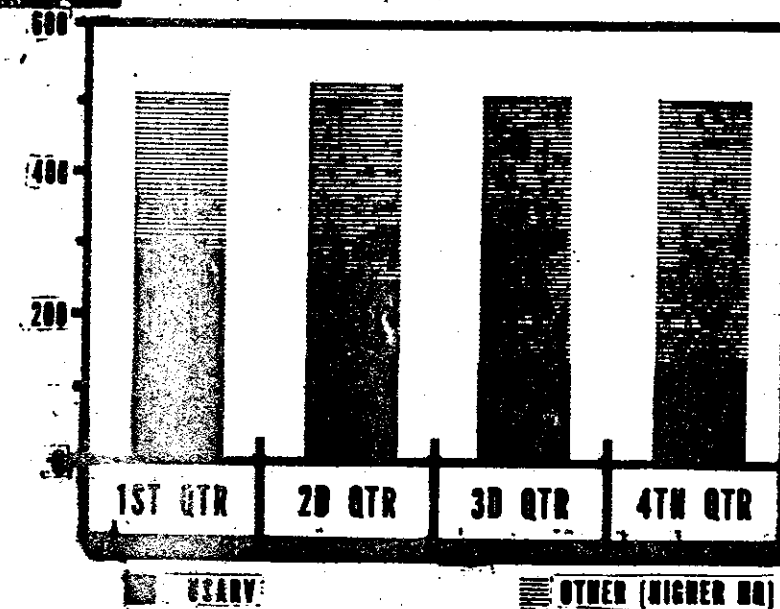
OBJECTIVE: To administer an effective and economical reports control program.

ANALYSIS: The inventory of recurring reports has stabilized this quarter, as a result of the streamlining of reporting requirements by project SAVER and normal reports control procedures. Activity in reports control during 4th Qtr, FY 71 is shown in this table:

| NUMBER OF REPORTS | USARV | Higher | Total |
|-------------------|-----------|--------|-------|
| | Initiated | HQ | |
| Beginning of qtr | 132 | 371 | 503 |
| Added | 9 | 10 | 19 |
| Cancelled | 12 | 7 | 19 |
| End of 4th Qtr | 129 | 374 | 503 |

ACTIONS/FUTURE CONSIDERATIONS: Changes in reporting are expected to continue, particularly in the logistics area, because of increased emphasis placed on control of existing assets. However, it is expected that the number of internal reports required by this headquarters will stay fairly constant.

COMMAND REPORTS CONTROL PROGRAM



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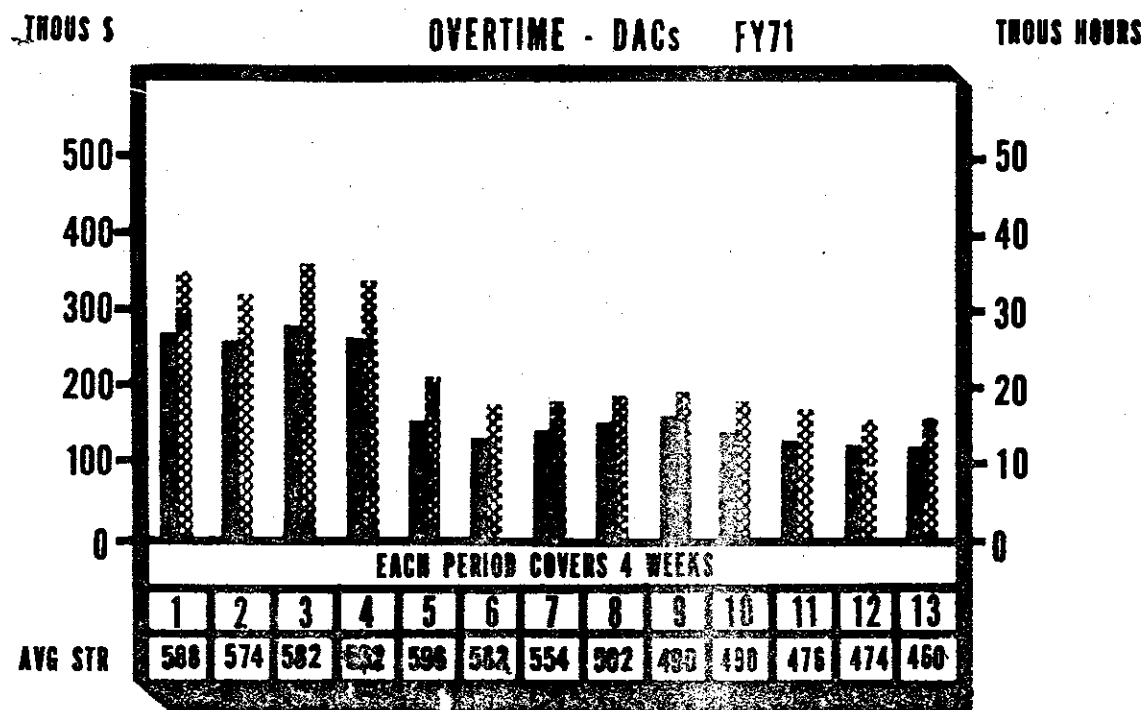
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DAIM-FAR-RR # 19-Imm DATE: 17 June 1987

UNCLASSIFIED OVERTIME - DACs



■ TOTAL OVERTIME PAY
▨ TOTAL OVERTIME HOURS

| DAC OVERTIME AVERAGE BY REPORTING PERIOD | | |
|--|---------------------------------|---------------------------------|
| Reporting Period | Avg Overtime Hours Per Employee | Avg Overtime Pay Per Employee * |
| 1 | 59.92 | 466.31 |
| 2 | 59.02 | 447.54 |
| 3 | 61.52 | 464.80 |
| 4 | 57.08 | 435.23 |
| 5 | 34.45 | 258.40 |
| 6 | 30.82 | 234.72 |
| 7 | 32.39 | 257.76 |
| 8 | 37.15 | 296.93 |
| 9 | 37.96 | 310.38 |
| 10 | 37.06 | 297.02 |
| 11 | 35.29 | 285.57 |
| 12 | 33.04 | 266.33 |
| 13 | 33.33 | 269.25 |

* In dollars

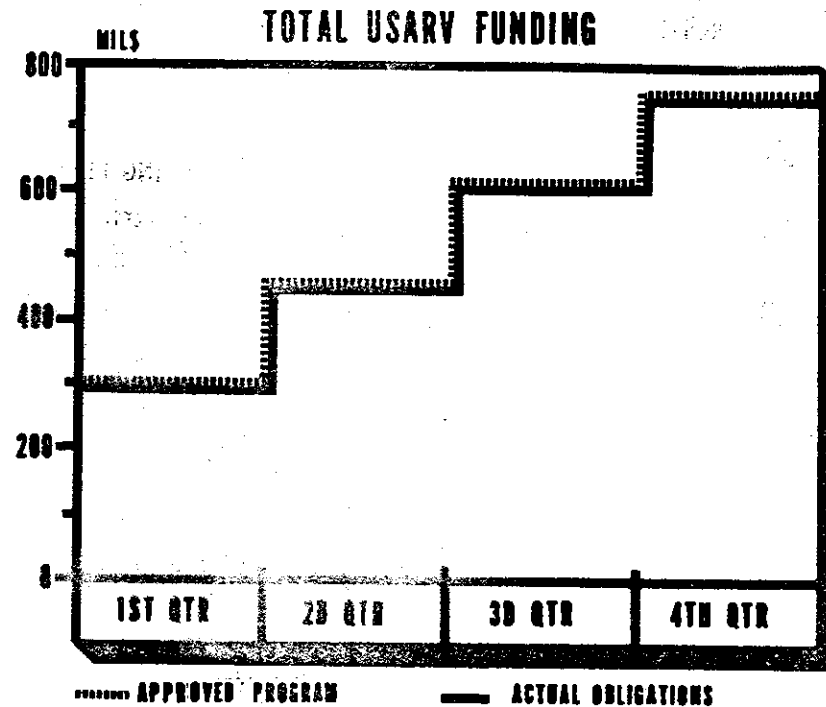
ANALYSIS: During the 4th Qtr, FY 71, each of the four reporting periods show a decreasing utilization of overtime with a stabilization at 33 average overtime hours per employee at the end of the fiscal year. Concurrently, DAC strength gradually decreased to 460, a 22.8 percent reduction from the high of FY 71.

OBJECTIVE: To insure that overtime is controlled and utilized for proper mission accomplishment.

ACTIONS/FUTURE OUTLOOK: Available funds for FY 72 will necessitate a reduction in future overtime usage.

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OPERATION AND MAINTENANCE, ARMY (OMA), FY-71



OBJECTIVE: To obtain and effectively utilize financial resources required to support assigned missions.

ANALYSIS: Actual obligations in FY 71 were 767 million dollars of Approved Operating Budget of 768 million dollars, reflecting the utilization of 99.99 percent of the total USARV funds.

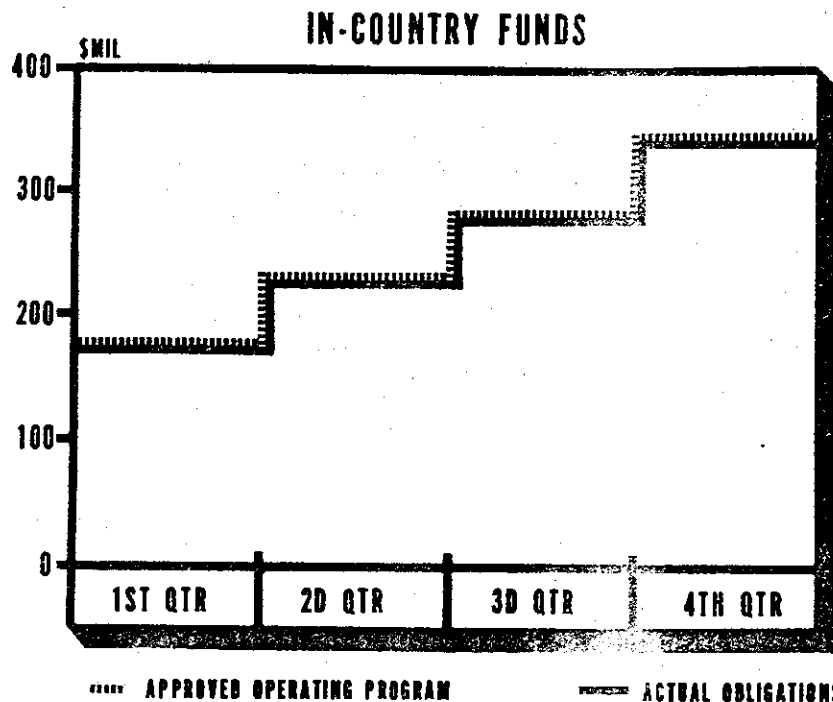
ACTIONS/FUTURE OUTLOOK: Accomplishment of the FY 71 program was the result of intense resource management and the implementation of economic austerity at all levels.

