

Transcript (SCIP Training – Financial Demonstration):

Hello and welcome to a demonstration of a security cooperation information portal case information, case status report development with a focus on financial. My name is John O'Connor. I will be the DSU instructor for this demonstration. The intention is to guide you through on how to develop this report. As I mentioned, we're going to focus on the financial aspects of the case report and not cover all the other aspects of the case report. So, your instructions for developing this report will tell you to go to the Case Information Community, which you see displayed on the screen, and then to navigate through the Case Information Menu bar by clicking Case Status as you see I have highlighted here.

Once you click that case status, it will generate a filter different option. The default will be the last options that were selected. In this case, we are looking for a major end item and so I have used these six different filtered options. My country of interest is Bandaria is indicated on the top and also the country code BN. I'm looking for Department of Navy as the implementing agency. So my code is a Papa. The only other code for the Case ID that I'm using is an "L", which for the Department of the Navy is a major end item, which is what I'm looking for. The document type is I so I'm going to be looking at the Implemented version of all the documents that match the criteria for Bandaria FMS cases that the U.S. Navy manages for major end items. And finally I'm looking for cases that are implemented. In other words, they are active. So when I did that search I get a result of eight cases and documents totaling just under \$187 million, as you see here on the bottom.

So then you're going to select the case of interest from all the results that are displayed. If you didn't follow along on how to use the case status filters in case information to find case of interests. We do have a separate training video on that which I encourage you to look at, along with the training reference material and user guides that will guide you there. But we are going to focus on one of these cases and we'll look at this highlighted Bandaria case which has a high dollar amount. Your options here (as the instructions and the other training video will show) to view that case of interest, is either to simply double click, which is what I'm going to do, or you can go to the bottom, select one of the document reports, and then view the report. The only difference will be is if I double click I'll always get the 1st 2 levels of the case report document. If on the other hand, I'd prefer to look at one of the other levels, I could select that level directly and it's just one less click that you're going to have to do when you go there, but I'm going to click the default and I'm going to open that case of interest up directly by highlighting it and double-clicking it.

Doing so, will then bring in the case report. I'm going to navigate to that case report so that you see it so bear with me for just a second. So I'm going to switch to the case report of the one that we selected specifically BN-P-LBR.

So now we're seeing the case report and as I mentioned since I just double clicked the case of interest, the default is I see the first 2 levels, which are Case and Document as the information shows on the top here. I have the ability, by just pointing and clicking to go to any of the levels of the case report which include Case, Document, Case Line, Requisition, SDR, Document

Timeline, and Closure Detail. Note that I have similar menu on the right because even though this looks like a single screen of data. I literally could navigate to any of those levels by simply clicking on the menu bar on the side that I wanted and then being able to see. And if you do see that error, that's not that unusual. Recommend just backing out and, try again. And by doing that, normally you get rid of that error. So it's a bit of an irritant, but it's easy to overcome.

So I have my default my case and document as I mentioned. We're going to focus on financial data for this particular training video, so starting at Case, we'll scroll down and we'll look and see what type of financial information that we have here and so obviously first comes to mind here is in the funding section. We have multiple bits of information including the total collections. The amount of money that has been collected on this particular case to date, which is as you see approaching \$52,000,000.00. Pretty significant, but for a major end item they can be pretty expensive. But then the other one of the things that shows here in the next block is 4 military finance collections which is 0, so that tells us very quickly that this entire amount of nearly \$52M is Bandaria money. If there was some additional funds that the US government was providing under Foreign Military Financing (FMF), instead of zero, that amount would be there. But in this case it is entirely Bandaria money. But here these next bits of information tells us in these three areas tells us some additional financial info. First off, we see cash collections which is \$44,800,620. So I you might be wondering, while he said we collected \$51,711, 769, why do we have a smaller number here in cash collections? Well, if we subtract that amount from total collections, we're going to get this Interest Bearing Account balance. So essentially for this particular case of this, \$51,711,769 this amount, the \$44,800,620 is in the FMS Trust Fund which the Defense Finance and Accounting Service (DFAS) is the accountant for. While this amount here, is at the Bandaria Interest Bearing Account at the Federal Reserve Bank of New York. So two separate accounts, but legally the U.S. Government has collected this entire amount. It's just we're accounting for where exactly each of those dollars are for Bandaria information.

And the nice thing, of course for Bandaria, is this amount that's in their Interest Bearing Account is earning interest while this amount is not. And typically we bring the amount in cash collections into the Trust fund just when we need it, as we've talked about in previous lessons. But one of the other things is very important for both us and Bandaria to understand is that how much of that money has actually been expended, so we now have the Defense Integrated Financial System (DIFS) which is the accounting system for the Finance and Accounting Service (DFAS), and this shows an amount over \$18M. So even though there's a great deal money in the Trust fund, and a great deal of money that's been collected, it's a relatively small amount of money that's been disbursed compared to the total collections, and that would be a typical financial question that the customers may want to ask.

