



DEPARTMENTS OF THE ARMY AND THE AIR FORCE  
JOINT FORCE HEADQUARTERS  
OFFICE OF THE ADJUTANT GENERAL - CALIFORNIA NATIONAL GUARD  
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CAAG

9 March 2011

MEMORANDUM FOR Director, Army National Guard, 111 South George Mason Drive,  
Arlington, VA 22204-1382

SUBJECT: California Army National Guard Annual Statement of Assurance (ASA) on Internal  
Controls for 2011

1. The California Army National Guard is submitting a qualified statement of assurance that its internal controls can be reasonably certain to meet the objectives of the Federal Managers' Financial Integrity Act for overall programs, administration, and operations.
2. In the last year serious internal control weaknesses and alleged misuse of federal funds in the CA ARNG have come to light. These weaknesses have been revealed to be both long term and to involve a variety of issues, organizational entities, and personnel at a variety of levels. The clear indications are that previous internal control measures were inadequate and failed to identify these weaknesses. Outside criminal investigations remain ongoing in some areas.
3. This statement of assurance is predicted on four important qualifications:
  - a. Tab B identifies 9 specific material weaknesses in internal control processes.
  - b. Tab A identifies how the CA ARNG 2011 ASA was prepared including addressing the special items of interest specified by CNGB.
  - c. In Tab A, we also identify areas where we have substantial concerns and need further review but have not identified a specific material weakness at this time.
  - d. Concerns noted in paragraph 5b and 5c below.
4. With the important qualifications noted above, the internal control processes throughout the CA ARNG provide reasonable assurance that:
  - a. Assets are safeguarded against waste, loss, unauthorized use, or misappropriation.
  - b. Obligations and expenditures for the CA ARNG comply with applicable laws and are properly recorded and accounted for to permit preparation of reliable financial reports and maintain accountability over assets.
  - c. Programs and administrative functions are effectively carried out in accordance with applicable laws, regulations, and management policies.

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5. This determination is based on a general understanding and adherence to the GAO Standards for Internal Controls, verified by methods necessary to evaluate the adequacy of management controls. Some of the actions supporting our determinations include application of all scheduled management control evaluations by applicable organizational elements as well as the following:

- a. Assurances by principal senior leadership of subordinate organizations.
- b. Establishment of sound policies and specific actions in regulations and other directives taken to ensure that we have a reasonable level of confidence that internal controls are in place, valid and operating well. However, in the last ten years, the operational nature of the Guard has led to a rapid expansion of existing programs and a proliferation of new programs fielded to the Guard for rapid execution at state level. These new or expanded programs have frequently been accompanied by inadequate guidance, weak systemic controls, and inadequate or no personnel resources to oversee the execution of substantial increases in resources.
- c. Prevention and detection measures, such as internal or external audits, inspections, investigations and quality control reviews. It must be noted that the USPFO for California Internal Review Division has insufficient audit personnel to conduct a fully effective audit program. The loss of personnel in other areas has also adversely impacted on quality control measures as personnel and managers become focused on immediate mission accomplishment. Large states such as California are simply not manned proportionally for the volume of personnel and activities supported and internal control measures suffer as a result.
- d. Heightened awareness and formal responsibility for the adequacy of management controls by military and civilian managers.
- e. General knowledge of command operations derived from weekly staff meetings, status reports, periodic review, operation updates and other forms of command oversight.
- f. Numerous actions taken by the Adjutant General and responsible managers in direct response to identified weaknesses and vulnerabilities.

6. Enclosed with this memo are four Tabs including; Tab A - How the Assessment was Conducted, Tab B - Material Weaknesses, Tab C - CAARNG 5-Year Management Control Plan, and Tab D - AUM Appointment Memorandum.



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7. The point of contact is the senior designated official for internal controls, (b) (6), at 916-854-3471 or (b) (6)



MARY J. KIGHT  
Major General  
The Adjutant General

(b) (6)

Colonel, NGB  
USPFO for California

Encl  
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## TAB A

### CALIFORNIA ARMY NATIONAL GUARD INTERNAL CONTROL PROGRAM ANNUAL STATEMENT OF ASSURANCE "How the Assessment was Conducted"

#### TAB A-1

#### BASIS FOR REASONABLE ASSURANCE

1. The qualified Annual Statement of Assurance (ASA) for the CA ARNG is based primarily on the cumulative actions and certificates of Assessable Unit Managers (AUM) and leaders/operators that proper management controls in the California Army National Guard are in place and operating as intended and that assets are safeguarded against waste, loss, misappropriation and unauthorized use.
2. All 72 evaluations scheduled in the 5 year Internal Control Plan were conducted, documented, and are on file with the Internal Control Administrator. Additionally, USPFO Internal Review conducted a review to examine and evaluate the thoroughness of the 5-year Internal Control Plan and the Management Control Evaluation Certification Statements. Where the backup information for evaluated area was lacking, the evaluations were returned to the appropriate AUM for further validation. The effectiveness of internal controls in a given area are evaluated during each audit conducted by USPFO Internal Review.
3. In addition to the material weaknesses identified in Tab B, there is an additional potential weakness. While reviewing technician retention incentive nominations, NGB-J1-TN identified two senior human resources managers in California as having received extensive monetary awards in addition to their salaries and retention incentives over a period of years. TAG-CA initiated an external investigation into the records of payments to those individuals. As a result of the NGB information, the USPFO for CA requested listings of all monetary awards paid to CNG technicians for FY07-10. A very preliminary review of that information reveals a possible pattern of substantial repetitive awards in a single year, in some cases totaling tens of thousands of dollars, being made to senior HR managers that appears far in excess to those paid to non-HR personnel. The pattern implies a potential abuse of position at a minimum. It is however too new to prepare a material weakness identifying the specific internal control weaknesses or milestones for correction.

## TAB A-2

### LEADERSHIP EMPHASIS

1. In order to ensure controls are in place to prevent fraud, waste, and abuse of federal resources and ensure normal operations function as intended, the California National Guard fully supports the Internal Control Process (ICP):

a. The Adjutant General holds a weekly meeting with all GO's and directorates known as the Headquarters Update Brief (HUB). The HUB follows an established format reporting on both current issues and established metrics that ensure the Adjutant General and senior leadership are aware of shortcomings in internal control processes in several key areas of concern on a timely basis. During these meetings the Adjutant General has personally and repeatedly stressed to directors, the importance of rigorous self assessments of the adequacy of internal controls.

b. Additionally, the California Army National Guard maintains and operates numerous advisory boards, functional committees, and workshops, such as the Environmental Quality Control Council, the Safety and Occupational Health Advisory Council, and the Consolidated Readiness Workshop where senior leaders are made aware of and can emphasize action to correct internal control shortcomings.

c. In response to weaknesses identified during the course of the year, the Adjutant General initiated investigations (both internal and external), audits, and reviews appropriate to the circumstances.

2. Established framework for responsibility and accountability to achieve objectives.

a. The Adjutant General, California National Guard appointed in writing individuals to administer and manage the ICP. Army and Joint Staff Directors have been designated as Assessable Unit Managers (AUM). The AUM's are responsible for ensuring Internal Controls are in place within their areas. They are also required to ensure that internal controls are assessed and results are reported on DA Form 11-2-R during the reporting period in compliance with the provisions of AR 11-2, Management Control, 1 August 1994. Two AUMs are the senior managers of the assessable units assigned, however they do not meet the grade requirements. A waiver was granted by NGB on 30 September 2010. One AUM deployed during the reporting period and was replaced by his deputy. However, the replacement does not meet the grade requirement. A waiver was requested by the ICA and was granted by NGB on 20 February 2011.

c. Army division and Joint Staff AUM's maintain a 5 year Internal Control Evaluation Plan. The plan was extensively updated this year, adding cooperative agreements as required by NGR 5-1 and incorporating applicable HQDA key internal control evaluations.

d. Re-emphasis on AUM responsibility for the effective execution of the Managers' Internal Control Program was provided with the Adjutant General's Memorandum, CAAG, 10 September 2010, subject: New Requirements for FY 2011 CA ARNG Annual Statement of Assurance (ASA) on Internal Management Controls. In this memo, the Adjutant General emphasized the year round nature of the internal control program by requiring the early submission of one third of scheduled evaluations for the year.

e. Ensured that the Internal Control Administrator (ICA), maintains a current ICP binder including references and supporting documentation.