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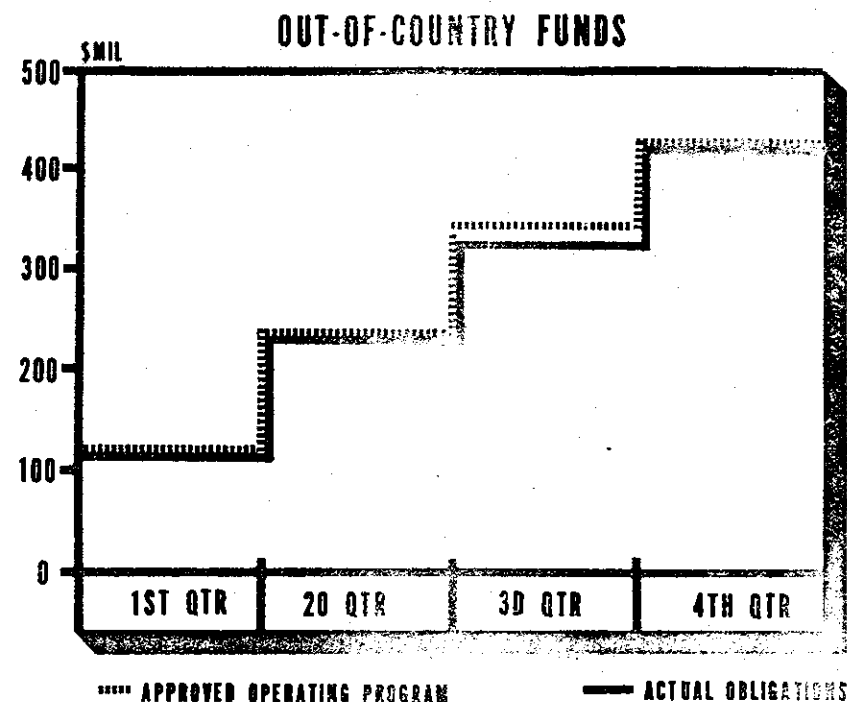
UNCLASSIFIED OPERATION AND MAINTENANCE, ARMY (OMA), FY 71



OBJECTIVE: To obtain and effectively utilize financial resources required to support assigned missions.

ANALYSIS: Total obligations in FY 71 were 345.1 million dollars of the Approved Operating Budget (AOB) of 346.1 million dollars. Obligation rate reflected is 99.7 percent of the total AOB, however 950 thousand dollars of the unobligated funds were in Program 7 (Funded Reimbursement) and 60 thousand dollars in Program 8 (Off-Shore Schooling). Programs 2 and 10 reflect an obligation rate of 99.99 percent.

ACTIONS/FUTURE OUTLOOK: Continued resource management enabled this command to efficiently utilize over 99 percent of the FY 71 AOB. The FY 72 Annual Operating Program is 82.3 percent of the FY 71 AOB. This decrease in available funds will require increased efforts to control fund utilization to assure that only mission essential projects and hard core requirements are accomplished.



OBJECTIVE: To effectively manage and utilize financial resources available for out-of-country procurement.

ANALYSIS: The FY 71 Out-of-Country funds available to USARV amounted to 422.0 million dollars, including 29.0 million dollars reimbursements. Of the total funds available only \$22,000 remained unobligated.

ACTIONS/FUTURE OUTLOOK: The continued emphasis on financial management enabled USARV to accomplish its mission without too severe an impact on supply operations. The FY 72 funding program of 188.0 million dollars represents a 55.5 percent decrease from funds available in FY 71, which further indicates the need for continued emphasis on financial management in order to accomplish assigned mission with the funds available.

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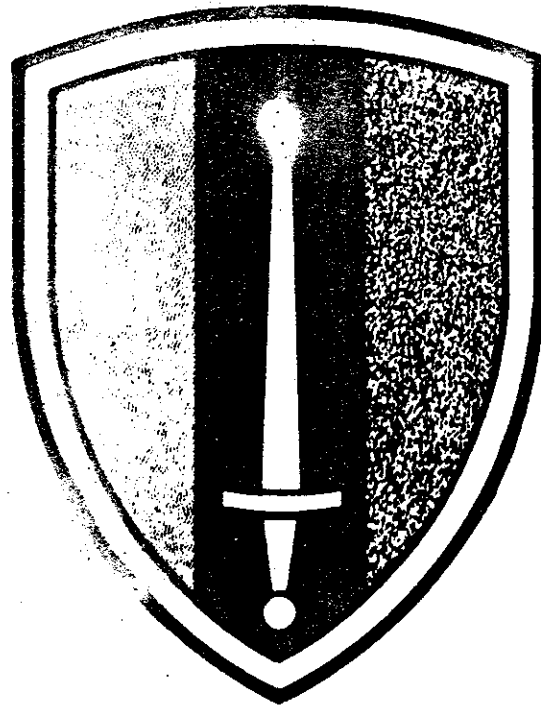
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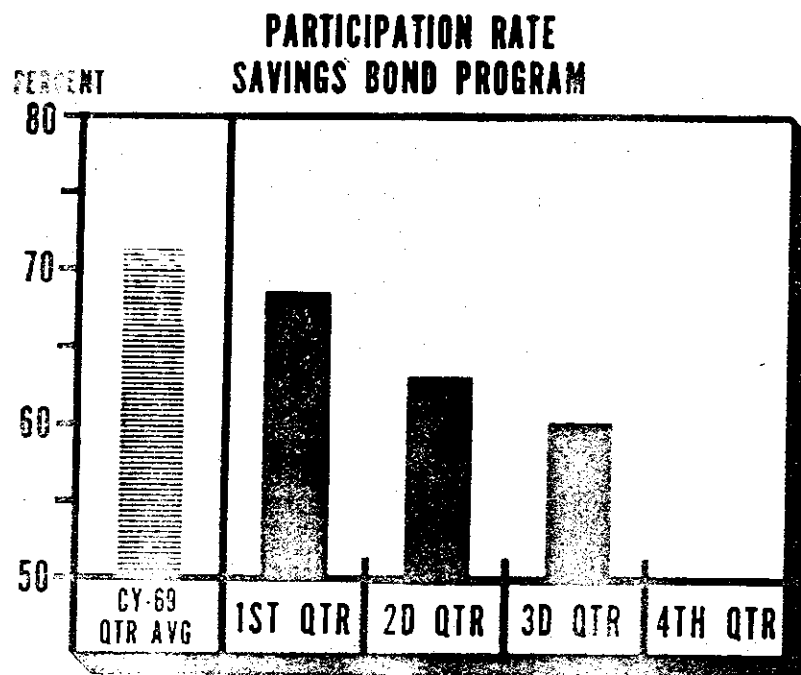
THE COMMAND PROGRESS REPORT



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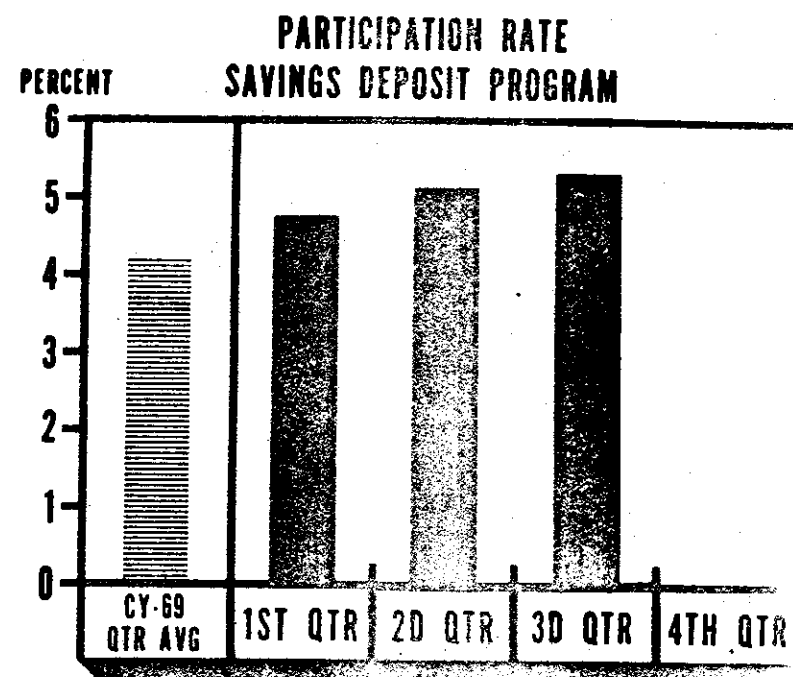
UNCLASSIFIED
ARMY SAVINGS PROGRAM, CY-70



OBJECTIVE: To achieve and sustain maximum participation in the Army Savings Program for the purchase of US Savings Bonds.

ANALYSIS: There is an adverse effect on the Savings Bond Program as people reallocate their financial resources to the higher yield Savings Deposit Program.

CONCLUSION/FUTURE OUTLOOK: This year's Savings Bond Campaign is designated "TAKE STOCK IN AMERICA WITH HIGHER PAYING U. S. SAVINGS BONDS." Since the percentage of interest has been increased to 5 1/2 % when held to maturity, the percentage of participation will stabilize in the next two quarters.



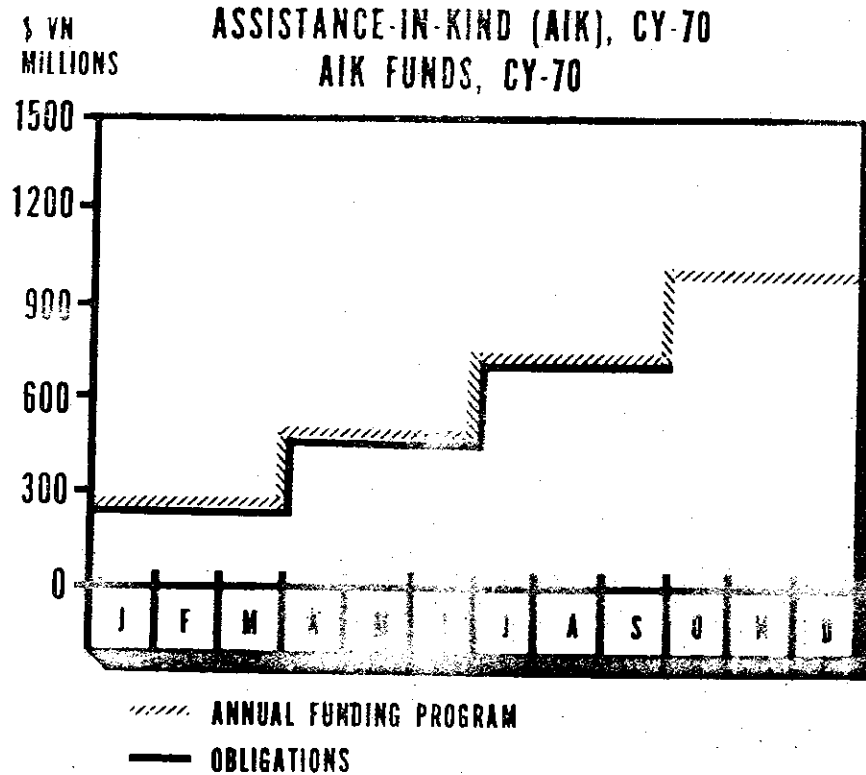
OBJECTIVE: To achieve and sustain maximum participation in the Savings Deposit Program.

