

***SEC. 1004. DEVELOPMENT AND IMPLEMENTATION OF FINANCIAL MANAGEMENT ENTERPRISE ARCHITECTURE.***

*(a) REQUIREMENT FOR ENTERPRISE ARCHITECTURE AND FOR TRANSITION PLAN-*

*Not later than May 1, 2003, the Secretary of Defense shall develop--*

*(1) a financial management enterprise architecture for all budgetary, accounting, finance, enterprise resource planning, and mixed information systems of the Department of Defense; and*

*(2) a transition plan for implementing that financial management enterprise architecture.*

*(b) COMPOSITION OF ENTERPRISE ARCHITECTURE- (1) The financial management enterprise architecture developed under subsection (a)(1) shall describe an information infrastructure that, at a minimum, would enable the Department of Defense to--*

*(A) comply with all Federal accounting, financial management, and reporting requirements;*

*(B) routinely produce timely, accurate, and reliable financial information for management purposes;*

*(C) integrate budget, accounting, and program information and systems; and*

*(D) provide for the systematic measurement of performance, including the ability to produce timely, relevant, and reliable cost information.*

*(2) That enterprise architecture shall also include policies, procedures, data standards, and system interface requirements that are to apply uniformly throughout the Department of Defense.*

*(c) COMPOSITION OF TRANSITION PLAN- The transition plan developed under subsection (a)(2) shall include the following:*

*(1) The acquisition strategy for the enterprise architecture, including specific time-phased milestones, performance metrics, and financial and nonfinancial resource needs.*

*(2) A listing of the mission critical or mission essential operational and developmental financial and nonfinancial management systems of the Department of Defense, as defined by the Under Secretary of Defense*

*(Comptroller), consistent with budget justification documentation, together with--*

*(A) the costs to operate and maintain each of those systems during fiscal year*

*2002; and*

*(B) the estimated cost to operate and maintain each of those systems during fiscal year 2003.*

*(3) A listing of the operational and developmental financial management systems of the Department of Defense as of the date of the enactment of this Act (known as 'legacy systems') that will not be part of the objective financial and nonfinancial management system, together with the schedule for terminating those legacy systems that provides for reducing the use of those legacy systems in phases.*

*(d) CONDITIONS FOR OBLIGATION OF SIGNIFICANT AMOUNTS FOR FINANCIAL SYSTEM IMPROVEMENTS- An amount in excess of \$1,000,000 may be obligated for a defense financial system improvement only if the Under Secretary of Defense (Comptroller) makes a determination regarding that improvement as follows:*

*(1) Before the date of an approval specified in paragraph*

*(2), a determination that the defense financial system improvement is necessary for either of the following reasons:*

*(A) To achieve a critical national security capability or address a critical requirement in an area such as safety or security.*

*(B) To prevent a significant adverse effect (in terms of a technical matter, cost, or schedule) on a project that is needed to achieve an essential capability, taking into consideration in the determination the alternative solutions for preventing the adverse effect.*

*(2) On and after the date of any approval by the Secretary of Defense of a financial management enterprise architecture and a transition plan that satisfy the requirements of this **section**, a determination that the defense financial system improvement is consistent with both the enterprise architecture and the transition plan.*

*(e) CONGRESSIONAL REPORTS- Not later than March 15 of each year from 2004 through 2007, the Secretary of Defense shall submit to the*

congressional defense committees a report on the progress of the Department of Defense in implementing the enterprise architecture and transition plan required by this **section**. Each report shall include, at a minimum--

(1) a description of the actions taken during the preceding fiscal year to implement the enterprise architecture and transition plan (together with the estimated costs of such actions);

(2) an explanation of any action planned in the enterprise architecture and transition plan to be taken during the preceding fiscal year that was not taken during that fiscal year;

(3) a description of the actions taken and planned to be taken during the current fiscal year to implement the enterprise architecture and transition plan (together with the estimated costs of such actions); and

(4) a description of the actions taken and planned to be taken during the next fiscal year to implement the enterprise architecture and transition plan (together with the estimated costs of such actions).

(f) **COMPTROLLER GENERAL REVIEW**- Not later than 60 days after the approval of an enterprise architecture and transition plan in accordance with the requirements of subsection (a), and not later than 60 days after the submission of an annual report required by subsection (e), the Comptroller General shall submit to the congressional defense committees an assessment of the extent to which the actions taken by the Department comply with the requirements of this **section**.

(g) **DEFINITIONS**- In this **section**:

(1) The term `defense financial system improvement' means the acquisition of a new budgetary, accounting, finance, enterprise resource planning, or mixed information system for the Department of Defense or a modification of an existing budgetary, accounting, finance, enterprise resource planning, or mixed information system of the Department of Defense. Such term does not include routine maintenance and operation of any such system.

(2) The term `mixed information system' means an information system that supports financial and non-financial functions of the Federal Government as defined in Office of Management and Budget Circular A-127 (Financial management Systems).