### 3. CNGB Special Interest Items.

Beginning on 13 October 2010, the CNGB required special reviews be conducted in several areas in each state and subsequently required that these reviews be addressed in the Annual Statement of Assurance. In some cases the reviews were required as a result of situations arising from California. The results of those reviews are addressed here except where specific to the Air National Guard which will be included in the upcoming ANG ASA.

**ARNG Federal Tuition Assistance.** Overall, according to CA USPFO-IR auditors, CA ARNG G1 Federal Tuition Assistance (FTA) Program officials properly administered the payment of \$3.4 million in FY 2010 FTA funds involving 3,721 course authorizations for CAARNG soldiers. However, 1,347 course authorizations from FY07-10 totaling almost \$1.9M did not reflect grades for completed work. When soldiers fail, or fail to complete a course, recoupment of FTA paid is required. While further follow-up on the part of G1 Civilian Education staff will likely reduce this number, the potential for significant recoupment being required is substantial. A material weakness for this area is contained in Tab B.

**ARNG Bonuses.** This audit was not completed due to the ongoing multi-agency criminal investigation into this subject in the CA ARNG which is what led to CNGB's nationwide requirement to review this area. The investigating agencies precluded further audit work in this area but serious material weaknesses were identified and are now well known. A material weakness for this area is contained in Tab B.

**ARNG Student Loan Repayment Program.** This audit was also not completed due to the ongoing multi-agency criminal investigation into this subject in the CA ARNG which is what led to CNGB's nationwide requirement to review this area. The investigating agencies precluded further audit work in this area but serious material weaknesses were identified and are now well known. The material weakness for this area is contained in Tab B combined with ARNG Bonuses as a single weakness in the area of incentive payments.



**ARNG & ANG Technician Retention Bonuses.** Because of lack of auditors and an impairment to independence, the USPFO-CA requested the assistance of NGB-IR to conduct this review. NGB-IR identified substantial weaknesses in the CNG's use of retention incentives for technician personnel. A material weakness for this area is included at Tab B.

**ARNG Technician Dual Compensation** USPFO for CA Internal Review Auditors reviewed this area in addition to a separate earlier review by the HRO conducted at the direction of the Adjutant General. No specific material weakness was identified in the reviews although shortcomings were noted and data on some sampled technicians was not completely validated in the time available. Reviews of dual compensation were performed but frequently late due to the manual and time consuming nature of the process. Progress is being made on a program to capture and automatically compare military and tech performance data to save time and streamline the process. However, the USPFO has prepared a material weakness based on inadequate processes for comparing and identifying IDT performed during technician work time.

### ICP TRAINING

- a. Joint Staff, Executive Officer (ICA) and five other officers involved in the internal control plan, received internal control training during the period of 8-9 December 2010 in San Antonio, Texas while attending the Army Managers' Internal Control Administrator's Course conducted by the USDA Graduate School.
- b. The ICA and the USPFO conducted Assessable Unit Manager training for eighteen personnel. The training provided initial internal control training for eight senior staff members and support staff and sustainment training for seven AUMs and three senior staff. Utilizing material tailored from the NGB workshop, the training consisted of instructional guidance, references, and documents necessary to fulfill the duties and responsibilities of the AUMs. The training included particular emphasis on the need for a thorough review of the 5 year Internal Control Evaluation Plan, the need to perform internal control assessments throughout the year, and proper completion of DA Forms 11-2-R's. The Joint Staff has instituted an annual training program for AUMs. Training briefs and sign in rosters for training are on file with the ICA. Additionally, the USPFO received a NGB Internal Control update during the annual USPFO conference.
- c. NGB and the Army Financial Management websites were used to collect information for training, assist in updating the 5-year Internal Control Evaluation Plan, and gather information for a Managers' Internal Control Plan Standard Operating Procedure for the State.

## EXECUTION

The following summarizes significant Internal Control accomplishments within the California Army National Guard:

<u>Issue.</u>	<u>DA Forms 11-2-R</u> DA Forms 11-2-R did not always provide sufficient detail regarding how controls were tested.
<u>Accomplishment</u>	The SDO, AUMs, and functional personnel were trained on the completion of DA Forms 11-2-R. In addition, those DA Forms 11-2-R that were submitted without necessary information were returned to the AUM's to provide additional detail. This year's submissions were significantly improved, providing greater assurance that proper controls were in place.
<u>Issue.</u>	<u>5-Year Internal Control Evaluation Plan Update</u> A 5-year Internal Control Evaluation Plan has been maintained and thoroughly updated.
<u>Accomplishment</u>	All eleven AUMs reviewed/updated their 5-year plans to include eliminating obsolete programs, addressing organizational realignments, adding cooperative agreements in the functional areas, adding applicable HQDA internal control evaluations, and updating risk factors and evaluation schedules. Annual updates are scheduled.
<u>Issue.</u>	<u>Assistance, Audit, and Instruction Teams (AAIT)</u> The proper use of federal property and funds is difficult to track in a large state. California maintains over 200 UIC's , which are spread out over 700 miles in over 120 locations.
<u>Accomplishment</u>	The USPFO, using M-Day personnel (Detachment 1 - USPFO Support), expanded the AAIT Program to review key indicators of fiscal and supply discipline that require on-site observations and provide training. Detachment 1 nearly 100 visits to units in 2010 identifying common trends and working with units to resolve discrepancies.

Issue

USPFO Report Card

Unit commanders find it difficult to easily track and obtain current data on the myriad of programs and issues they are responsible for.

Accomplishment

The USPFO Data Processing Center issued Version 2 of the Army Division Scorecard. This is an online tool for commanders and FTM personnel at all levels of command, which allows current data to be viewed from a variety of databases. The metrics are organized by Army Division Functional areas and USPFO DP has worked closely with senior leadership to define the metrics used to evaluate unit readiness and administrative compliance. Nine metrics were added this year to assist leaders in identifying internal control shortfalls.

Issue

Frequency of DA Form 11-2 R submittals

After reviewing the timeliness of the annual Management Control Evaluation Certification Statement (DA Form 11-2 R) submittals, it was determined by TAG that one annual submission was inadequate. Therefore, at least one third of the DA Form 11-2-R's were required no later than 30 November 2010. In addition, it has been determined that the AUM's will be required to make several submissions during the year to ensure that the SDO, ICA, and internal review have sufficient time to properly review all 11-2-R's, greatly increasing the quality of the CA ARNG annual review process.

Issue

Controls over Technician Dual Compensation.

Accomplishment

In response to concerns over dual compensation, TAG directed reviews of controls over dual compensation. Personnel from the HRO visited all four Wings and numerous CA ARNG activities and identified shortcomings and recommended improvements in processes.

## CA ARNG 2011 Annual Statement of Assurance

### TAB B1

#### LIST OF MATERIAL WEAKNESSES

##### New Weaknesses:

1. Military Incentive Programs – Bonuses and Student Loan Repayment Program
2. Unsatisfactory Property Accountability (Rear Detachments)
3. Aviation Readiness
4. Integrity of Data Flow Between Systems in the CFMO Office
5. CNG Technician Retention Incentive Approvals and Justifications
6. Retention of Substantiating Documents for IDT Pay
7. Facilities and Engineering Personnel Shortage
8. Technician Dual Compensation When Performing IDT
9. Federal Tuition Assistance

##### Uncorrected Weaknesses:

1. Property Accountability/Disposition – New Equipment Fieldings

##### Corrected Weaknesses:

None



# CA ARNG 2011 Annual Statement of Assurance

## TAB B-2

### New Material Weaknesses

#### Material Weakness #1

**Title:** Lack of internal oversight controls for CAARNG Incentive Program

**Description of Material Weakness:**

- a. **Condition-** In 2010 The CAARNG Incentive Program was revealed to have inadequate internal controls resulting in allegations of large scale erroneous, invalid, and illegal payments of bonuses and student loan repayments. The program is currently subject to a major federal criminal investigation. Internally the program is in a state of realignment.
- b. **Cause-** The primary cause for this material weakness was the lack of appropriate oversight and control measures to review the work of the incentive manager at the state, and NGB level for several years.
- c. **Effect/Impact-** Potential erroneous payments and misuse of tens of millions of dollars of funds. Allegations of misuse of funds could lead to criminal prosecutions. Hundreds, potentially thousands of soldiers subject to recoupment of erroneous payments. Adverse media publicity reflecting poorly on the CNG and NGB in general.