ANALYSIS: The above chart shows the average participation rate for CY 69 and 1st, 2d, & 3d QTR, CY 70. These percentages include only those participating on an allotment basis, exclusive of members who are concurrently participating in the Savings Bond Program. They also exclude participation on a cash basis.

CONCLUSION/FUTURE OUTLOOK: It is anticipated that participation in this program will continue at the 5% to 6% level for the next two quarters.

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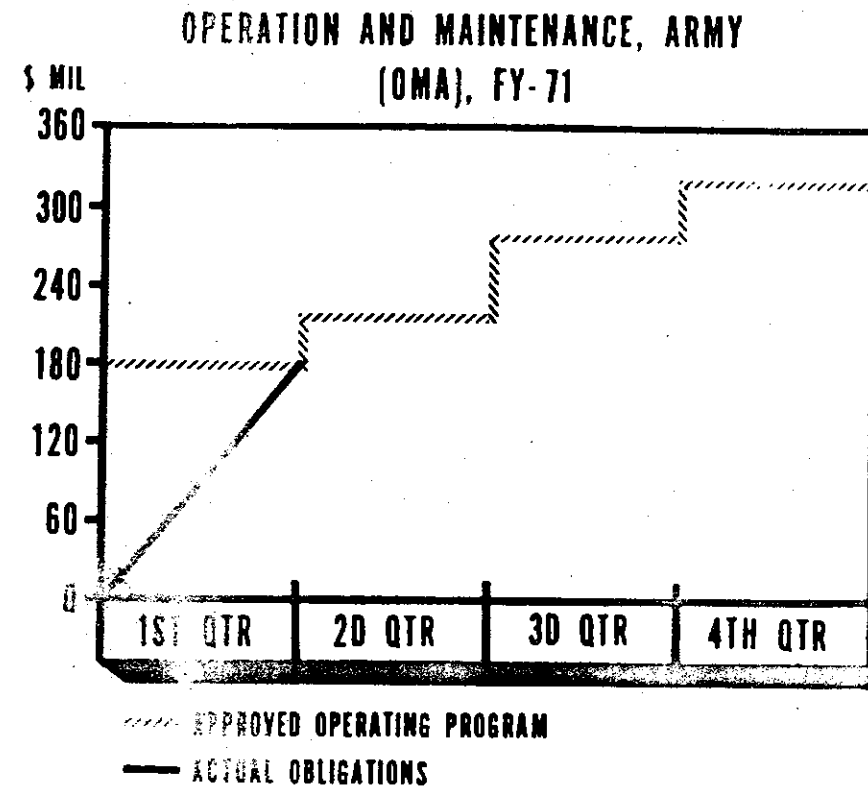
UNCLASSIFIED STATUS OF FUNDS



OBJECTIVE: To insure that funds allotted this command by HQ USMACV are utilized only as prescribed by MACV Dir 37-32.

ANALYSIS: The CY1970 Assistance-in-Kind Funding Program is established at VN \$1.1 billion. Funds available through 3rd Qtr were VN \$799.0 million of which VN \$773.6 million of \$6.5% were obligated.

CONCLUSION/FUTURE OUTLOOK: All programs depending solely upon assistance-in-kind are fully funded for the remainder of CY70. Due to considerable reductions in the O&MA budget in the areas of personnel and rents, requirements have been generated for VN \$62 million (US \$0.5 million). Indications are that this requirement will be funded by USMACV from collection of the Title AIC fund.



OBJECTIVE: To insure availability of fund resources for in-country procurement and personnel services necessary to the successful accomplishment of assigned missions.

ANALYSIS: Funds available through the 1st Qtr, FY 71, were \$128.6 million which were 100 percent obligated. Unfinanced requirements have been reduced from a 1 July balance of \$66.8 million to \$2.7 million (personnel compensation) by various curtailment and economy measures.

CONCLUSION/FUTURE OUTLOOK: With adequate resource management this command's funding resources will be sufficient to meet FY 71 mission requirements.

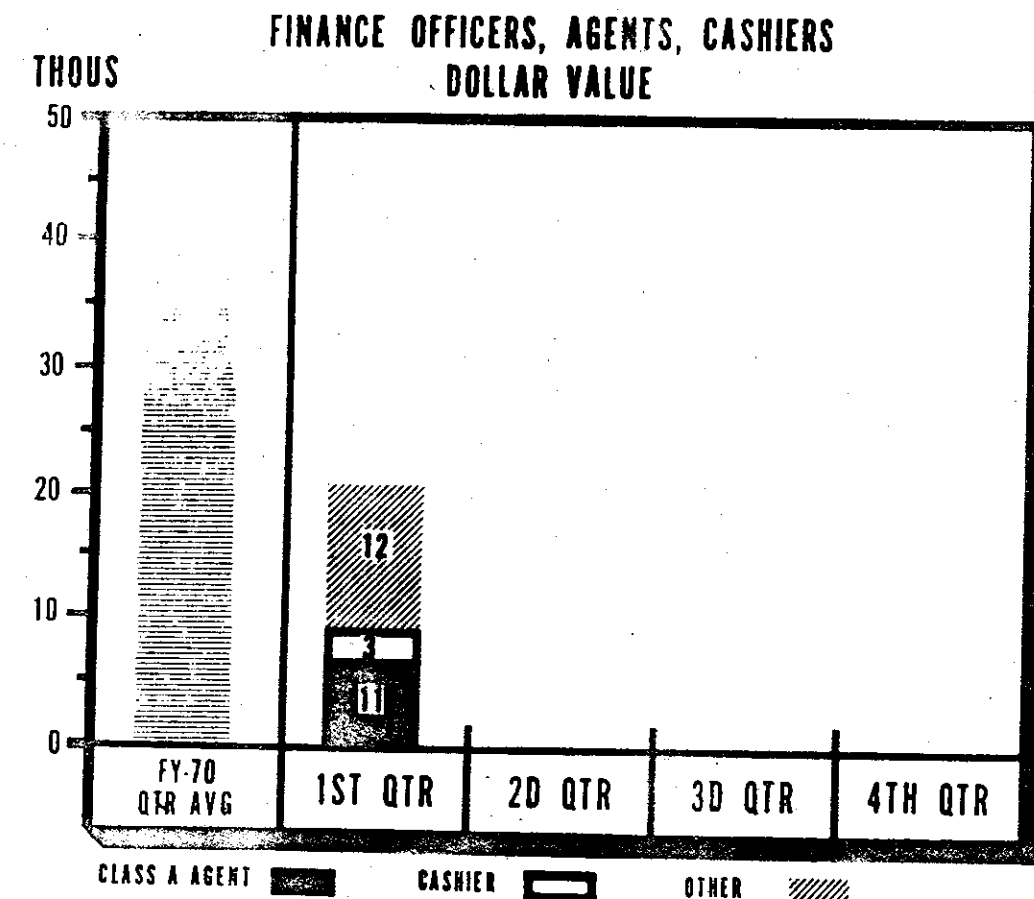
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LOSSES OF PUBLIC FUNDS , FY-71



NOTE: Figures within columns indicate number of losses by category.

OBJECTIVE: To reduce the number of losses of appropriated funds in USARV.

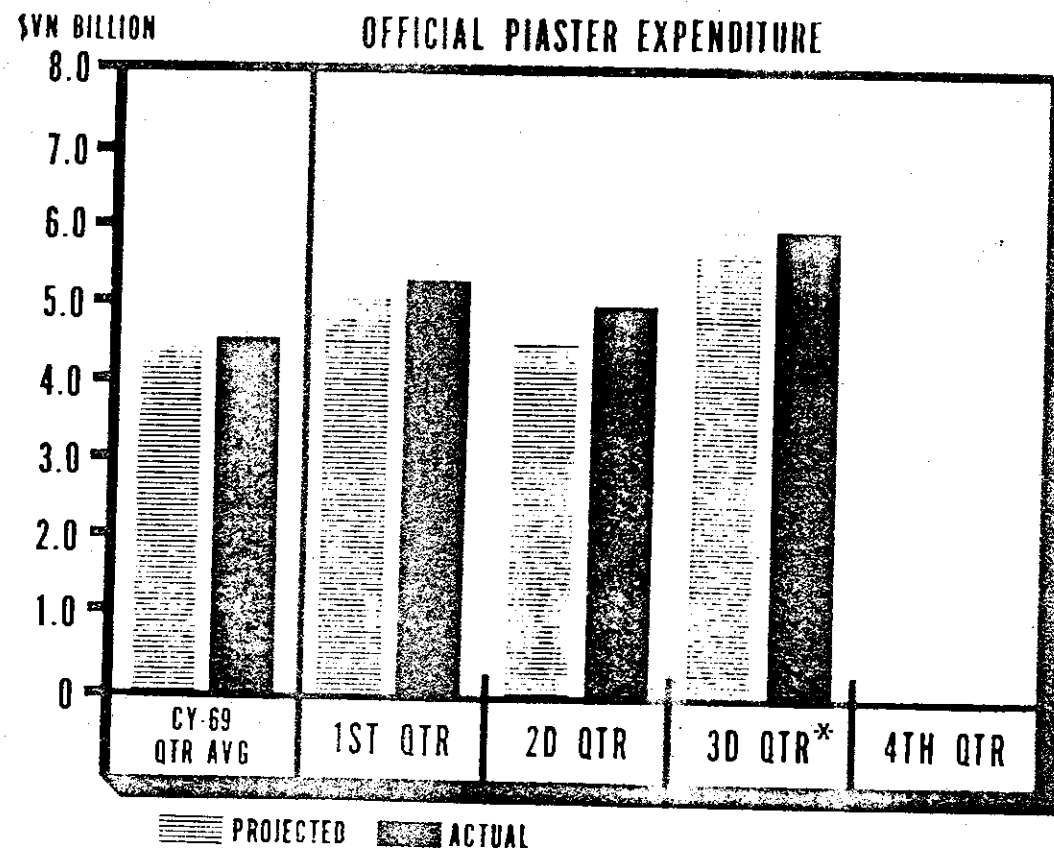
ANALYSIS: Two extraordinary losses are not included above in order to preclude distortion. A \$2.3 mil loss occurred when the 173d Abn Bde Finance Office burned and an \$89,000 loss of paid vouchers occurred through mail theft. Dollar losses during the 1st Qtr, FY 71 exceeded those of the 4th Qtr, FY 70 by approximately 18%.

