



CAM

Centralized Asset Management

"More combat capability for the dollar spent"

FACT SHEET

What is Centralized Asset Management?

The Air Force (AF) requires a financial system that both enables our logistics business processes and operates within statutory and regulatory guidelines. Specifically, we sought a financial framework that facilitates, leverages, and enhances our reengineered logistics business processes by motivating and reinforcing desired behaviors to best support expeditionary operations, improving control over operating and support costs, and providing trace-ability of resources to outcome. Indeed, it becomes imperative that the centralized and integrated logistics approach developed under the auspice of Expeditionary Logistics for the 21st Century (eLog21) be mirrored in our collective financial approach. Our aim is to leverage our funding to maximize combat capability; this goal is best accomplished by providing financial data that is consistently reliable, timely, and useful to United States Air Force (USAF) commanders and managers across the Service.

What are the Centralized Asset Management goals?

Implement simple, understandable financial processes with fewer transactions and transparency to warfighter.

Establish financial processes that facilitate, leverage, and enhance our re-engineered logistics business process.

Improve how the Air Force manages sustainment resources across the enterprise; whereby support is optimized in steady state and expeditionary operations.

Provide effective and efficient asset accountability & cost visibility.

Achieve compliance with requirements of the Chief Financial Officers (CFO) Act of 1990, Title 10 United States Code (USC) 2208, and other Federal Financial Management Requirements (FFMRs).

What is the Centralized Asset Management framework?

To address the deficiencies of the past system, we are centrally managing both the provider (Air Force Materiel Command [AFMC]) and the customer (Major Commands [MAJCOMs]) funds, utilizing the Working Capital Fund (WCF) financing mechanism to enhance cost awareness and provide requisite flexibility. Our framework and path forward focuses on aligning financial management with the enterprise-centric process vision established under eLog21 while streamlining the process and strengthening accountability for readiness and cost performance. Essentially, we intend to optimize resource management decisions within existing and future fiscal constraints across the enterprise vice the de-centralized model we used to use. By centrally managing the execution of the provider and customer funds from an enterprise perspective and utilizing a 'liberated' WCF financing mechanism, we will be able to provide the best mix of support across the USAF for the dollars available to meet Air and Space Expeditionary Force commitments (deployed and home station). In this simplified structure, Material Support Division and Depot Maintenance Activity Group will no longer recursively pass costs between each other through sales prior to establishing a price to the ultimate customer. Costs associated with the repair and supply processes will be assigned to output in a direct and meaningful way that enhances cost visibility, and the resulting ability to manage it.

On the customer side, the AF has removed the burden of day-to-day financial management from the MAJCOMs opting, instead, to execute funds from an enterprise perspective to provide greater funding flexibility that better coincides with broader operational needs in a dynamic eLog21 environment. As the AF executive agent, Headquarters (HQ) AFMC will assume all Planning, Programming, Budgeting, and

Execution responsibility for Depot Purchased Equipment Maintenance (DPEM); Depot-Level Repairable (DLR); Sustainment Engineering; Technical Orders; Contractor Logistics Support (CLS); Aviation Petroleum, Oil, Lubricants; and Flying-Hour Consumables funding. MAJCOMs will identify requirements to AFMC for Program Objective Memorandum submission, and AFMC will program and execute the consolidated Total Obligation Authority (budget authority plus Air National Guard, AF Reserves, Transportation WCF, and Special Operations Force reimbursement) to provide support to the MAJCOMs. Additionally, weapon system-level requirements will be aggregated under a Lead MAJCOM. Under this construct, the Lead MAJCOM will act as an agent for USAF operators of a given system or type of equipment. We will fully empower the System Program Manager (SPM) as the single focal point for sustainment as well as acquisition by aligning DPEM, DLR, CLS, and Sustainment Engineering funding under the SPM. All funding actions will be visible to the operational MAJCOMs on whose behalf funds are executed. This arrangement would be codified through establishment of a Performance-Based Logistics (PBL) arrangement between the Lead MAJCOM and AFMC in the form of an Expectations Management Agreement. At the Wing level, financial transactions become transparent to the warfighter. Essentially, spares are considered “free issue.”

Centralized billing is accomplished by using a centrally managed Organization Activity Code within the enterprise financial structure. Current embedded financial structures will be used to maintain total cost, asset visibility, mission, conflict, etc. The centralized account will allow for streamline financial and inventory processing. Even though neither MAJCOMs nor wings will be directly paying for support, cost accountability will be maintained by tracking all costs by weapons system and provide the appropriate visibility to anyone in the AF that needs the information. What is critically important is the understanding by all parties that AFMC, the AF executive agent, does not “own” these funds but, instead,

is responsible and accountable to HQ AF and the Lead Commands for their execution.

As we implement our new information technology tools like the AF Common Operating Picture and the Expeditionary Combat Support System, we will greatly improve this visibility as well as streamline transaction processing even further. The intent is to ensure all enterprise resources satisfy our most critical corporate requirements.

The Centralized Asset Management path forward

The past AF financial management environment did not enable our eLog21 business processes, nor did it operate within statutory and regulatory guidelines. We have ‘over-litigated’ our WCF structure to the extent that its intended flexibility has been effectively eliminated. Our CAM framework and path forward focuses on aligning financial management with the enterprise-centric vision established under eLog21. By managing the provider and customer funds from an enterprise perspective and utilizing a ‘liberated’ WCF financing mechanism, we will meet our established goals and bring real value to the warfighter executing the AF mission. This will directly support and enable achievement of our overall eLog21 goals, improve equipment availability by 20%, and reduce annual operations and support costs by 10% by fiscal year 2012.

Interested in learning more?

For more information, we invite you to visit our website at:
<https://www.my.af.mil>

AF Home > AF Transformation Initiatives > eLog21

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