**Functional Category-** Comptroller/Resource Management

**Senior Official in Charge-** (b) (6)

**Pace of Corrective Action-**

**Year Identified-** FY10

**Original Target Date-** FY11 (30 Sep2011)

**Target Date in Last Year's Report-** N/A

**Current Target Date-** N/A

**Reason for Change in Date-** N/A

**Validation Process-** The Validation of corrective actions will be accomplished through both internal and external management review from CAARNG Leadership, NGB Specialists, and external auditors (USAAA) This process is currently underway and began with an NGB assistance team visit in May 2010, a CAARNG leadership review in OCT-NOV 2010, and recently a USAAA review of the program in JAN 2011 that is scheduled to conclude in MAR 2011.

**Results Indicator-** Drastic Improvements were made in FY10 to the CAARNG Incentives Program. A wide sweeping, multi-faceted realignment effort was implemented. This included increased staffing of the CAARNG Incentives program from 1 full time employee to 6 full time employees, to include a full time AGR authorization for the position of State Incentive Manager, reassignment of the program from the state recruiting command to the State MILPO, mandatory training requirements which include fiscal law training, creation of State SOP, positive remarks from NGB assistance visits and observation of the current program and staff, and implementation of an internal oversight controls plan. Metric indicators include the reduction and settlement of 3269 incentives contracts that were open for discharged Soldiers which accounted for a de-obligation of 54 million dollars in scheduled incentives payments by 30 APR 2010. A full statewide internal review of the CAARNG Loan Repayment Program resulted in discovery of 7.2 million dollars in incentives payments for student loans from Fy00-2009 that showed an 83% error rate for erroneous entitlement. In contrast FY10 transactions were reviewed and showed a 0% error rate. The CAARNG has been proactive and up front upon discovery of the severity of this issue and has called on outside agencies for assistance when needed.

**Sources Identifying Weakness-** The new CAARNG State Incentive Manager identified the material weakness through direct observation, records review and internal review findings.

**Major Milestones:**

**Completed Milestones:**

- a. Authorized AGR State Incentive Manager (1 OCT 2009)
- b. Assigned additional personnel to manage incentive program (APR 2010)
- c. Reduced losses with active contracts to 0; closed contracts totaling 54 million dollars. (30 APR 2010)
- d. Requested NGB assistance visit and review (1-5 May 2010)
- e. Identified and reported direct evidence of historical erroneous incentive processing (25 May 2010)

**Completed Milestones (cont)**

- f. Initiated briefing of Incentive Program status to state leadership (July 2010)
- g. Initiated internal review audit of LRP program. (JUL 2010)
- h. Provided findings of internal review to Department of Justice (AUG 2010)
- i. Developed and published SOP for incentives (OCT 2010)
- j. Developed mandatory training requirements for incentives staff (OCT 2010)
- k. Developed and implemented internal controls plan (JAN 2011)

**Planned Milestones:**

- a. USAAA audit completion and results (MAR 2011)

- b. Mandatory training requirement compliance **(May 2011)**
- c. Development of on demand training resources **(May 2011)**
- d. Settlement of accounts and recoupment of erroneous payments **(TBD- Pending Coordination with DOJ)**

**Validation Milestones-**

- a. NGB assistance team visit reported favorable results with State corrective actions **(JUN 2010)**
- b. State leadership implemented internal controls plan and mandatory reporting requirements with favorable results. **(JAN 2011)**

**ARNG or HQDA Action Required-** Recommend NGB centralize processing of Student Loan Repayments as they have for Bonus payments.

**Point of Contact-** The primary point of contact and subject matter expert is the CAARNG G1, (916) 854-3116 or via email **(b) (6)**



## Material Weakness #2

**Title:** Unsatisfactory Property Accountability (Rear Detachments)

**Description:**

A. Reference First Army Division West Inspector General Inspection January 2011 finding: No separate property books completed and signed by rear PBOs; 21 units Mobilized (AR 735-5, para 2-13c)

B. The largest category of CAARNG property loss continues to be related to deployments. As the final review authority, the USPFO observed that nearly every deployment related FLIPL identifies a failure to emphasize property accountability and properly account for property left behind in rear dets.

**Functional Category:** Supply Operations

**Senior Officer in Charge:** (b) (6) (Deputy USPFO)

**Pace of Corrective Action:**

**Year Identified:** 2011

**Original Targeted Correction Date:** N/A

**Current Target Date:** October 2011

**Validation Process:** USPFO Supply & Services Division will monitor deployments to determine if Brigade PBO split out property books for rear detachments and that Rear PBOs submit property books to USPFO Property Management Branch (PMB).

**Results Indicators:** Rear PBOs submit property books to USPFO PMB.

**Source(s) Identifying Weakness:** USPFO review of FLIPLS

**Major Milestones in Corrective Action:**

B. Planned Milestones:

<u>Date:</u>	<u>Milestone:</u>
Apr11	USPFO and CA ARNG G4 complete support plan requiring rear detachment property book prior to CA ARNG validating unit for deployment.
Jul11	Follow-up actions as required by CA ARNG G4 and USPFO.
Dec11	PBOs submit all rear property books to PMB

**NGB or DA Action Required:** No

**Point of Contact:** (b) (6) Deputy USPFO



### **MATERIAL WEAKNESS #3**

**Title:** California Army Aviation Readiness Shortfall

**Description of Material Weakness:**

- a. **Condition:** California's rotary wing aircraft Operational Readiness (OR) rates have consistently fallen well below DoD standards the past year.
- b. **Cause:** Two main issues are attributed to the low OR rates; low full time manning levels and low Class IX parts funding.
- c. **Effect/Impact:** If these issues are not resolved, California aviation risks a continued low OR rate coupled with a low readiness rates for air crew members and ultimately a reduced ability to support state and federal aviation missions.

**Functional Category:** Maintenance, Repair and Funding

**Senior Official in Charge:** (b) (6), State Aviation Officer,  
(b) (6)

**Pace of Corrective Action:**

**Year Identified:** FY2011

**Original Target Date:** Dec 2010

**Target Date in Last Year's Report:** N/A

**Current Target Date:** Oct 2011

**Reason for Change in Date(s):** N/A

**Validation Process:** The State Aviation Office (maintenance section will use the standard Department of Army 1352 reporting process during each month close out as a validation process.

**Results Indicators:** The SAO maintenance section will track a continued increase from the current OR Rates of each type of aircraft as we work towards the Army Operational Readiness standard indicated in AR 700-138.

**Source(s) Identifying Weakness:** Monthly DA Form 1352 for each aircraft as well as NGB Aircraft Readiness Module (ALRM) reports.

**Major Milestones in Corrective Action:**

**A. Completed Milestones:**

<u>Date:</u>	<u>Milestone:</u>
On Going	CLASS IX UFR Exceeding \$2M
June-Nov 2010	Man Power Study and Request (within California)
Oct 10 – Jan 11	SAO Critical Function white paper
July 2010	Contractor Augmentation Request sent to TASMG
Feb 2011	NGB Meeting with AVS for parts Funding Request
Feb 2011	NGB-AVS/CA Aircraft Modernization Schedule
On Going	SAO maintenance review of PLL shortages
On Going	SAO reducing non essential and external mission support

**B. Planned Milestones (Fiscal Year 2011):**

<u>Date:</u>	<u>Milestone:</u>
On Going	Trade Parts with other states to support shortfalls
On Going	Requesting OCO dollars in anticipation of TY13
deployment	
Feb 2011	Requesting OCO dollars in anticipation of F 2-135
redeployment	
On Going	Sharing personnel resources between flight
facilities	
On Going	Working with NGB-AVS to turn in older more labor
and parts intensive	CH-47 and UH-60 aircraft for newer models
June 2011	FTM soldiers return from Deployment(F Co 2-135)

**C. Planned Milestones (Beyond Fiscal Year 2011):**

<u>Date:</u>	<u>Milestone:</u>
2012	Continue UH-60 A to L recap and upgrade
program.	
2014	Fielding of the new CH47F model aircraft for B Co
1-126 <sup>th</sup>	
2012	Full time manning soldiers return from
deployment (1-140 <sup>th</sup> , 640 <sup>th</sup> , 40 <sup>th</sup> CAB)	

**ARNG or HQDA Action Required:** Money for un-funded request Class IX parts in excess of \$2M as well as \$749K in VHFM dollars for TY11-TY12 contracting support.