CONCLUSION/FUTURE OUTLOOK: Additional command emphasis is required for continued reductions in the category of Class A Agent Losses.

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PIASTER EXPENDITURE REDUCTION PROGRAM, CY-70



* Reporting format changed during 3d Qtr as follows:
 1. 5th Special Forces Group expenditures deleted.
 2. Rural Development Cadre expenditures added.

OBJECTIVE: To reduce the amount of personal piaster expenditure to a minimum without sacrificing or degrading the military effectiveness and mission accomplishment of the command.

ANALYSIS: Per capita expenditures for 1st nine months, CY 70 are:

| Month | DOD Avg | Military Avg | Civilian Avg |
|-------|---------|--------------|--------------|
| JAN | 6.61 | 5.85 | 54.06 |
| FEB | 5.40 | 4.83 | 41.46 |
| MAR | 4.66 | 4.18 | 35.84 |
| APR | 3.96 | 3.14 | 51.86 |
| MAY | 4.69 | 3.88 | 52.26 |
| JUN | 3.67 | 3.06 | 39.07 |
| JUL | 3.69 | 3.41 | 20.01 |
| AUG | 4.05 | 3.35 | 43.13 |
| SEP | 6.09 | 4.99 | 64.58 |

CONCLUSION/FUTURE OUTLOOK: Official expenditures for the 3rd Qtr were within 1 percent of the projection. However, within the total there were significant deviations reported in two categories. Local national labor expenditures were \$VN459 million more than projection of \$VN1,425 million, caused by an increase in the number of local national employees. Rural development cadre expenditures were \$VN597 million less than projection of \$VN1,155 million, caused by delayed billings from the GVN.

Per capita expenditures increased during the 3rd Qtr but were still below 1st Qtr levels. Per capita expenditures are expected to increase during the 4th Qtr in response to the new piaster/dollar conversion rate of 275/1 for accommodation sales.

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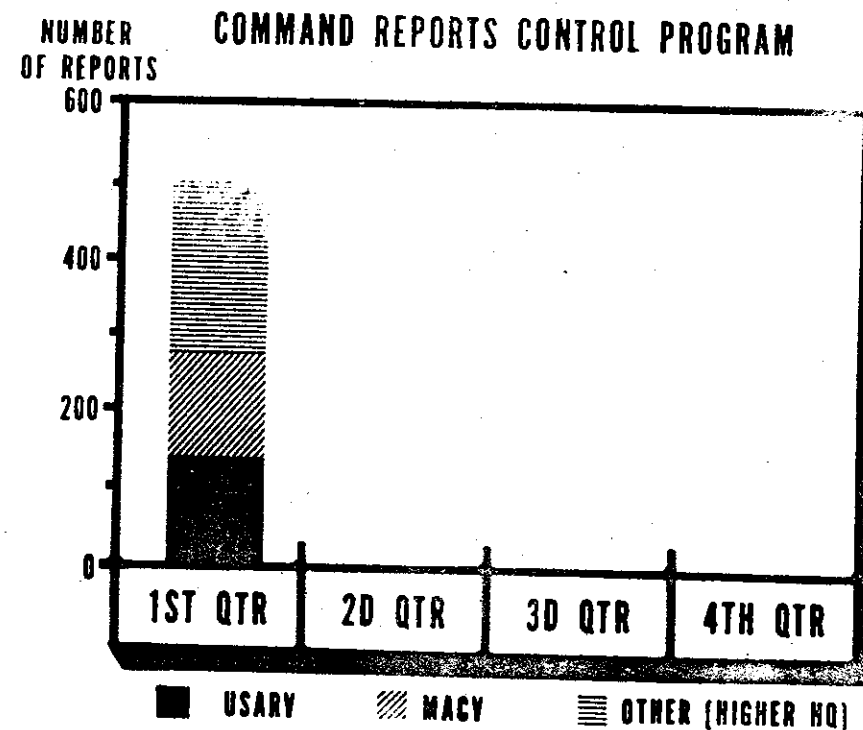
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UNCLASSIFIED
PROGRAMS - FY 71

OBJECTIVE: To administer an effective and economical Reports Control Program.

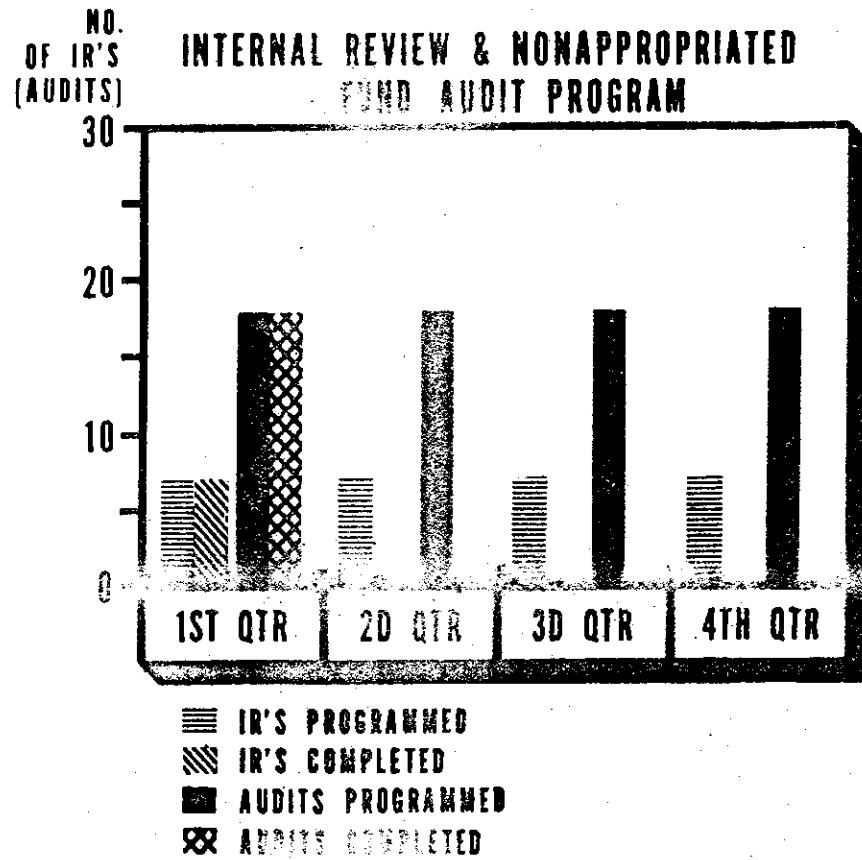
ANALYSIS: The reporting burden on the command increased to 525 reports by the end of the quarter, as opposed to 510 at the beginning. The reporting burden, generated by USARV reports only, represents approximately 555,000 man hours of work annually. Using a figure of \$4.41 per hour (this is the cost figure used for submission of the Project Saver Report to USARPAC), the annual cost of only those reports generated by USARV is approximately \$2.5 million. The USARV reporting workload has gradually increased since the headquarters consolidation in Jun 70, but this was expected. In addition, reports control symbols are also being assigned to subordinate commands such as USAICCV & LDSC who do not have or need a reports control office.

CONCLUSION/FUTURE OUTLOOK: Unauthorized reports still exist within the command, but these are eliminated as soon as they are discovered. The reporting burden is expected to increase slightly during the next quarter; meanwhile, a continuing program of appraisal is being pursued to eliminate unessential reports.



UNCLASSIFIED

UNCLASSIFIED PROGRAMS, FY71



OBJECTIVE: To improve management of resources through Internal Review and Non Appropriated Fund Audit Programs.

ANALYSIS: All of the internal reviews and audits scheduled for 1st Qtr, FY 71 were completed. In addition, a study on a method for collecting cost data was conducted.

CONCLUSION/FUTURE OUTLOOK: One auditor is scheduled to depart the command during the next quarter and two are scheduled to depart during 3d Qtr, FY 71. Unless these auditors are replaced the FY 71 Internal Review Program will have to be revised.

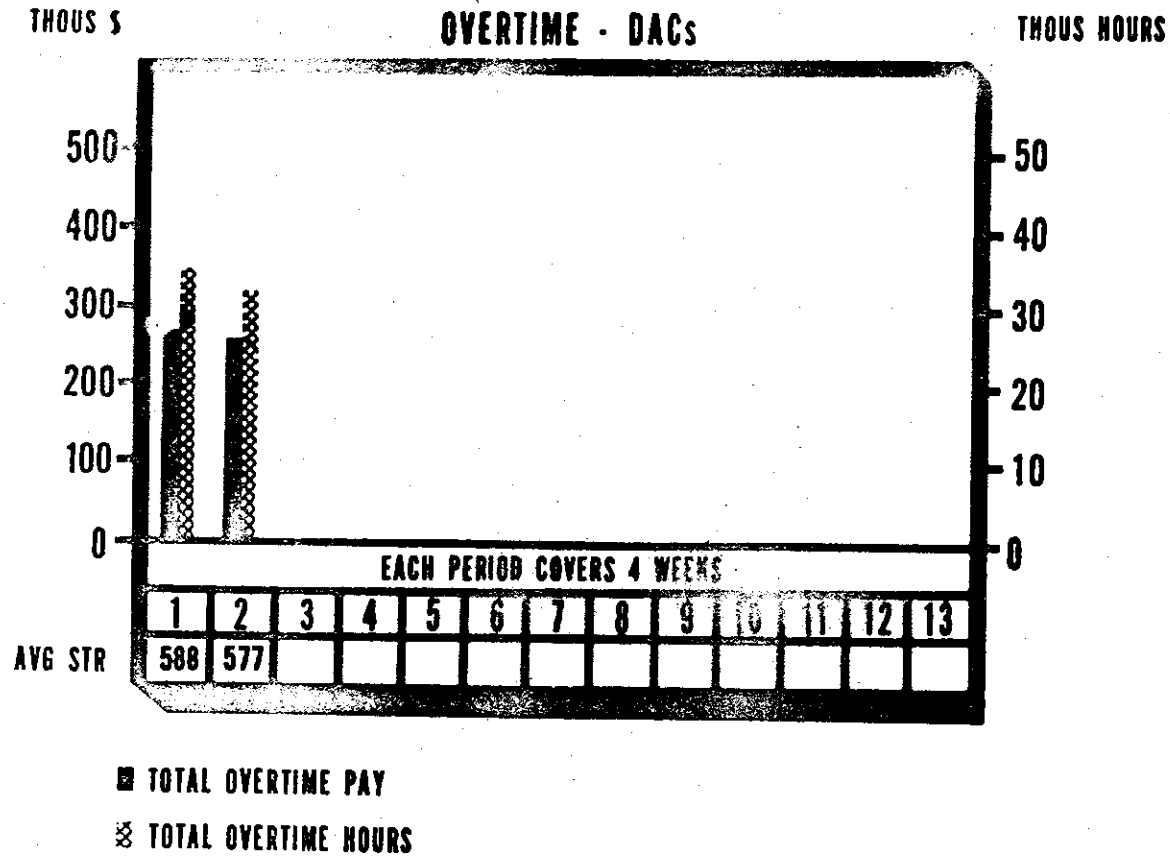
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UNCLASSIFIED OVERTIME - DACs



OBJECTIVE: To insure that overtime is controlled and utilized for proper mission accomplishment.

