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Financial Improvement Audit Readiness (FIAR) 101

FIAR Implementation Process for Contractors
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Veronica Gonzalez
AFLCMC/WNSL



Overview

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- ❖ **What is FIAR? What is the purpose of FIAR?**
- ❖ **What is an Contractor Inventory Control Point (C-ICP)?**
- ❖ **Contractor Responsibilities**
 - ❖ **Inventory**
 - ❖ **Interfacing vs. Self-Service Option**
 - ❖ **Data Conversion Sheets**
 - ❖ **Data Cleansing**
 - ❖ **Valuation data (Chief Financial Officer (CFO) Reporting)**
 - ❖ **Daily Transactions reporting**
- ❖ **Questions?**



What is FIAR?

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FIAR: The Financial Improvement and Audit Readiness (FIAR) is a process in which we direct our contractors to manage all USG GFP/GFM in their possession, improving the Department of Defense's financial management operations.

The USG does not have visibility of assets it owns that are in the possession of the contractor. Once FIAR is on contract and fully implemented, the contractor will be managing all USG assets in their possession in an APSR, and the USG will have visibility into all USG owned assets and their value.

Accounting for GFM/GFP provided to a Contractor

FIAR compliance is not an option!



Accountability Requirements

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What is a CICP?

- **Contractor Inventory Control Point (CICP)**
 - CLS provider/contractor on contract to manage Air Force owned materiel (spares)
 - Contractor is the supply chain manager for unique parts
 - Formal acceptance of new parts is performed (DD250) by government personnel

The term CICP is used to represent a contractor that is assigned the primary responsibility for the materiel management of a group of items either for a particular Military Service or for the DoD as a whole. In addition to integrated materiel manager (IMM) functions, a CICP may perform other logistics functions in support of a particular Military Service or for a particular end item.

CICP is also used to identify Contractor Operated and Maintained Base Supply (COMBS) contractors

Bottom Line: All Air Force owned materiel must be accounted for in a Government Accountable Property System of Records (APSR) –i.e. DPAS



What's Next?

Self-Service Vs Interfacing

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- **Self-Service option:** contractor inducting transactions directly in the Defense Property Accountability System (DPAS) for management of CICP. Data conversion sheets are required.
- **Interfacing option:** Contractor number have inventory management system capable of interfacing with DPAS with DLMS requirements; Interface Control Agreement (ICA) needed.

Note: Company must have permission and/or license to modify system.

| Self Service Module DPAS Warehouse and ICP Modules | Interfacing DPAS ICP Module |
|--|--|
| + Quicker implementation (no IT system updates with DLMS or ICA with DAAS) | - Implementation longer - Contractor system must be DLMS compliant - Must have ICA with DAAS |
| + Set up structure in DPAS and enter transactions | - Cost to upgrade CICP system to DLMS |
| + Automated CFO Report and financial reporting | + Automated CFO Report and financial reporting |
| - Dual entry | + No dual entry |
| - Four Conversion Spreadsheets | + One Conversion Spreadsheet |



What is Data Conversion?



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- **A critical activity in the DPAS implementation plan to migrate information from the CICP IT systems to DPAS**
- **Refers to the transformation and transfer of data between different systems when the systems undergo replacement or updates as well as the change in the format of data to ensure that it is compatible with the new database**
- **Data conversion should ensure the following:**
 - **Data is converted into an appropriate format that fits the destination database**
 - **Data is transferred correctly**
 - **Data works in the new destination database**
 - **Data retains its quality**
 - **Data consistency is maintained at all times across all systems using that particular data**
- **Data conversion validation will be conducted between the CICPs and DPAS**



DPAS Data Conversion Spreadsheets



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- **For DPAS implementation, Self-Service Module CICPs must complete the following DPAS data sheets (in order) Note: Interfacing CICPs only complete the ICP Data Input data sheet**
 1. **Configuration Data Input – to establish warehouse structure and stock numbers**
 2. **Static Data Input – locations, facilities, containers and kits**
 3. **ICP Data Input - to establish the ICP structure and associate the warehouse stock numbers and cost to the ICP**
 4. **Asset Data Input – stock number quantities, by condition codes**
- **After each file is completed, DPAS will run the data through their edit/format checks**
- **AF GFM-A and DPAS implementation team members will assist program with this activity**

