

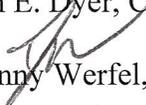


EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D. C. 20503

THE CONTROLLER

JAN 31 2011

MEMORANDUM FOR: Jim E. Dyer, Chief Financial Officer, NRC

FROM:  Danny Werfel, Controller, OFFM

SUBJECT: Nuclear Regulatory Commission's Financial Accounting and Information Management System (FAIMIS)

On September 2, 2010, in accordance with OMB Memorandum M-10-26, the Nuclear Regulatory Commission (NRC) presented the Financial Systems Advisory Board (FSAB) with a review of their financial modernization activities.

As presented by NRC, Financial Accounting and Information Management System (FAIMIS) is a multi-year, multi-segment program that is currently planned for two primary phases (Core Financial System is phase v1.0 and Acquisitions is phase v2.0), along with sub-phases including: Funds Utilization (v1.1), Invoice Approvals (v1.2), Commercial Contracts & Grants (v2.1) and DOE Laboratory and Interagency Agreements (v2.2). While their Core Financial System (CFS) is scheduled to go-live on October 1, 2010 at the National Business Center (NBC), NRC has decided to put their Acquisitions project out to bid for full and open competition. NRC anticipates that their financial modernization will be fully deployed and hosted in a common environment by 2014, with incremental deployments of the sub-phases of the program in the interim.

Upon review of NRC's presentation, the FSAB noted (1) NRC's approach to its multi-segment FAIMIS program is consistent with OMB Memo M-10-26; (2) NRC should carefully weigh the impacts of potentially utilizing different service providers for Projects 1 and 2 and how these discrete projects (if performed by different service providers) will eventually come together to form the final FAIMIS solution; and (3) NRC should continue to aggressively manage the fit-gap to the MOMENTUM software for its Acquisition solution, adhering to the COTS solution to the greatest extent possible.

OMB concurs with the FSAB's recommendations and supports NRC's current approach and planned FAIMIS activities for Phase 2 Acquisitions. OMB believes the above recommendations are consistent with the guiding principles for the acquisition and project management of new financial systems set forth in OMB Memorandum M-10-26: (1) splitting

projects into smaller, simpler segments with clear deliverables; (2) focusing on the most critical business needs first; and (3) ensuring ongoing, transparent project oversight.

Based on the current status of NRC's modernization, FAIMS is not considered to be high-risk and will be monitored periodically by OMB. Should NRC undertake any major changes to their financial modernization plan in the future, all updates and upgrades will be subject to formal OMB review and approval.

If you have any questions, please contact Debra Bond, Deputy Controller at 202-395-3993 or dbond@omb.eop.gov.

Cc: Financial Systems Advisory Board