ANALYSIS: A comparison of reporting periods 1 and 2 shows a decrease in average strength of 1.9 percent, overtime hours of 3.8 percent, and overtime pay of 6.3 percent. A ceiling of 40 hours per DAC per reporting period has been set by the command. Since the average number of overtime hours per DAC during reporting period 2 was 58.22 hours, a 32 percent decrease in overtime hours should result from the imposed ceiling. However, the full effect of the ceiling will probably not be realized until reporting period 4 is compiled.

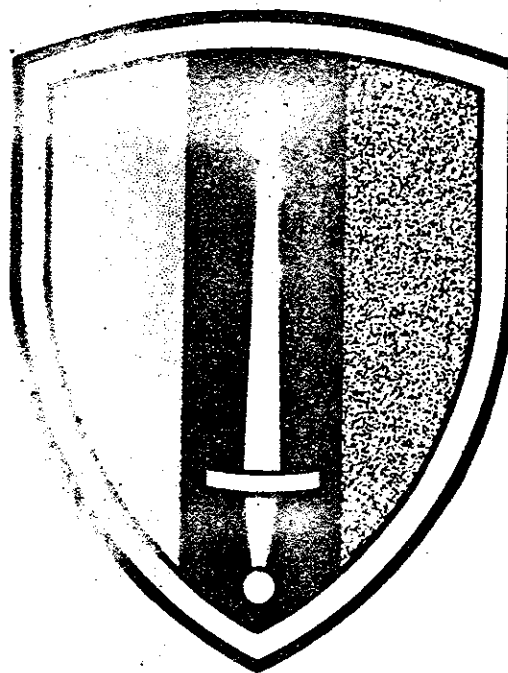
CONCLUSION/FUTURE OUTLOOK: The overtime ceiling should significantly curtail the high levels of overtime hours and pay, and should offer better control and more efficient use of overtime.

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THE COMMAND PROGRESS REPORT

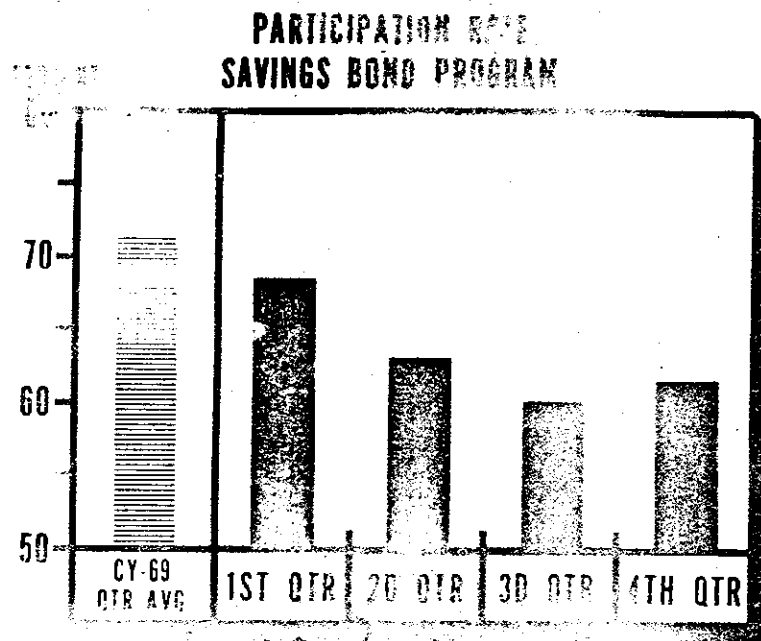


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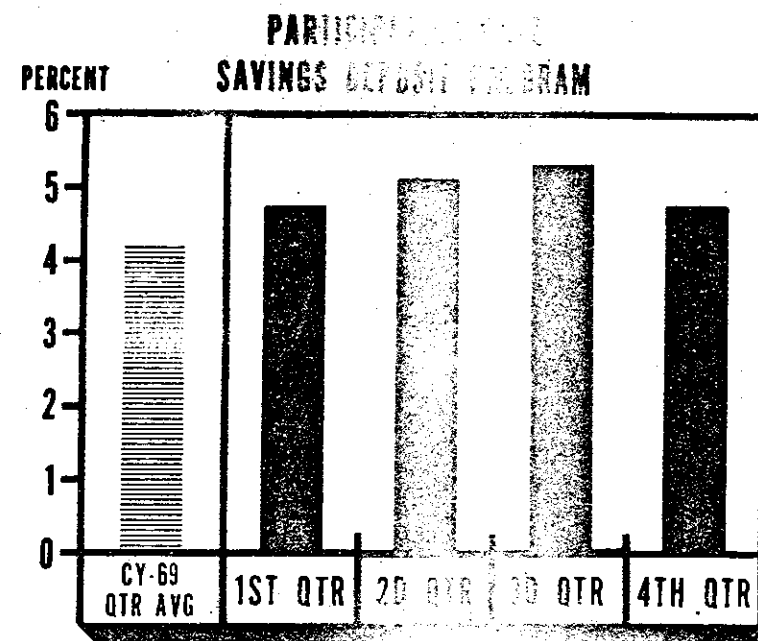
UNCLASSIFIED
ARMY SAVINGS PROGRAM, CY-70



OBJECTIVE: To achieve and sustain maximum participation in the Army Savings Program for the purchase of US Savings Bonds.

ANALYSIS: There is an adverse effect on the Savings Bond Program as people reallocate their financial resources to the higher yield Savings Deposit Program. Since the percentage of interest has been increased to 5.5 percent when held to maturity, the percentage of participation has stabilized.

CONCLUSION/FUTURE OUTLOOK: This year's Savings Bond Campaign has been designated "TAKE STOCK IN AMERICA WITH HIGHER PAYING US SAVINGS BONDS". A new campaign will begin in the 1st Qtr, CY71 and should cause a renewed interest in the program.



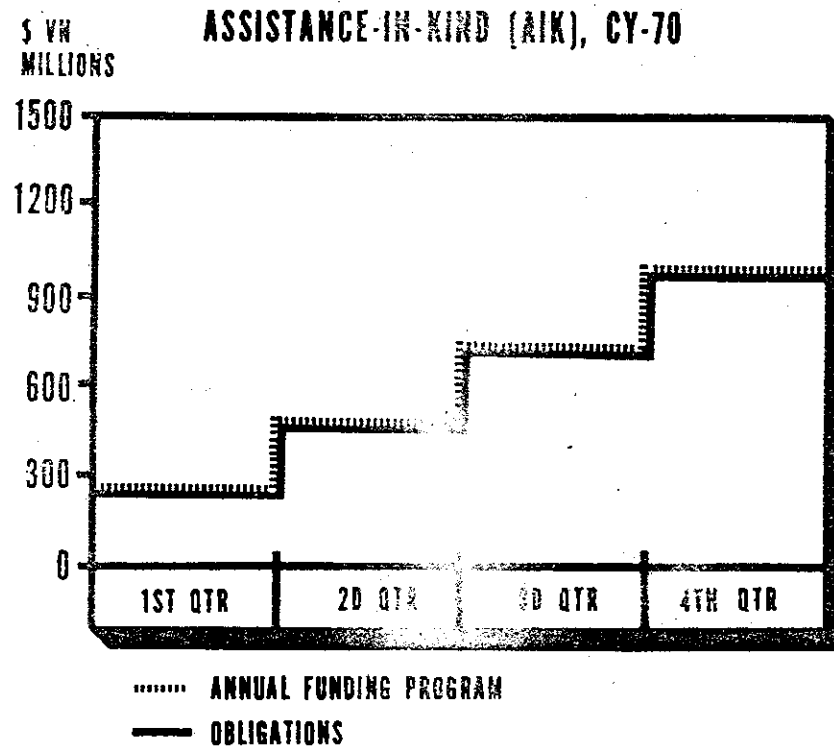
OBJECTIVE: To achieve and sustain maximum participation in the Savings Deposit Program.

ANALYSIS: The chart shows the average participation rate for CY69 and the four quarters of CY70. These percentages include only those participating on an allotment basis, exclusive of members who are concurrently participating in the Savings Bond Program. They also exclude participation on a cash basis.

CONCLUSION/FUTURE OUTLOOK: Participation in this program has remained constant throughout the year and should level off at 5 percent.

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UNCLASSIFIED STATUS OF FUNDS



OBJECTIVE: To insure that funds allotted this command by HQ USMACV are utilized only as prescribed by MACV Dir 37-32.

ANALYSIS: Assistance-in-Kind funds available through the end of the calendar year were VN\$ 1,113.0 million of which VN\$ 1,102.0 million or 99 percent were obligated.