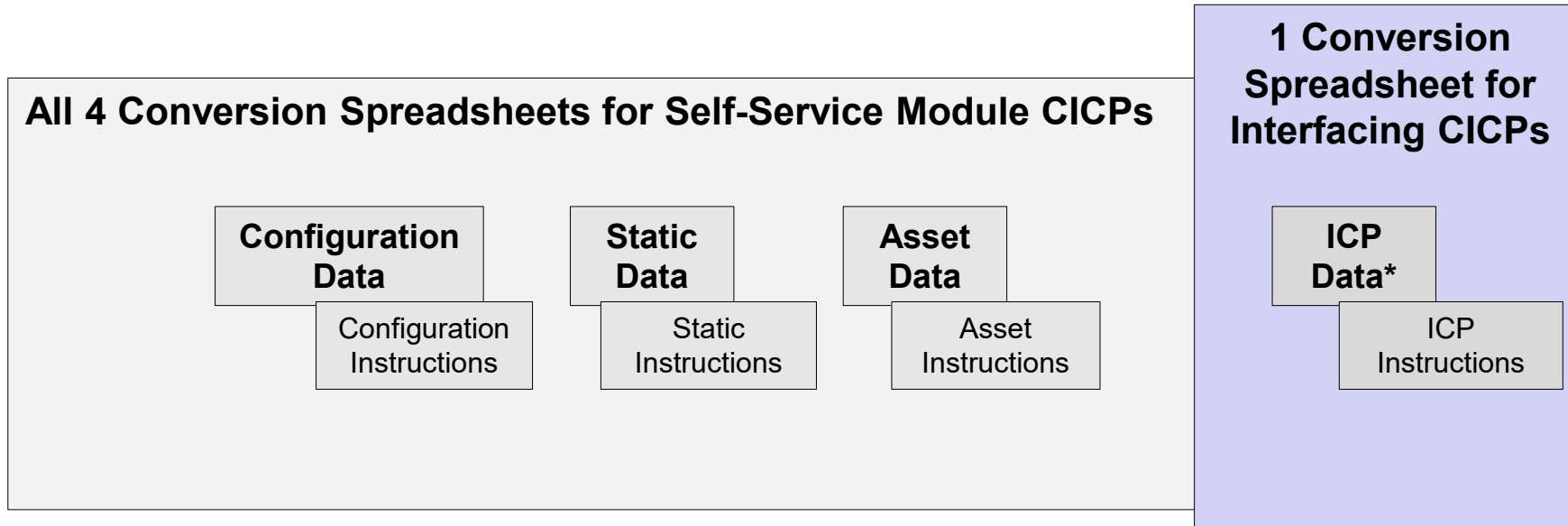
This is the easiest thing you will do – assuming data cleansing is done right.



DPAS Data Conversion Spreadsheets



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ICP Data – details/data required to establish a CICP in the DPAS ICP Module

Other 3 Spreadsheets – details/data required to establish warehouse(s) and to associate the warehouse data to an ICP

*For Interfacing CICPs, include the catalog and stock item tabs



Interface Control Agreements (ICA) with DAAS

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- **Appendix G: System Agreements with DAAS**
 - **Need a signed agreement with associated Security Documentation before a connection with DAAS can be established**
 - **Review can be lengthy, allow 90 days for completion**
 - **Updated agreement template and instructions are posted to the CSWS SharePoint under the GFM-A Information folder**

DAAS ICA takes time to coordinate ~ plan accordingly!



Data Cleansing

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- **Contractor Activities:**
 - **Focus on assets from the Contractor Source of Supply**
 - Assets from Organic sources of supply are not reported to DPAS
 - For assets not from your source of supply – contact the source of supply and ship assets as they direct
 - **In-transit clean-up directed by HAF/A4L to PMO**
 - Plan to complete before program goes to DPAS
 - **Asset valuation review**
 - All assets must have an initial asset valuation with key supporting documentation
 - All prices must be validated
 - Prices must match ILS-S and D043 (if applicable)

Data Cleansing the process of amending or removing data in a database that is incorrect, incomplete, improperly formatted, or duplicated.



Data Cleansing

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- **Contractor Activities:**

- Assets should only include spares where the contractor is the item manager
- Data Elements must be validated (i.e. unit of issue, ERRRC, condition code, serial number (if applicable))
- Must complete 100% inventory
- Dispose of excess or obsolete parts prior to upload into DPAS
- Attestation memo must be submitted to HAF/A4 as proof of completion of data cleansing process!