**Point of Contact:** (b) (6), NGCA-AV, 916-843-3978,  
(b) (6)

## Material Weakness #4

Title: Integrity of Data Flow Between Systems in CFMO

### Description of Material Weakness:

a. Condition - There are on-going issues in the data-flow, integrity and continuity of the various data systems required for successful operations in the CFMO office.

b. Cause - RPLANS has consistently dropped data or coded facilities excess with each upgrade possible due previously made edits being discarded. Upgrades in PRIDEWeb often require additional data fields to be complete in order for a record to be made active may not be communicated adequately. Changing criteria in ISR-I make the ratings of dubious value for determining facilities in greatest need of attention.

c. Effect/Impact – Can adversely affect funds coming to CFMO for SRM operation or may cause a MILCON project to be deemed unnecessary with RPLANS erroneously reporting an excess of a given facility type. Poor ISR-I data does not paint an accurate picture of the state of our facilities to decision makers higher up in the budgeting process.

Functional Category: Information Technology, Support Services.

Senior Official in Charge: Director Facilities and Engineering

### Pace of Corrective Action:

Year Identified: 2011

Original Target Date: (N/A)

Reason for Change in Date(s): (N/A)

Validation Process: CAFE continued management control evaluations, external evaluations/inspections and on-going spot checking will determine improved accuracy of datasystems.

Results Indicators: A reduced number of edits required after RPLANS updates, fewer support code errors found during internal review audits will indicate better data integrity. A reduction in the number of support coding errors during internal review inspections will be an indicator.

Source(s) Identifying Weakness: Management Controls evaluation.

### Major Milestones in Corrective Action:

#### A. Completed Milestones:

##### Date:

MAY 10 (Annual)

DEC 10 (Annual)

##### Milestone:

FISP Certification/Submission

ISR submission



MAR 10  
On-going (daily)

RPLANS submission  
PRIDE record/input edits

B. Planned Milestones (Fiscal Year 2011):

<u>Date:</u>	<u>Milestone:</u>
MAR 11	RPLANS submission
On-going	Monitoring ISR for random data loss
Annual (as published)	Review of ISR criteria (determined by NGB)
DEC 2011	ISR submission
On-going	RPLANS TAB review/analysis
On-going (daily)	PRIDE record/input edits
MAY 11	FISP Certification

C. Planned Milestones (Beyond Fiscal Year 2011):

<u>Date:</u>	<u>Milestone:</u>
On-going	Monitoring ISR for random data loss
Annual (as published)	Review of ISR criteria (determined by NGB)
Annual (DEC XX)	ISR submission
On-going	RPLANS TAB review/analysis
Annual (MAR XX)	RPLANS submission
On-going (daily)	PRIDE record/input edits
Annual (MAY XX)	FISP Certification

NGB or DA Action Required: Continued effort to improve the database systems including developing fixes for system glitches (i.e. – random data dumps in ISR).

Point of Contact: (b) (6), NGCA-CAFE, 916-854-3338,  
(b) (6)



## Material Weakness # 5

Title: California National Guard (CNG) Federal Technician Retention Incentive Approvals and Justifications

Description of Material Weakness:

a. Conditions:

1) In their audit of CNG Technician Retention Incentives NGB-IR reported that many incentive justifications didn't establish that the unusually high or unique qualifications of the employee or a special need of the agency for the employee's services made it essential to retain the employee and that the employee would be likely to leave in the absence of an incentive.

2) NGB also found that some retention incentive justification forms were signed by a nominating supervisor who subsequently signed in the "Commander / Director" block of the form or approved by an employee that was lower ranking than the nominating official and in some cases a lower rank than the technician receiving the retention incentive.

b. Cause: CNG internal controls were in place but were not operating effectively enough.

c. Effect/Impact: Ineffective internal controls could result in the payment of unnecessary or unwarranted retention incentives.

Functional Category: Personnel and/or Organization Management

Senior Official In Charge: (b) (6), Deputy J1, CNG

Place of Corrective Action:

Year Identified: FY11

Original Target Date: FY11

Target Date in Last Year's Report: N/A

Current Target Date: N/A

Reason for Change in Date: N/A

Validation Process: Revised CNG retention incentive rules, added service agreement, additional management accountability and controls, and certification checklist implemented in the revised CNG Full-Time Personnel Regulation 575, dated 15 February 2011. All retention incentive requests are currently subject to approval of NGB-J1-TN. Effectiveness of controls will be validated by a CNG retention incentive justifications receiving approval by NGB- J1-TN.

Results Indicators: 100% of all new (submitted after 15 FEB 11) retention incentive requests will be certified by a review panel appointed by the Adjutant General (TAG) before consideration and submission by the Director, Joint Staff (DJS) to NGB-J1-TN. At least 90% of all retention incentive requests that are reviewed and subsequently submitted will be ultimately approved by NGB-J1-TN.

Source(s) Identifying Weakness: CNGB directed review. NGB-IR Draft Audit Assist Report (Assistance requested by USPFO-CA): California National Guard (CNG Retention Incentive Approvals and Justifications).

**Major Milestones in Corrective Action:**

**A. Completed Milestones:**

Date: 15 February 2011

Milestone: Revised CNG Full-Time Personnel Regulation 575 published

**B. Planned Milestones (Fiscal Year 2011):**

Date: 3 QTR FY11

Milestone: 1<sup>st</sup> TAG Appointed Review Panel Meets to review 1<sup>st</sup> batch of new requests

Date: 3 QTR FY11

Milestone: DJS approved new requests forwarded to NGB

**C. Planned Milestones (Beyond Fiscal Year 2011): None**

**D. Validation Milestones:**

Date: 4 QTR FY11

Milestone: At least 90% of new requests forwarded to NGB are approved.

NGB or DA Action Required: NGB incorporate appropriate CNG TAG response comments into Final NGB-IR Report Number 2010-025. NGB J1-TN- publish an NGB regulation governing Federal Technician Recruitment, Relocation, and Retention Incentives. CNG has been operating the subject program for several years based primarily on OPM guidance with little to no formal policy guidance from NGB.

Point of Contact: (b) (6), CAJS-HR, Com'l: (916) 854-3137, DSN 466-3137.



## **Material Weakness #6**

**Title:** Unsatisfactory retention of substantiating documents for payments of Inactive Duty Training (IDT)

**Description:**

Effective 1 October 2010, the retention period for signed certificates of performance and military pay messages at the unit level was changed to no more than three months. The USPFO Military Pay Branch will retain the documents for the remainder of the required period (six years and three months).

B. Each quarter, every Unit Identification Code (UIC) entity will mail substantiating documents (closed J and K transmittal letters) for payments of IDT performed during the previous quarter to the USPFO, ATTN: Military Pay Branch.

a. Condition: CA ARNG units are not consistently complying with current requirements for the retention and submission of IDT pay supporting documents. Units are required to generate and then retain all documents that support IDT pay transactions in accordance with AR 25-400-2, ARNG Unit Level Finance Procedures Manual, and local policy published by the USPFO for CA.

b. Cause: Less than 25% of the units are currently complying with the current IDT Pay Documentation Turn-in Policy and forwarding the required records to the USPFO after three months where they are retained for the remainder of the six year, three month retention period.

c. Effect: Missing substantiating documents, represents the potential for invalid payments and continues to place soldiers at risk of having to repay the government for duty paid but not validated.

**Functional Category:** Military Pay

**Senior Officer in Charge:** (b) (6) (Deputy USPFO)

**Pace of Corrective Action:**

**Year Identified:** October 2010

**Targeted Correction Date:** December 2011

**Targeted Correction Date in Last Year's Report:** N/A

**Validation Process:**

A. Effective 1 October 2010, the retention period for signed certificates of performance and military pay messages at the unit level was changed to no more than three months. The USPFO Military Pay Branch will retain the documents for the remainder of the required period (six years and three months).

B. Each quarter, every Unit Identification Code (UIC) entity will mail substantiating documents (closed J and K transmittal letters) for payments of IDT performed during the previous quarter to the USPFO, ATTN: Military Pay Branch.

**Results Indicators:** USPFO Comptroller Division receives and tracks substantiating records, updates CA Army Division Scorecard (on-line) showing which units are not current on providing IDT pay documents.