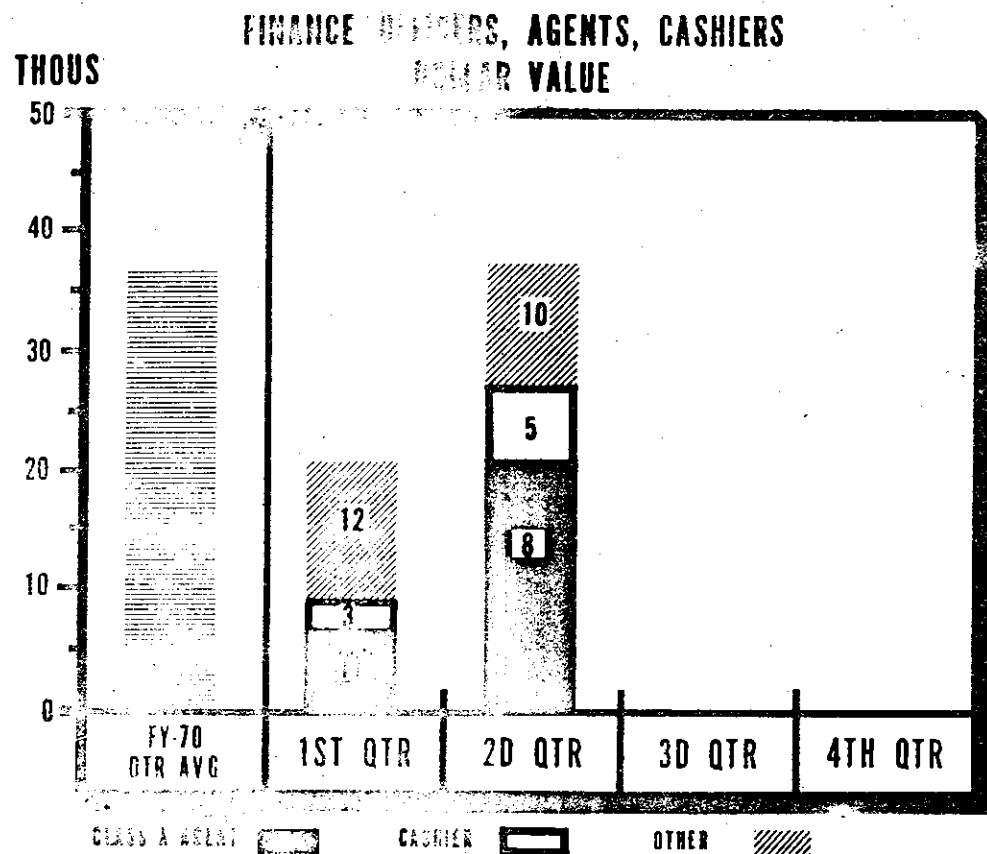
CONCLUSION/FUTURE OUTLOOK: Toward the end of the year, unutilized funds were reprogrammed to cover unfinanced requirements in order to achieve maximum fund utilization. Funding for CY71 will be 75.9% of the total CY70 funds (VN\$ 845.3 million), to cover programs depending only on assistance-in-kind funds. Programs qualifying for financing from OMA funds are being dropped from AIK in CY71.

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LOSSES OF PUBLIC FUNDS , FY-71



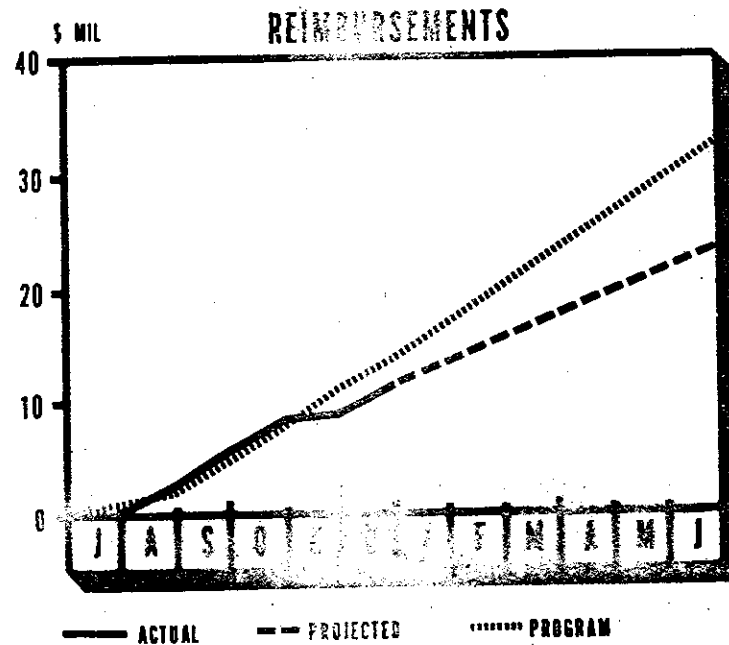
NOTE: Figures within columns indicate number of losses by category.

OBJECTIVE: To reduce the number of losses of appropriated funds in USARV.

ANALYSIS: Three reported losses are not included as funds were recovered prior to start of an investigation and the cases closed. There were two significant losses by Class "A" Agents in the amounts of 10,328 dollars (funds and safe stolen) and 5,442 dollars (lost in flood). The significant loss by cashiers was in the amount of 4,255.45 dollars, reported as a conversion (C Day) loss. Two losses were in the Class B offices in the amount of 4,000 dollars and 2,000 dollars. Two losses totaling 2,000 dollars in savings deposits were reported.

CONCLUSION/FUTURE OUTLOOK: In dollars, the Class "A" Agents continue to be the greatest loss and additional command emphasis is required for reductions in this category. Particular emphasis should be placed on the importance of safeguarding funds entrusted to agent officers. It is important that Finance and Accounting Officers implement strict procedures and controls to prevent fraud and forgery and other irregularities within their operations which accounts for most losses recorded in "other" category.

UNCLASSIFIED REIMBURSEMENT PROGRAM, FY 71



OBJECTIVE: To insure reimbursement is received for all reimbursable supply and service support furnished to other services, DOD agencies, government agencies and contractors.

ANALYSIS: Actual FY71 results through December 1970 compared to the FY71 program are:

| Month | FY71 Actual* | | FY71 Program* | |
|-------|--------------|------------|---------------|------------|
| | Monthly | Cumulative | Monthly | Cumulative |
| Jul | 0.0 | 0.0 | 0.8 | 0.8 |
| Aug | 2.5 | 2.5 | 1.0 | 1.8 |
| Sep | 3.1 | 5.6 | 3.1 | 4.9 |
| Oct | 2.9 | 8.5 | 3.1 | 8.0 |
| Nov | 0.7 | 9.2 | 3.1 | 11.1 |
| Dec | 2.5 | 11.7 | 3.1 | 14.2 |

*In millions of dollars

The projected actual cumulative total for FY71 is 23.4 million dollars. The cumulative total for the FY71 program is 32.8 million dollars. Reimbursements through December were 11.7 million dollars and if this trend continues the annual results will be 9.4 million dollars less than the FY71 program. The present difference between the program and the actual is partly attributed recently identified program and system errors.

CONCLUSION/FUTURE OUTLOOK: Correction of the identified program and system errors is expected to cause the results of the 2d half of FY71 to show significant improvement.

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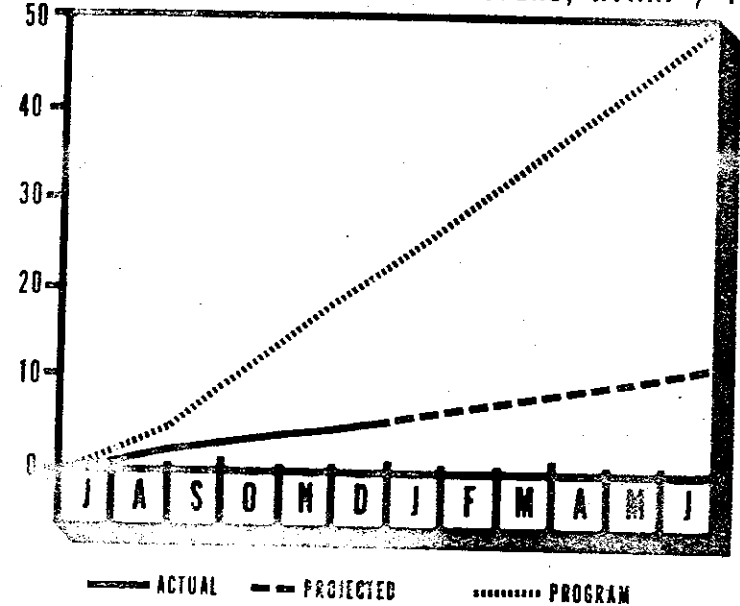
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COST TRANSFER PROGRAM, FY 71

S MIL **SUPPLY SUPPORT COST TRANSFERS, RVNAF / FWMAF**



OBJECTIVE: To insure that all supply support costs incurred by OMA Primary Program - 2 and in support of RVNAF and FWMAF are documented and transferred to Primary Program - 10.

ANALYSIS: Actual FY71 results through December compared to the FY71 program are:

| Month | FY71 Actual* | | FY71 Program* | |
|-------|--------------|------------|---------------|------------|
| | Monthly | Cumulative | Monthly | Cumulative |
| Jul | 0.5 | 0.5 | 2.0 | 2.0 |
| Aug | 1.8 | 2.3 | 3.0 | 5.0 |
| Sep | 0.9 | 3.2 | 4.5 | 9.5 |
| Oct | 1.0 | 4.2 | 4.5 | 14.0 |
| Nov | 0.5 | 4.7 | 4.5 | 18.5 |
| Dec | 1.0 | 5.7 | 4.5 | 23.0 |

*In millions of dollars

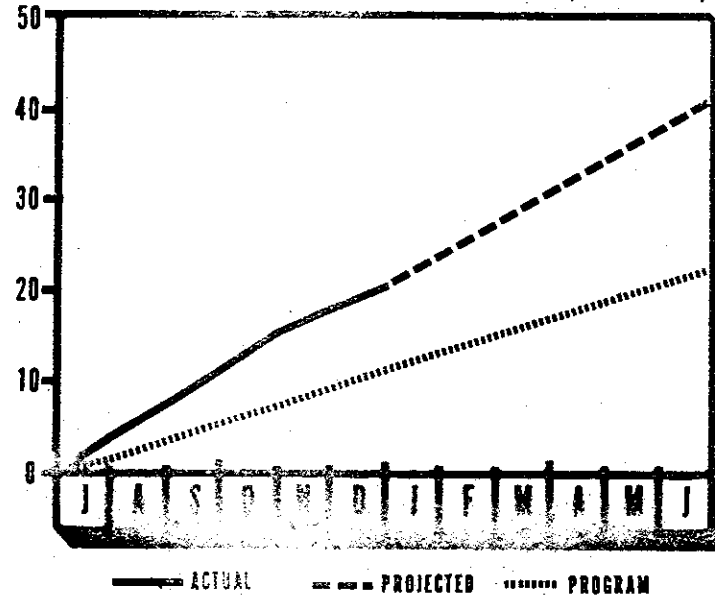
Presently, the actual cumulative total cost transfers for FY71 is projected to be 11.4 million dollars. The cumulative total for the FY71 program is 50.0 million dollars. As noted cost transfers through December 1970 were a disappointing 5.7 million dollars and if the trend continues the FY71 results will fall 38.6 million dollars short of the FY71 program. A task group composed of DCSCOMPT, DCSLOG, ICCV, LDSC, and USASUPCOM-SGN has been formed to review the cost transfer system.

CONCLUSION/FUTURE OUTLOOK: Identification and correction of errors and retroactive adjustments will be made during the 2d half of FY71 to capture cost transfers lost during the 1st half.

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NONREIMBURSABLE SERVICE SUPPORT COSTS, FY 71

S MIL SERVICE SUPPORT COST TRANSFERS, RVNAF / FWMAF



OBJECTIVE: To insure that all service support costs incurred by OMA Primary Program - 2 and in support of RVNAF and FWMAF are identified and transferred to Primary Program - 10.

