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Exhibit R-2, RDT&E Budget Item Justification								Date: June 2001		
APPROPRIATION/BUDGET ACTIVITY RDT&E – Defense Wide/Budget Activity: 5					R-1 ITEM NOMENCLATURE Information Technology/Cost Accounting Prototypes – PE: 0605013D8Z					
COST (\$ In Millions)	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	Cost to Complete	Total Cost
Total Program Element (PE) Cost	0	12.629	0	0	0	0	0	0	12.629	12.629

(U) A. Mission Description and Budget Item Justification

(U) BRIEF DESCRIPTION OF ELEMENT: Most of the Department's current accounting systems and processes were designed primarily to provide budgetary accounting information and reports required by the Congress and the Office of Management and Budget. Consequently, many of these systems do not satisfy current cost accounting information requirements recently imposed on all federal government agencies nor meet the Department's management needs for cost information in support of more cost effective decisions. The program supports an initiative to improve cost accounting capabilities within the Department. The program will support cost accounting pilots to improve: (1) the accumulation and identification of cost information, (2) the analysis of cost information for making more cost effective decisions, (3) visibility of the cost of operations and programs and (4) delivery of relevant and reliable information to program managers in a way that better relates costs to outputs and activities.

PROGRAM ACCOMPLISHMENTS AND PLANS :

(U) FY 2000 Accomplishments:

(U) FY 2000 Plans:

(U) FY 2001 Plans:

- Initiate cost accounting pilots with the United States Transportation Command, the Air Force Mobility Command, the Air Force Material Command (Information Services Activity Group) and the Office of the Under Secretary of Defense (Comptroller).
- Assess and evaluate the results of these cost accounting initiatives to determine the feasibility of potential future cost accounting initiatives.

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(U) B. <u>Program Change Summary</u>	<u>FY2000</u>	<u>FY2001</u>	<u>FY2002</u>	<u>Total Cost</u>
Previous President's Budget Submit	0	12,000	0	12,000

Appropriated Value

Congressional Directed Transfer

Adjustments to Appropriated
Value/Transferred Amount

a. Congressional realignment	750	750
b. Congressionally Directed Undistributed Reductions	-121	-121
c. Other (DOD Program Changes)		

President's Budget Submission	0	12,629	0	12,629
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(U) Funding: New Program in FY 2001

(U) Schedule: Not Applicable

(U) Technical: Not Applicable

(U) C. Other Program Funding Summary: Not Applicable

(U) D. Acquisition Strategy: Not Applicable

(U) E. Schedule Profile: Not Applicable

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