



7/13/2006

Space and Naval Warfare Systems Command (SPAWAR) NMCI Financial Electronic Interface Comptroller White Paper

Naval Marine Corp Intranet (NMCI) is an enterprise-wide network used for the procurement of information technology services for the Navy and Marine Corp. While the ordering of NMCI services and award of Task Orders were accomplished through an automated electronic process, all accounting transactions were previously processed manually.

In March 2003, the SPAWAR Comptroller's Office partnered with Naval Supply Information Systems Activity (NAVSISA), Defense Finance and Accounting Service (DFAS), Defense Logistics Agency (DLA), and Electronic Data Systems (EDS – the prime contractor) to develop an automated data interface between the NMCI electronic ordering tool and Navy accounting systems.

As a result of the exemplary teamwork demonstrated by this diverse group of commercial and government entities, an electronic interface was successfully implemented in October 2004. Through this interface process, accounting transaction files are generated on a daily basis from NMCI orders that have been awarded in EDS's electronic ordering tool (eMarketplace), and obligations are updated to the accounting systems within one business day from the date of contract award.

The NMCI electronic obligation interface increases the accuracy of financial data by: reducing undistributed disbursements, minimizing invoice pre-validation and payment rejections, thereby expediting payment of invoices, and expediting the deobligation of funds allowing them to be used faster for other purposes.

This interface has saved Department of the Navy activities thousands of hours by eliminating the need for manual transaction processing. For example: In FY05 1,887 basic Navy Task Orders and 5,814 Task Order modifications were obligated via the interface process. This resulted in a total of 115,327 transactions that would have had to be manually obligated by discrete funding activities across the Navy if the interface were not in place. This has resulted in decreases to DFAS processing costs required for the update of Contract Master information previously updated manually in STARS One Bill Pay. DFAS processing time has been reduced by 25 min per transaction or 714 labor hours for savings of approximately \$40 thousand per year. Finally the NMCI interface supports DoD and DoN goals to 1) achieve clean financial statements, and 2) reduce Navy-operating costs by eliminating manual data input.

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7/13/2006



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