**Source(s) Identifying Weakness:** The USPFO uses Mday personnel to conduct unit visits (approx 100 in FY10) to identify shortcomings in supply and fiscal matters. These visits consistently identified concerns about whether IDT pay documents were being properly generated and retained. The USPFO Military Pay Branch also identified that units were failing to send their IDT pay documentation to the USPFO for long term storage.

**Major Milestones in Corrective Action:**

B. Planned Milestones:

Date: Milestone:

Apr11 Add performance measure to the existing Army Division Scorecard maintained by the USPFO DPI  
Jul11 NLT 50% of units in compliance  
Dec11 100% of units in compliance

**NGB or DA Action Required:** No

**Point of Contact:** (b) (6), Deputy USPFO



## Material Weakness #7

**Title:** Facilities & Engineering Personnel Shortage

**Description of Material Weakness:**

a. Condition – The CFMO office is authorized seven full-time technicians and currently has five, one of whom is not qualified in one of the authorized work center position: In addition, we have multiple management-level vacancies, including two State Active Duty (SAD) Project Manager vacancies, four SAD Project Inspector vacancies, one State Civil Service (SCS) Resource Management Position, and one SCS Energy Management Position.

b. Cause – Over the last three years the CFMO office has lost multiple technicians and SAD and SCS personnel to retirement or reassignment. Recruiting efforts have had limited success, particularly for the Federal positions, where we have rarely gotten qualified applicants. Federal limits on technician hires and the current State hiring freeze has made all of these vacancies extremely difficult to backfill. The CFMO is also deploying.

c. Effect/Impact – The reduced number of federal technicians increases the amount of federal “inherently governmental” work that must be done by each technician, decreasing the amount of time available for required certifications, classifications etc. The reduced number of State employees affects our ability to properly manage resources, contracts and projects.

**Functional Category:** Support Services

**Senior Official in Charge:** Director of Facilities and Engineering

**Pace of Corrective Action:**

Year Identified: 2010

Original Target Date: NA

Reason for Change in Date(s): NA

**Validation Process:** Full, qualified Technician, SAD, and SCS manning in the CFMO.

**Results Indicators:** CFMO completing all federal “inherently governmental” and resource management requirements with staffing levels adequate to account for normal staff turn-over and deployments.

**Source(s) Identifying Weakness:** Management Control Evaluation

**Major Milestones in Corrective Action:**

**A. Completed Milestones:**

Date:

On-going

Milestone:

Advertise vacant Technician, SAD, & SCS positions

B. Planned Milestones (Fiscal Year 2011):

<u>Date:</u>	<u>Milestone:</u>
On-going	Advertise vacant Technician, SAD, & SCS positions
On-going	Recruit potential qualified applicants

C. Planned Milestones (Beyond Fiscal Year 2011):

<u>Date:</u>	<u>Milestone:</u>
On-going	Advertise vacant Technician, SAD, & SCS positions
On-going	Recruit potential qualified applicants

NGB or DA Action Required: None

Point of Contact: (b) (6), NGCA-CAFE, 916-854-3618.  
(b) (6)

## Material Weakness #9

**Title:** Management of grades for the CAARNG FTA Program

**Description of Material Weakness:**

**a. Condition-** The CAARNG State FTA Program identified through a USPFO audit that grades were not received in a timely manner that would require a recoupment.

**b. Cause-** The primary cause for this material weakness was the lack of appropriate manpower and procedures in place to properly manage the collection of grades.

**c. Effect/Impact-** If left uncorrected, the potential for mismanagement of the program, exists. The CAARNG FTA Program is responsible for the processing on an average of 3 million dollars worth of Federal Tuition Assistance to education institutions annually. There is a potential for mismanagement if the CA ARNG does not implement proper standard operating procedures immediately.

**Functional Category-** Comptroller/Resource Management

**Senior Official in Charge-** (b) (6)

**Pace of Corrective Action-**

**Year Identified-** FY 11

**Pace of Corrective Action (cont)-**

**Original Target Date-** 1 October 2011

**Target Date in Last Year's Report-** N/A

**Current Target Date-** N/A

**Reason for Change in Date-** N/A

**Validation Process-** The Validation of corrective actions will be accomplished through both internal and external management review from CAARNG Leadership, and the NGB education team. This process is currently underway and began with an NGB assistance team reviewing all outstanding grades and requesting them from the education institution.

**Steps to Improve Process**

**1. Established procedure for recoupment:**

**a. Grades Received.** If the Soldier has submitted their grade(s) within the required time from the course end date, they are annotated in IMARC and the grade report is uploaded into the Soldiers electronic record. If the grade(s) reflect anything other than a passing grade, then the recoupment process begins with funds being adjusted to reflect a recoupment in IMARC. A letter of indebtedness is drafted and signed by the G-1 and sent to the Soldiers HOR certified mail. The Soldier has 30 day suspense from the date of the letter to respond. If no response is received, the recoupment is processed through USPFO as a debt through their military pay.

**b. Grades not received.** The IMARC system allows up to 45 days after the end date of a course before the Soldier is denied any further FTA until their grades are sent to the Civilian Education Office. At the 45 day mark, the Civilian Education Office will contact the institution of higher learning to collect missing grades.



**2. Established Standing Operating Procedures (SOP) for Due Process for recoupment of funds**

**3. Establish procedure to track recoupments:**

a. All DD form 139s will be annotated in IMARC and Fiscal Year Recoupment spreadsheet located in \\ca-hom\cived\FTA\Recoupments and will be maintained for 5 years.

b. All recoupment letters will go out certified mail and be annotated on the recoupment spreadsheet.

c. The Fiscal Year Recoupment spreadsheet will be maintained weekly until completed.

**4. The way ahead:**

a. Continue to work with USPFO on collection of all recoupments.

b. Continue to work with NGB Incentives & Employment Division.

c. Starting with FY 12 all FTA will be processed through GoArmyEd and funding managed by Department of Army.

d. Estimated completion date for the recoupment of funds and collection of grades is 1 Oct 2011.

**5. Results of steps:**

a. Initially the audit identified 105 pending recoupments for FY 10; 134 for FY 09; 233 for FY 08; and 72 for FY 07.

b. 15 December 2010, 105 recoupment notification letters were mailed out to Soldiers for FY 10.

c. 2 February 2011, FY 10 recoupments have been sent to USPFO for collection of funds.

d. The remaining recoupment notification letters for FY 07, 08, 09, 11 were mailed on 17 February 2011.

**Sources Identifying Weakness-** USPFO audit identified the material weakness through direct observation, records review and internal review findings.

**Major Milestones:**

**Completed Milestones:**

l. Retention of Contract worker ( **1 Feb 2011**)

m. Recoupment notification letters were mailed out for FY 10 (**15 Dec 2010**)

n. Processed FY 10 recoupment's to USPFO (**2 Feb 2011**)

o. Recoupment notification letters were mailed out for FY 07,08,09,11 (**17 FEB 11**)

p. Requested NGB continued help on collecting grades for FY 07-11 (**JAN 2011**)



- q. Development of SOP for recoupment's (22 Feb 11)
- r. Initiated briefing of FTA recoupment status to G-1 (FEB 2011)

**Planned Milestones:**

- e. Development of FTA SOP (In process)
- f. Collection of all missing grades for FY 7-10 (OCT 2011)

**Validation Milestones-**

- a. Federal Tuition Assistance Personnel Policy Bulletin (PPB) (22 Feb 2011)
- b. Standard Operating Procedures for Recoupment of funds (22 Feb 2011)

**ARNG or HQDA Action Required- NO**

**Point of Contact-** The primary point of contact and subject matter expert is the CAARNG G1, (916) 854-3116 or via email (b) (6)



## NATIONAL GUARD BUREAU

1636 DEFENSE PENTAGON  
WASHINGTON DC 20301-1636

NGB-ZA

JUN 13 2011

MEMORANDUM FOR Assistant Secretary of the Army (Financial Management and Comptroller), SAFM-FOI, 109 Army Pentagon, Washington, DC 20310-0109

SUBJECT: Fiscal Year 2011 Army National Guard Annual Statement of Assurance for Internal Controls