ANALYSIS: Actual FY71 results through December 1970 compared to the FY71 program are:

| Month | FY71 Actual* | | FY71 Program* | |
|-------|--------------|------------|---------------|------------|
| | Monthly | Cumulative | Monthly | Cumulative |
| Jul | 4.2 | 4.2 | 1.9 | 1.9 |
| Aug | 3.5 | 7.7 | 1.9 | 3.8 |
| Sep | 4.0 | 11.7 | 1.9 | 5.7 |
| Oct | 4.0 | 15.7 | 1.9 | 7.6 |
| Nov | 2.3 | 18.0 | 1.9 | 9.5 |
| Dec | 2.8 | 20.8 | 1.9 | 11.4 |

* In millions of dollars

Presently, the projected actual total cumulative identified service support costs for FY71 are 41.6 million dollars. This projection is nearly double the FY71 program.

CONCLUSION/FUTURE OUTLOOK: Continued emphasis on cost transfers in this area should aid in justifying future requests for funds for support of allies.

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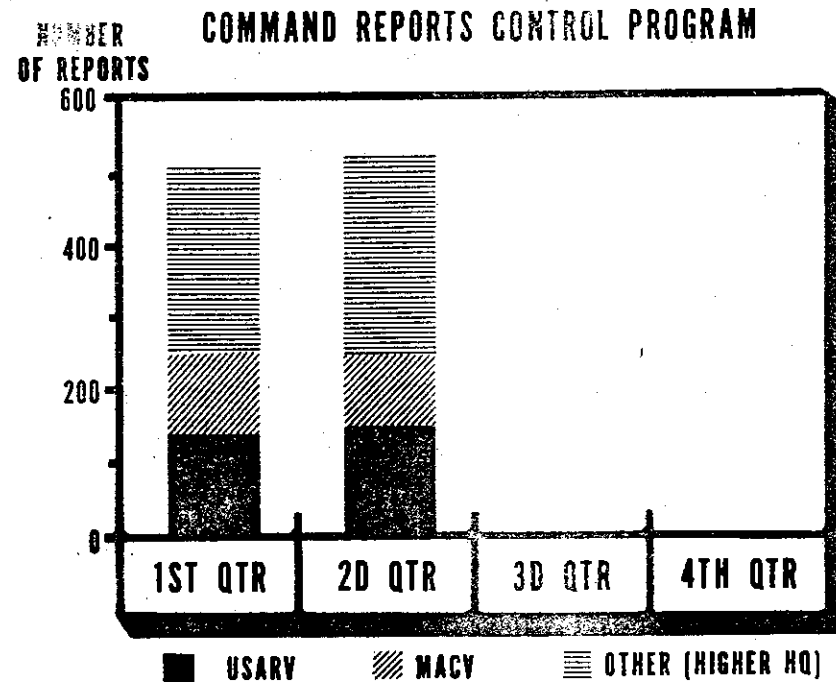
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PROGRAMS - FY 71

OBJECTIVE: To administer an effective and economical reports control program.

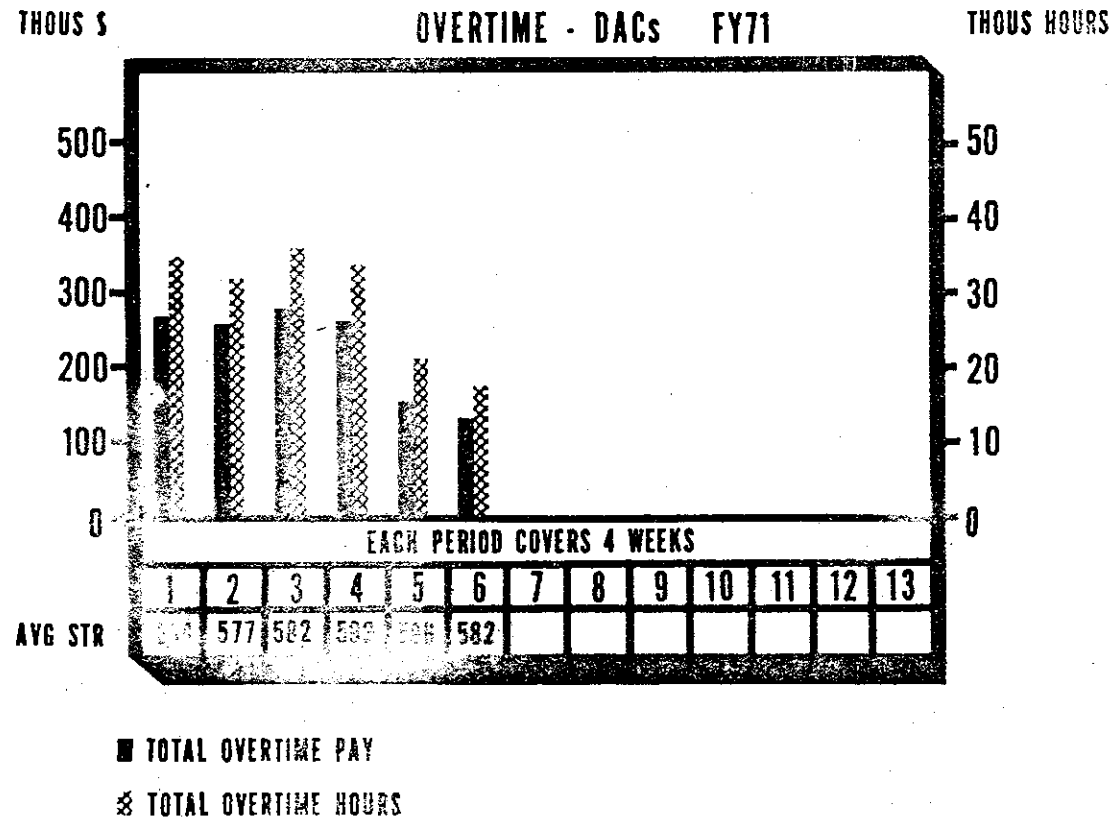
ANALYSIS: The inventory of reports required of and by this command increased during the 2d Qtr, FY71, due to higher headquarters reports put under control. However, approximately 60 changes in reports occurred--cancellations, initiation of new reports, and changes (reduction) in existing reports. One half of the changes pertained to internal reports, due in part to increased emphasis on reducing workload to a minimum under Project Saver. Staff offices have now had an opportunity to review their reporting since consolidation of the headquarters, and should now be in a position to consolidate and reduce reporting requirements.

CONCLUSION/FUTURE OUTLOOK: Changes of this volume are expected to continue because of the emphasis being placed on control of existing assets. The number of internal reports may increase slightly; however, it is anticipated that reporting will soon level off.



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OVERTIME - DACs



OBJECTIVE: To insure that overtime is controlled and utilized for proper mission accomplishment.

DAC OVERTIME AVERAGES BY REPORTING PERIOD

| Reporting Period | Avg Overtime Hours Per Employee | Avg Overtime Pay* Per Employee |
|------------------|---------------------------------|--------------------------------|
| 1 | 59.92 | 456.29 |
| 2 | 59.02 | 445.99 |
| 3 | 59.75 | 453.67 |
| 4 | 57.08 | 435.23 |
| 5 | 34.45 | 258.40 |
| 6 | 30.82 | 234.72 |

*In dollars

ANALYSIS: From the FY71 3d reporting period high of 35,807 total overtime hours and 270,511.79 dollars total overtime pay, the totals of overtime pay and hours decreased slightly during the 4th reporting period as the initial effects of the 40 hour overtime ceiling became apparent. By reporting period 5 the full effect of the ceiling was evident. Since the 3d reporting period, total overtime hours have decreased 49.22 percent and total overtime pay has decreased 49.86 percent. This reduction has occurred while the workforce has remained relatively constant.

CONCLUSION/FUTURE OUTLOOK: The overtime ceiling has significantly curtailed the high levels of overtime hours and pay; it should continue to offer better control and more efficient utilization of overtime.

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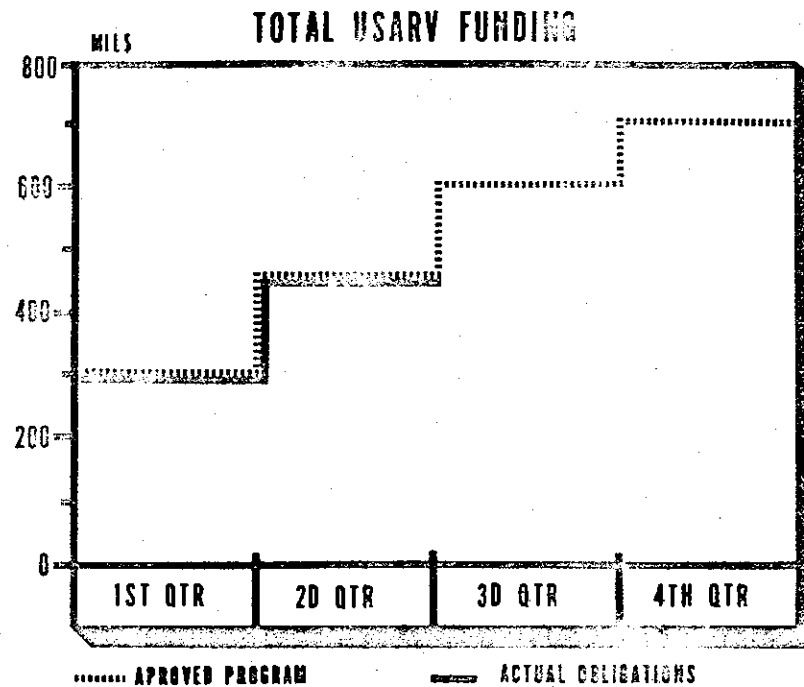
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OPERATION AND MAINTENANCE, ARMY (OMA), FY-71



OBJECTIVE: To obtain and effectively utilize financial resources required to support assigned missions.