Additionally, now if we move over on the right side we have document detail and just like on the case detail, which is the overall case, the document detail provides financial information too, but at a document level. So you might be wondering what's the difference between a Document, and a Case. Well, if you recall, in your FMS process lessons a document can be both the original version of the case, which is the basic version, and then you can see the total case value of the

basic version was \$102,300,414.99. And then we have potentially, depending on the case, also have amendments and mods for any particular case. And in fact in this situation there have been four different amendments that have been implemented and additionally there can be modifications. In this particular case there is one modification, and the implemented tab which essentially combines all these different documents. The basic in this case, plus the four amendments in this case, and the one modification, into a single implemented version document. And so you can see the value has changed over those amendments and modifications, and now we're currently at a total case value of over \$100M.

And then we have these different terms including “Net Case Value, Programmed Value, etc. Now we could click any one of these blue hyperlinks here and that will give us the definition and essentially our net case value is the above the line amount of the case, where the total case value combines both the above the line and the below the line which as you know, includes the administrative, the transportation and the packing, crating and handling (PC&H).

In this case there's no transportation or Accessorial costs below the line, which is why that administrative surcharge, when added to our above the line net case value gives us our total case value.

Some of these terms can be a little confusing such as programmed and unprogrammed. That's where it's very helpful to click the hyperlinks and understand what exactly we're talking about. The Programmed Value is essentially a combination of how that money is has been put to work, so there's about \$26 million in this net case value that has not quite been put to work. That would be something else if I was a financial analyst I would look at.

And then down here very importantly, so we talked about our total case value in this situation being \$148,000,000. But our total collections being \$51 million. So the good news for Bandaria, they have a payment schedule and they have only been required, (even though it's a substantial amount to you and I), to pay it a portion approximately 1/3 of their total case value. Why? How do we know this? Our Terms of Sale tell us that. We have a Term of Sale letter “B”, and another Term of Sale also. I we click the hyperlink here it would tell us one of these is Dependable Undertaking which authorizes payment schedule, and the other is Cash Prior to Delivery. So the good news is Bandaria has not had to pay the entire amount on the case.

They do have a payment schedule, and in fact one of the other important financial information is down here. They do have payment schedule information that is highlighted. If we click this hyperlink, it'll expand to show the current implemented (since remember we're looking at that tab) payment schedule very similar to what you see on the LOA, but with one additional bit of information, which is the Termination Liability. Something that is not broken out on the LOA, so this is an example of how on SCIP, sometimes they provide you additional information. In this example financial information. Sometimes it's process, sometimes it's acquisition that goes beyond what the actual LOA says, which is why the SCIP is such an important thing.

So we've highlighted pretty quickly I know, but remember you can go back and look this at some of the financial in the case and also the document. And the last thing we're going to look in this video is financial information at the case line. Remember I could go on either side and look at

case line information. I will go on the right side, but I could just as well have clicked it on the left if that's where I would prefer to see it.

Once again, if there are multiple lines in the case, just like there were multiple documents. I could click the drop down arrow on and go to any one of those lines and whichever one I pick, that's the financial information it would show me. But since we're talking finance, I want to go to line number one, which is our major end item line, and once again, what we're just going to focus in this training demonstration on specifically financial information.

So what kind of financial information is there? Well, one of the nice things it tells us the admin charge. Another example of where you would have to look in the LOA notes to be able to see this in the LOA itself. Here it tells us we have the current rate, which is 3.2%, which means this basic version of the line was implemented after that policy had changed. Additionally, we're showing 1.2 for the cache percentage, which means that the LOA itself, the basic version, was implemented before that cash rate went down, and that CAS rate will carry through for the life of the case for all the lines, regardless of when the line was implemented. Now we have line level value similar to the document level. We have the above the amount line which is the net amount.

The net line value which is \$65,170. And then we also have the Total Line value which is the above the line plus these below the line amounts and that amount is \$67,885. We also have these terms once again programmed which as we said is that money that's actually being worked on if you will via commitments, obligations, expenditures, etc.

So hopefully what you got out of this short video here is there is a lot of financial information in the SCIP Case Reports on the Case, Document, and also the Line levels of the report. We will also have a subsequent video that you can watch, and in fact for some of your classes will be mandatory, which is we'll be looking at specifically the financial information for Interim Closed and Final Closed type of cases, but we'll hold those thoughts and discussion for that subsequent video. So with that, feel free to rewind, and/or re-watch any portion of it. Remember the DSU instructors and the other training videos and reference materials are additional way to answer questions for you, but other than that, good luck and best wishes.