1. Reference memorandum, HQDA ASA (FM&C), 16 Dec 10, subject: Guidance for Preparing Fiscal Year (FY) 2011 Annual Statement of Assurance (ASOA).
2. This memorandum addresses three areas for FY 2011: 1) Internal Controls Over Nonfinancial Operations (ICONO), 2) Internal Controls Over Financial Reporting (ICOFR), and 3) Internal Controls Over Financial Systems (ICOFS).
3. Tab A provides information on how the Army National Guard (ARNG) conducted the assessment of internal controls for the ICONO process, which was conducted according to OMB Circular A-123, Management's Responsibility for Internal Controls. In addition, Tab A provides a summary of the significant accomplishments and actions taken to improve activity internal controls during the past year. Tab C provides compliance of ARNG's Integrated Financial Management System (IFMS) with the Financial Management Improvement Act (FMIA), OMB Cir. A-127 and Chapter 3 of Volume 1 of the DoD Financial Management Regulation (DoDFMR).
4. For ICONO, the ARNG is able to provide a qualified statement of reasonable assurance that internal controls meet the objective of the Federal Managers' Financial Integrity Act (FMFIA), with the exception of the material weaknesses described in Tab B. These material weaknesses were found in the internal controls over the effectiveness and efficiency of operations, and remain at the NGB level for corrective actions with the exception of one material weakness that pertains to the transparency of ARNG equipment in compliance with the National Defense Authorization Act, 2008. This uncorrected material weakness is at the HQDA level, in which planned milestones are provided towards the correction of this material weakness.
5. For ICOFR, the ARNG is providing a statement of no assurance that controls meet the requirements of OMB Circular A-123, Appendix A. This assessment is based on systems that are not Chief Financial Officer-compliant. Assurance cannot be provided until the General Fund Enterprise Business System (GFEBS) is fully operational within the ARNG. The GFEBS is expected to be fully implemented throughout NGB in July 2011.

NGB-ZA

SUBJECT: Fiscal Year (FY) 2011 Army National Guard Annual Statement of Assurance for Internal Controls

6. For ICOFS, the ARNG is providing a statement of no assurance that controls meet the requirements of the FFMIA, OMB Circular A-127, "Financial Management Systems", and DoD FMR, Vol 1, Chapter 3. Army and ARNG base this assessment on the absence of testing the effectiveness of systems control. Assurances cannot be provided until the GFEBS is fully operational with the ARNG. Tab C contains the requirements and justification for the ICOFS statement of assurance.

7. During this reporting period, the Army National Guard was faced with various issues that surfaced in newspapers, public forums, and internal review audits. Some of these issues were related to programs executed through the ARNG's Centrally Managed Allotment account ("Open Allotment"). The ARNG maintains this account to execute ARNG programs with specific intricacies that are more efficiently managed at the national level, including: AGR Pay, Initial Entry Training, Bonus & Incentives, Military Funeral Honors, GI Bill Kicker, SGLI, and Retired Pay Accrual. Immediately, the National Guard Bureau initiated several process review teams. For instance, the ARNG Chief of Staff instituted a formal process review, utilizing the Lean Six Sigma approach, of all programs executed through the Open Allotment account. In addition, an ARNG team consisting of functional experts from the ARNG Guard Strength Division (ARNG-GSD) and Comptroller Division (ARNG-RMC) conducted 100% reviews at selected states. In addition, each state, territory, and the District of Columbia conducted quick reaction audits of their Bonus programs. The NGB Internal Review (NGB-IR) conducted an audit on the Recruiting and Retention Program with the objective to evaluate the adequacy and effectiveness of internal controls over the Recruiting and Retention Program. The Army Audit Agency (AAA) is conducting an independent audit to address controls over the Loan Repayment Program within the ARNG. All of these initiatives resulted in recommendations – such as process changes, training requirements, and systems development/upgrades – to address vulnerabilities that have been identified.

8. As a result of each State conducting a quick audit review; we have four new material weaknesses which include: 1) PrideWeb/ISR, 2) Information Management & Reporting Center (IMARC), 3) USPFO Oversight, and 4) Dual Compensation. These material weaknesses will remain at the Army National Guard level for correction.

9. The uncorrected Material Weakness entitled 'ARNG Equipment Tracking', which focuses on the lack of visibility and accountability of ARNG equipment from Army to NG States, has shown significant progress toward identifying essential corrective actions through the Integrated Process Teams. This Material Weakness remains a concern with the National Guard's inability to comply with section 1826 (d) (2) of the 2008 National Defense Authorization Act.



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SUBJECT: Fiscal Year (FY) 2011 Army National Guard Annual Statement of Assurance for Internal Controls

10. The point of contact is (b) (6), Chief, ARNG Comptroller Division, at DSN 327-7500 or 703-607-7500, or (b) (6)

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as

  
CRAIG R. MCKINLEY  
General, USAF  
Chief, National Guard Bureau

# **TAB A**

## **HOW THE ASSESSMENT WAS CONDUCTED**

### **Tab A-1: Basis for Reasonable Assurance**

### **Tab A-2: Other Information Required**

**Leadership Emphasis**

**Training**

**Execution**

### **Tab A-3: Managers' Internal Control Program And Related Accomplishments**

## **TAB A**

### **TAB A-1 BASIS FOR REASONABLE ASSURANCE**

1. This statement of assurance is based on a combination of actions taken ensuring a reasonable level of confidence exists throughout the ARNG that internal controls are in place and operating as intended. I recognize there are acceptable levels of risk that cannot be avoided. However, I am confident all designated Assessable Unit Managers (AUMs) have successfully safeguarded resources allocated through sound and prudent practices. I base my determination of reasonable assurance on a variety of factors including:

- Internal Control policies and procedures are established and maintained. The Internal Control Evaluation Plan (ICEP) is a living document that is updated with guidance from the Department of the Army and from ARNG headquarters level and State commanders and managers.
- Prevention and detection measures, such as internal or external audits, inspections, investigations and quality control reviews conducted by Government Accountability Office (GAO), Department of Defense Inspector General (DoDIG) and United States Army Audit Agency (USAAA), National Guard Bureau Internal Review and the Internal Review Divisions at the State level.
- A vigorous Internal Review Program incorporating internal control objectives in all audits and follow-up audits.
- General knowledge of command operations derived from weekly command group meetings, status reports, periodic review and analysis sessions and other forms of command oversight.
- All Divisions within the ARNG headquarters and State personnel have a common understanding that each Division's Managers' Internal Control Program (MICP) and the associated actions taken by assigned functional personnel are important and relevant to the success of the ARNG as a whole.
- Annual performance plans and reports.
- Internal control evaluations conducted.



- Organizational Self Assessment, quarterly readiness reviews, training, continuous communications through publications, which include updated checklists, current regulatory guidance and other information necessary for successful execution of AUM duties.
- Discussion of the MICP and material weaknesses occurs during staff meetings at all levels throughout the year. The MICP is included in Senior Leader Conferences, Executive Advisory Committee meetings, functional training and Program Budget Advisory Council (PBAC) meetings.
- Internal controls and internal processes are consistently re-evaluated to determine risk to the organization and assign priority designators in relation to high, medium or low. This determines the frequency of evaluation within internal control plans throughout the ARNG.
- All ARNG program managers with funds control responsibility are required to attend a fiscal law course within three years of the appointment date. Those not meeting these criteria cannot be appointed as a fund manager.

## **TAB A-2: OTHER INFORMATION REQUIRED**

### **LEADERSHIP EMPHASIS**

1. All levels of leaders throughout the National Guard set the direction for the organization. This is accomplished through an orchestrated process of receiving input from the Senior Level Steering Group (SLSG), whose intent is to provide the ARNG a "corporate-level" review of material weaknesses and internal process to ensure correction of all material weaknesses. The SLSG is chaired by the DDARNG. This senior leader driven process recognizes the importance of good stewardship in the management and safeguarding of resources and assets through an efficient and effective MICP.
2. The NGB Comptroller and Director, Administration and Management distributed a memorandum, subject: Internal Controls and the Annual Statement of Assurance, dated 22 February 2011, to the Adjutant Generals of all States and Territories, reminding them the importance to ensure their statements provided an accurate assessment of effectiveness of internal controls and to encourage reporting weaknesses, monitoring weaknesses and taking corrective actions for those weaknesses.