**Data Cleansing is Key to your success!
Start as soon as possible.**



Valuation Requirements

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- Contractor will submit a quarterly CFO report, in the provided template, listing all required transactions to reflect all movement concerning government assets. (Required FIAR CDRL)
- Cost data for spares is a required field to be provided as part of the report.

| Valuation Method | Technical Definition |
|---|--|
| Standard Price (Selling Price) or | Amount required for the DoD to replace the asset |
| Fair Value | Amount at which an asset or liability could be exchanged in a current transaction between willing parties other than a forced or liquidations sale |
| Latest Acquisition Cost (LAC) | Latest purchase price |
| Replacement Cost | The amount required for an entity to replace the asset |
| Estimated Historical Cost (Initial Amount) | Estimated purchase price |
| Actual Historical Cost | Actual Purchase price |



GFM-A DLMS Transactions



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- **DLMS Transactions in DPAS**

- 527R – Receipts (New acquisitions and customer returns)
- 527R – Receipt Acknowledgements (from customers and disposition services)
- 824R – Reject notification
- 846P – ICP to Warehouse requesting a Physical Inventory
- 846R – Inventory Inquiry (location reconciliation) – EOD and EOM
- 867I – Warehouse Issue
- 945A – Shipment Advice (In lieu of Warehouse Issue to ICP when MRO)
- 947I – Physical Inventory Adjustments made by the Warehouse
- 832N – Catalog data
- 846D – Logistics Reassignment
- 846S – Logistics Reassignment

Mandated by DoDD 8190.01E Defense
Logistics Management Standards (DLMS)

These are the DLMS transactions required for reporting to DPAS; Other systems require other DLMS transactions



QUESTIONS?

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BACKUP SLIDES



DPAS Training

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- **You don't need a DPAS production account for the training**
- **Available to both PMO and CICP personnel**
 - **CICP personnel should consult with their contract PMO to arrange training**
 - **Interfacing CICPs may not need DPAS accounts, unless PMO delegates tasks/roles**
- **Users can begin training immediately (no expiration date)**
- **Training must be completed before new users can use their DPAS roles**
 - **Preserves data integrity in production database**
- **A Contractor Inventory Control Point (C-ICP) Implementation guide will also be provided to the contractor as a reference document.**



DPAS Training

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<https://dpassupport.golearnportal.org/>

The screenshot shows the DPAS Support website home page. At the top, there is a navigation menu with links for Home, System Solutions, Resource Center, Support, Training, and About Us. A search bar is located in the top right corner. On the left side, there are 'Quick Links' including Access DPAS Application, Login to eLearning, Request Access, DPAS Member Site, and Classroom Training Evaluation. Below this is the 'DPAS Help Desk' section with a toll-free number (1-844-THE-DPAS or 1-844-943-3727) and an email address (DPASSupport@leidos.com). The main content area features a large 'Asset Management' banner with the text 'WAWF Interface IUID Management Identify by System/Group of Assets (System ID)' and a sub-headline 'Asset Management also contains Due In Tracking, IUID Management, Asset tracking from Receipt - Update - Inventory - Transfers - Disposal, Serial Number or Bulk Quantity tracking...'. Below the banner are four service tiles: Property Accountability, Maintenance & Utilization, Warehouse Management, and Materiel Management, each with a 'Click to Log In' button. A 'Training Calendar' for February 2018 is also visible.

Follow instructions to create new account.

Complete this training course at any time:
DPAS 9035 – GFM-A Account Manager

If you require assistance, contact the DPAS Help Desk:
1.844.843.3727 or email DPASSupport@Leidos.com

<https://dpaselearning.golearnportal.org/login/index.php>

The screenshot shows the DPAS eLearning login page. At the top, there is a navigation menu with links for Home, System Solutions, Resource Center, Support, Training, and About Us. A search bar is located in the top right corner. The main content area is divided into two sections: 'Returning to this website?' and 'Is this your first time here?'. The 'Returning to this website?' section contains a login form with fields for Username (Email) and Password, and a 'Login' button. Below the form are links for 'Forgot your Password?' and 'Reset My Password'. The 'Is this your first time here?' section contains instructions for creating a new account, including a list of steps: 1. Fill out the New Account form with your details. 2. An email will be immediately sent to your email address. 3. Read your email, and click on the web link it contains. 4. Your account will be confirmed and you will be logged in. 5. Now, select the course you want to participate in. Below the instructions is a 'Create new account' button. At the bottom of the page, there is a footer with the Department of Defense logo and the text 'OUSD (AT&L) Acquisition Resources and Analysis (ARA) Property & Equipment Policy You are not logged in. (Login)'.

Still in-work:
DPAS 7010C - Materiel Management Officer eLearning Course; currently offered as webinar only

Note: this Course material on CSWS