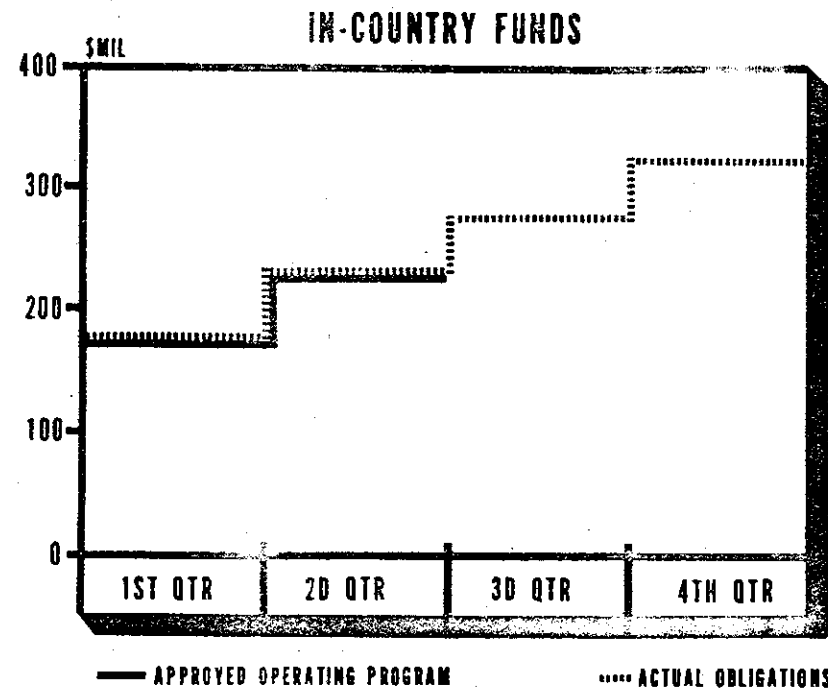
ANALYSIS: Actual obligations through the 2d Qtr, FY71 were 468 million dollars as compared to a cumulative ceiling through the 2d Qtr of 473.8 million dollars. The obligation rate against the annual funding program was 66 percent. The mid-year Budget Execution Review (BER) submitted to USARPAC on 4 Dec 70 reflected total unfinanced requirements of 136.4 million dollars, of which 25.9 million dollars was for in-country funds and 110.5 million dollars was for out-of-country funds. 8.2 million dollars of the in-country fund requirements and about 50 million dollars of the out-of-country fund requirements were presented as hard core requirements.

CONCLUSION/FUTURE OUTLOOK: Some funding relief for both in-country and out-of-country fund requirements is expected in response to the BER. With continued resource management, and additional funds to cover the hard core requirements contained in the BER, the command should be able to complete the year without unacceptable funding impact on operations.

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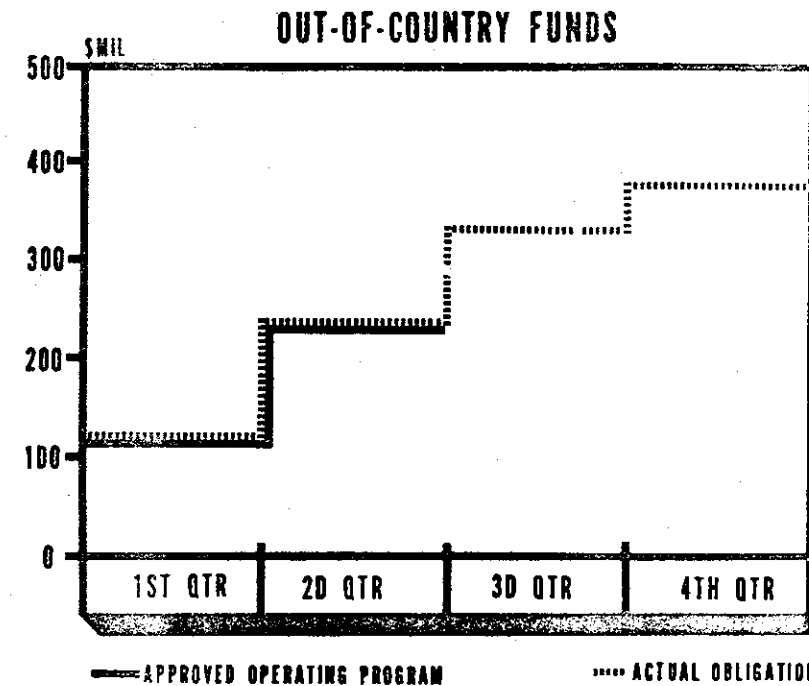
OPERATION AND MAINTENANCE, ARMY (OMA), FY 71



OBJECTIVE: To obtain and effectively utilize financial resources required to support assigned missions.

ANALYSIS: Funds available through the 2d Qtr, FY71 were 232.8 million dollars of which 228.0 million dollars, or 97 percent were obligated. The 2d Qtr obligations were 70 percent of the Annual Funding Program. Unfinanced requirements totaling 25.9 million dollars were submitted to USARPAC in the Budget Execution Review (BER). Just over 8 million dollars of the unfinanced requirements were presented as "hard core" with serious potential operational impact. Subsequent to the BER, unfinanced requirements were increased 1.15 million dollars due to the reduced support from AIK funds.

CONCLUSION/FUTURE OUTLOOK: With continued resource management and funding of 8 million dollars in "hard core" unfinanced requirements, this command's in-country annual funding program will be sufficient to meet FY71 mission requirements.



OBJECTIVE: To obtain and effectively utilize financial resources required for out-of-country procurement.

ANALYSIS: Funds available through the 2d Qtr, FY71 of 241.0 million dollars were 99.9 percent obligated. The obligations through the 2d Qtr represent 63 percent of the annual funding program. Although the obligation rate was generally in line with the 2d Qtr goal, it became apparent that the annual funding program is significantly short of minimum requirements. The mid-year Budget Execution Review reflected 110.5 million dollars unfinanced requirements for FY71, of which 50 million dollars was presented as hard core.

CONCLUSION/FUTURE OUTLOOK: This command should be able to complete the fiscal year without an unacceptable funding impact on supply operations, if funds are received in the amount of the stated hard core unfinanced requirements.

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PROGRESS AGAINST THE DA PROGRAM FOR
USARV SUPPLY FUNDING

OBJECTIVE: To monitor progress against DA established programs for supply consumption, inventory and procurement.

ANALYSIS: Actual data available through 30 Nov 70 indicates that both supply obligations and issues are progressing well below the currently established DA program. The low obligation and issue trends reflect the austere management by USARV, reduced equipment usage, and the generally low level of military activity. Actual in-country inventory balances as of 30 Nov 70 were 4.6 million dollars above the DA program for the end of the 2d Qtr, FY71, indicating that inventory reductions should meet DA expectations for the first half of the fiscal year. However, further inventory reductions of 64 million dollars must be accomplished to meet the DA end of year inventory goal of 160 million dollars. In-country inventory utilization through 30 Nov 70 was 25.6 million dollars or 24.3 percent of the DA annual program. This trend is considered reasonable in view of the USARV program for accelerated inventory utilization as the year progresses. The actual utilization of off-shore inventory through 30 Nov 70 indicates that the DA annual program of 7.9 million dollars will be exceeded.

CONCLUSION/FUTURE OUTLOOK: The actual supply obligation through 30 November (only 37 percent of the DA annual program) indicates that USARV will operate for the year well below the 427.7 million dollars currently programmed by DA. However, indications are that DA will soon reduce their program by at least 50 million dollars based on supply consumption and obligation trends to date.

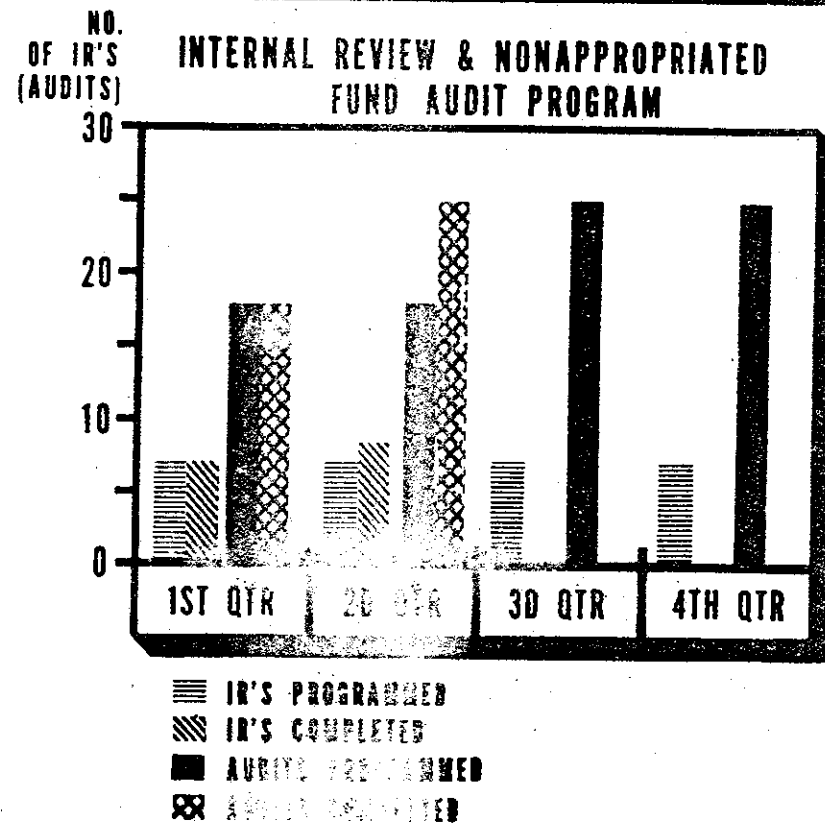
FY71 PROGRESS AGAINST THE DA PROGRAM FOR USARV SUPPLY FUNDING
(Cumulative Dollars in Millions)

| Category | 30 Nov | 2d Qtr | 3d Qtr | 4th Qtr |
|-----------------------------------|--------|--------|--------|---------|
| Direct Supply Obligations | | | | |
| DA Program | 184.1 | 218.8 | 317.0 | 427.7 |
| Actual | 158.3 | | | |
| Issues | | | | |
| DA Program | 282.3 | 333.9 | 480.2 | 603.4 |
| Actual | 255.8 | | | |
| Inventory Objectives | | | | |
| DA Program | | 224.5 | 192.2 | 160.2 |
| Actual | 229.1 | | | |
| In-country Inventory Utilization* | | | | |
| DA Program | | 52.7 | 79.1 | 105.2 |
| Actual | 25.6 | | | |
| Offshore Inventory Utilization | | | | |
| DA Program | | 4.0 | 6.0 | 7.9 |
| Actual | 4.4 | | | |

* Inventory utilization represents the excess of issues to customers over receipts from procurement.

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UNCLASSIFIED PROGRAMS, FY71



OBJECTIVE: To improve management of resources through internal review and non-appropriated fund audit programs.

ANALYSIS: The internal reviews scheduled during 2d Qtr, FY71 were completed. In addition, a review of the processing of captured enemy weapons was conducted at the request of the ADCG/MAT. Eight terminal audits were conducted in addition to the programmed audits.

CONCLUSION/FUTURE OUTLOOK: Two internal reviewers will return to CONUS during January 71. There are no scheduled replacements; therefore the 3d Qtr, FY71 internal review schedule may have to be revised. Periodic audits of open messes will no longer be conducted by DCSCOMPT for the 3d Qtr, FY71, as they will be done by the Army Audit Agency. DCSCOMPT will continue a non-appropriated fund internal review program in the 4th Qtr, FY71.

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