3. At meetings in October and December 2010, and March 2011, the Chief, National Guard Bureau (CNGB) directed the United States Property and Fiscal Officers (USPFO) to place the highest priority on improving fiscal stewardship within the States. As a result the USPFOs are placing emphasis on fiscal law, ethics, and cooperative agreement training for Assistant USPFOs, Program Managers, and others involved with fiscal matters at State level to ensure fiscal and program managers are aware of their responsibilities. The USPFOs are now reporting all issues relative to federal fiscal stewardship through the recently established "Commander's Critical Information Requirements (CCIR) reporting system, causing significantly greater visibility at NGB on issues that require attention within the States. USPFOs are also reviewing the manning and annual audit programs within their Internal Review Divisions to improve audit coverage in high risk areas. Overall, the USPFOs are primarily focused on the CNGB's direction to improve and enhance the culture of the National Guard in the areas of fiscal responsibility, accountability, and ethics.

4. As the ARNG pursues its ever changing missions, the inclusion of internal controls is consistently reinforced through various correspondence distributed throughout the ARNG headquarters level, ARNG Field Operating Agencies, the 54 States and Territories. The following actions demonstrate leadership emphasis on the internal control process:

a. MG Timothy J. Kadavy, Deputy Director ARNG (DDARNG) serves as the Senior Designated Official for internal controls within the ARNG.

b. (b) (6) serves as the ARNG Internal Control Administrator (ICA) for the ARNG and the single point of contact for the ARNG MICP day to day operations.

c. The ARNG SLSC serving as the 'senior management council' (a forum recommended by OMB Circular A-123, Management's Responsibility for Internal Control and AR 11-2, Managers' Internal Control Program) for internal controls within the ARNG. The SLSC meets quarterly and is chaired by the DDARNG and consists of the ARNG G-Staff, the NGB Chief of Internal Review, the ARNG Comptroller, and the NGB USPFO Representative.

d. The ARNG Comptroller consistently includes Contracting Officer Representative, Anti-Deficiency Act, Internal Controls and Audit information in the Resource Managers' Newsletter which is distributed to all Army National Guard States' Chief of Staff, United States Property and Fiscal Officers (USPFOs), Financial Managers and Budget Officers.

5. To ensure a proactive framework is maintained throughout the ARNG, responsibility and accountability to achieve the Federal Managers' Financial Integrity Act, objectives have been directed by the following actions:

a. Maintain a network within the 54 States and Territories, by requesting the Adjutants General to appoint ICAs to distribute program guidance and requirements; provide training, instructions and assistance to operating managers; maintain records on assessable units and internal control coverage; report, track and assure correction of internal control weaknesses; identify positions with internal control responsibilities warranting coverage in the incumbents' performance agreement; disseminate information on problems at other activities identified by sources outside NGB (e.g., audit and media); monitor overall compliance with program objectives; develop and staff required reports; and keep the senior staff and Adjutants General advised ensuring a sound basis for the ARNG's Annual Statement of Assurance.

b. Many States have updated their MICP handbook to reaffirm senior leader commitment to a viable internal control program. The handbook provides an easily accessible means for obtaining information about the importance of internal controls, the process for evaluating controls, and clearly delineates the roles and responsibilities of managers at every level. The handbook is an excellent tool and a useful reference for all Assessable Unit Managers and their subordinate managers.



## TRAINING

This section summarizes internal control training conducted throughout the National Guard Bureau. The NGB Internal Control Administrator provided internal control training for personnel at all levels. Multiple initiatives are utilized ensuring senior leaders and managers, AUMs, and functional personnel within the ARNG receive this training. The following chart summarizes the continuing initiatives supporting internal control training:

ORGANIZATION AND FY:								
TYPE / METHOD OF TRAINING	WHO WAS TRAINED AND NUMBER							
LOCAL TRAINING PROVIDED BY ICA:	SRO #	CDR/MGR #	ICA #	AUM #	Evaluator #	Policy Maker #	Other #	COMMENTS
Classroom Presentation	8	35	56	92				ILARNG (Jun10), KY (Aug10), PR (Nov10), AZ (Nov10), KS (Dec 10), SCARNG (Jan11), AL (Feb11), PRARNG (Dec11)
Desk-Side Briefing		3	5	2				ARNG-HRM (1Dec10), ARNG-GSE (15Feb11)
Telephonic Briefing								
Video-teleconference								
Local MICP Conference	2	84	17	26				AUM, ICA, MGRs (17Nov10, 22Nov10, 13Dec 10)
Training Videos								
Electronic Briefing Charts								
<b>EXTERNAL TRAINING RECEIVED:</b>								
ALMS Web-Based Training								
ARNG MICP Conference (ASA, FM&C)								No Conference FY10 - Funding unavailable
Army MICP Conference (ASA, FM&C)								
Army Managers Internal Control Administrator Course - Graduate School (Classroom)								
Army Managers Internal Control Administrator Course Graduate School (On Site)								
Managers Responsibility for Internal Controls (OMB Circular A-123) - Graduate School (Classroom)			1					Assistant ARNG ICA (Feb 11)
Other courses or schools with a session on MICP (Provide course names and training source)								
<b>TOTAL BY ROLE</b>	10	122	79	120	0	0	0	
<b>TOTAL FOR ORGANIZATION</b>	331							



## **EXECUTION**

1. The ARNG ICA updates and distributes checklists developed by ARNG proponents of Guard Unique Programs not listed in the Army Evaluation Checklist. The guard unique checklists provide guidance of program formality in conjunction with internal controls to ensure the program is compliant with the ARNG policy.
2. Ensure MICP is addressed in new National Guard regulations (NGR). A paragraph addressing "internal control systems" is a publications requirement and the paragraph can be found in the masthead of each regulation. Once a new/revised regulation is identified, the ICA reviews the draft with the regulation proponent and encourages development of a checklist to evaluate the key internal controls.
3. The ARNG has over 76 Assessable Unit Managers (AUM). Those personnel not meeting the AR 11-2 grade requirement of COL or GM-15, waivers are requested ensuring accountability remains at the head of the organization.
4. Army National Guard, Resource Management Comptroller, Finance (ARNG-RMC-F) continues to provide management data to the Comptroller and the Director of the ARNG regarding proper utilization and execution of financial resources. This information is also distributed to all ARNG senior leaders and customers at the State, Territory and District of Columbia levels. The primary focus of this effort is to ensure reasonable assurance for the accountability of financial resources within the ARNG.
5. As part of the Comptroller Assessment Team (CAT) there is an on-site review of the Management Control Program (MCP) component. This Fiscal Year there has been a change with more emphasis on the administration and execution of the internal control program. As part of assistance visits, the ARNG-RMC-F provides AUM training on Joint Reviews and GFEBS Site Status Reporting to USPFO personnel upon request. With this additional guidance and assistance there has been a significant amount of improvements.
6. In a memorandum from Mr. John Argodale, Deputy Assistant Secretary of the Army, subject: General Fund Enterprise Business System (GFEBS) Separation of Duties (SOD) Waiver Policy, dated 27 September 2010, all government organizations were required to adapt an organizational structure and legacy processes to comply with the standard separation of duties built into the GFEBS system. The Army National Guard was the first to initiate this requirement by issuing a "Delegation of Approval for the General Fund Enterprise Business System (GFEBS) in your Respective State" memorandum delegating authority to all United States Property and Fiscal Officers (USPFO) in their respective 54 States, Territories, and District of Columbia, of the

responsibility and approval of the user assignments within GFEBS. Each USPFO is responsible for constructing end user mapping for their States and implement internal controls to manage the process indefinitely. Memorandums of compliance were required from each USPFO to be submitted to the National Guard Bureau.

7. The Army National Guard's Professional Education Center (NGB-PEC) located in Little Rock Arkansas houses the Resource Management Training Center. The training center provides a variety of unique resource management courses to assist managers at all levels for successful fund management throughout the Army National Guard. The Managers' Internal Control Program is included as an instruction block in each of the various resource management training courses.

8. The ARNG Directorate and applicable NGB Joint Staff AUMs are appointed in writing annually and provided guidance for responsibilities, training and performance statement information.

#### **INTERNAL REVIEW EFFORTS**

1. The ARNG ICA coordinates with NGB Internal Review (IR) auditors to include Internal Control Process (ICP) as part of their audit out-briefs and identify the benefits of having an effective ICP program and checklists.

