

CASE STUDY

FINANCIAL & ADMINISTRATIVE SYSTEMS SECTOR



INNOVATIVE & STREAMLINED SOLUTIONS

CHALLENGE

MIL has been working with The Office of Chief Financial Officer (OCFO) of the Bureau of Diplomatic Security of the Department of State (DoS) for nearly 10 years. Our work makes up a wide variety of financial matters, including upward spending adjustments and recoveries. Upward spending adjustment applies budgetary resources from the current year's funds to cover costs that were incurred in prior years. This mandatory accounting process reduces the bureau's current year availability by millions of dollars. Until recently, the bureau was covering the amount from a central budget that was never allocated to the program offices. Ultimately, this process distorted the cost of each program office by the amount covered from the central budget. To remedy this situation, MIL's challenge at the OCFO included accounting for upward spending adjustments and allocating it to the program offices of the bureau.

SOLUTION

The MIL team developed a systematic reconciliation methodology for all DoS appropriations and allotments. A special general ledger report analysis revealed that a significant amount of the upward spending adjustments and recoveries were not true upward spending adjustments or recoveries. Given this information, the MIL team worked with the Domestic Allotment Accounting Division in Charleston, S.C. to correct those amounts that did not reflect true upward spending adjustments or recoveries.

BENEFIT

MIL's solution resulted in a reconciliation that has been saving the bureau over \$3 million dollars every year for the last 10 years. This process also allocates the proper amount to each program office, which reduces their current year available budget by their allotment. Because of these advances, the program offices now know the true cost of all their program offices, which allows them to be mindful of over-spending against prior year obligations. Ultimately, MIL's solution has helped the OCFO DoS Bureau of Diplomatic Security to run more efficiently and given the bureau accountability measures they can trust.