2. In support of a more robust and effective MICP, the ARNG ICA continuously trains the ARNG staff headquarters level, FOA's, and State and Territories ICAs the importance of the relationship between the MICP functional personnel and the IR office. The most significant benefit of this partnership is the review of internal controls as an objective on all internal audits conducted within the ARNG and compliments the process by coupling efforts to achieve an ARNG-wide solution to the correction of a material weakness. Overall, this improves our business processes and reduces our risk in highly vulnerable programs.

3. The ARNG ICA plans an internal review for a full scope audit on the FY11 ARNG ASA submissions. This will help assess the weak areas of the headquarters level process and to ensure their MICP meet the requirements of the FMFIA.

## **TAB A-3: MANAGERS' INTERNAL CONTROL PROGRAM AND RELATED ACCOMPLISHMENTS**

### **Communication, Coordination & Information Sharing**

**Issue:** Communication, coordination and information sharing between the ARNG G6 Tactical Branch and the Signal force structure in the 54 States and territories was limited at best. Due to modularity, changing signal force structure increased the number of tactical signal units arrayed throughout the 54 States and territories, with many States acquiring new signal force structure and searching for a source of information to help them with operating, maintaining, and training Signal soldiers.

**Accomplishment:** To assist in this information sharing, the Tactical Branch developed a quarterly newsletter that is posted to Guard Knowledge Online (GKO) and the link emailed to each of the signal units and the Joint Staff. This newsletter provides information regarding training opportunities for Information Assurance, Military Occupational Specialty (MOS) specific, lessons learned, equipment fielding conferences, and other information to answer questions posed by the soldiers in the field. The newsletter is also helpful in that it provides points of contact at the ARNG G6, the Signal Center, FORSCOM, and CECOM for additional information.

### **Incentive Payment Policy**

**Issue:** Lack of incentive process transparency from contract initiation to bonus payment.

**Accomplishment:** The Army National Guard, Guard Strength Education, Incentives and Employment Division (ARNG-GSE) established policy and provided guidance to state Incentive Managers to input data into the Information Management and Reporting System Center (iMARC). All bonus contracts must now have an iMARC generated bonus control number; contracts with manually generated control numbers cannot be processed for payment. This policy change ensures all incentive contracts are entered in a centralized incentive management system and provides transparency of the incentive process from contract to payment.



## **Master Cooperative Agreements Reconciliations**

**Issue:** Cooperative Agreements were not reconciled timely nor closed out at the end of the fiscal year timely.

**Accomplishment:** Indiana conducts reconciliation meetings monthly rather than quarterly to monitor spending habits and that we are not anti-deficient. This ensures a seamless transition from each month to the next and provides each program manager an accurate status of their own spending and resources to the end of the fiscal year. As there is significant lag time in receipt of reimbursement schedules, quite often a reimbursement crosses fiscal years. The reconciliations free up money from NGB, enabling us to monitor/track payments/reimbursements to the appropriate fiscal year. We also review authorization for expenditures in these monthly reconciliation meetings. We saved \$196,000 by removing the security guards from the division Armory where they were not authorized.

## **Standard Operating Procedures (SOP) Project**

**Issue:** SOPs were in need of reviewing, updating, and creating.

**Accomplishment:** SOP Project was identified and tasked by the National Guard Bureau Professional Education Center (NGB-PEC) Commandant in October 2009 with a February 2011 suspense date. All training Centers and Divisions were tasked in updating/reviewing/creating SOP for their respected business areas. Third Party's comparison of SOPs to regulation is the final scrub for each SOP. Currently this project has identified several areas that needed SOP due to either regulation change or growth. Department of the Army Civilian (DAC) evaluation SOP was identified as necessary due to change from NSPS back to GS schedule and the increase in DAC population from 10 to 80, many of those being first time federal employees.

## **Private Organizations operating on Arlington Hall**

**Issue:** There were non-existence policy and/or enforcements for private organizations on Arlington Hall installation.

**Accomplishment:** The CoS/Installation Commander established policy for operations of private organizations on Arlington Hall facilities. The existing private organizations

are currently being registered and their fundraising activities are restricted in accordance with the policy and applicable regulation.

### **Information Management**

**Issue:** A New AUM from the Michigan National Guard was appointed with gaps of knowledge of MICP or programs within his area of responsibility.

**Accomplishment:** Through the Managers' Internal Control Program, the Michigan National Guard AUM was able to expand communication capabilities in the event of emergency through the Certification process. The information management team became more involved in the testing of controls and its operational impacts based on the test questions, improvements include working with MARS and Amateur Radio Program, obtaining spectrum analysis equipment to test training installations for frequency degradation/interference, and providing greater assurance for a more secure network and full coordination of IT plans.

# **TAB B**

**List of material weaknesses**

**TAB B-1**

**New material weaknesses**

**TAB B-2**

**Uncorrected material weaknesses**

**TAB B-3**

**Corrected material weaknesses**

**TAB B-4**



# **TAB B-1**

## **LIST OF MATERIAL WEAKNESSES**

### **New Material Weaknesses:**

### **TAB B-2**

**Pride Web/ISR (NGB Level)**

**Tab B-2-1**

**information Management & Reporting  
Center (iMARC) Capabilities (NGB Level)**

**Tab B-2-2**

**Dual Compensation (NGB Level)**

**Tab B-2-3**

**USPFO Oversight (NGB Level)**

**Tab B-2-4**

### **Uncorrected Material Weaknesses:**

### **TAB B-3**

**ARNG Equipment Tracking (HQDA Level)**

**Tab B-3-1**

**Migration of function from USPFO (NGB Level)**

**Tab B-3-2**

### **Corrected Material Weaknesses:**

### **TAB B-4**

**N/A**

# **TAB B-2**

## **NEW MATERIAL WEAKNESSES**

**Pride Web/ISR**

**Tab B-2-1**

**information Management & Reporting  
Center (iMARC) Capabilities**

**Tab B-2-2**

**Dual Compensation**

**Tab B-2-3**

**USPFO Oversight**

**Tab B-2-4**

**TAB B-2-1  
NEW MATERIAL WEAKNESS**

**Title:** Data Integrity of ARPLANS and PRIDEWEB

**Description of material weakness:**

**Condition:** WEBRPLANS and PRIDEWEB do not reflect actual requirements, incorrect category codes for some facilities still being corrected from the PRIDE legacy to PRIDEWEB transition. Current controls do not work, Data is unstable making it impossible to validate FISP and calculate POM requirements.

**Cause:** There are multiple potential causes for the instability of WEBRPLANS and PRIDEWEB data. Several potential or historical causes are toploads of other databases are incomplete or erase existing data. Manual updates are submitted, approved but never show up in the database of record, as well as complete loss of records for unknown reasons. Last year ISR-I "lost" 820 facilities to a WEBRPLANS "bad code".

**Effect/Impact:** POM Requirements in numerous programs are understated, and as a result the ARNG is underfunded in subsequent years in those programs. The ability to validate real property database of record (FISP) and calculate POM requirements for Sustainment, Restoration and Modernization and Military Construction is impossible with any level of confidence. Numerous models used in calculating POM requirements for Base Operations Support and Military Construction are fed by data fields in PRIDEWEB. The ISR-I loss in facilities resulted in a significant number of facilities not being included in the end of year calculation for the overall condition of facilities in Alabama. The CFMO manpower study and resulting MEO use the number of facilities in PRIDEWEB in order to calculate the number of employees that the CFMO is authorized. The data in this database is historically understated in quantities therefore the POM requirements for those MDEPS are artificially understated.

**Functional category:** Plans and Policy, Construction and Facilities Management Office (CFMO)

**Senior official in charge:** (b) (6), CFMO, JFHQ-AL

**Year identified:** 2011



**Original target date:** 2011

**Target date in last year's report:** N/A

**Current target date:** 2011

**Reason for change in date:** N/A

**Validation process:** Policy and procedural changes at NGB and higher level validated by NGB-IR.

**Results indicator:** Property Management Personnel will have a functional database/website to always reflect accurate facility data

**Source(s) identifying weakness:** ALARNG, COARNG.

**Major milestones in corrective action:**

**a. Completed Milestones:**

**Date:** 01 March 2011 **Milestone:** P Certification Memo noted PRIDEWEB data instability to NGB-ILI

**b. Planned Milestones:**

**Date:** **Milestone:**

**NGB or DA action required:** ARNG, G4

**Point of contact:** (b) (6) 334-213-7515, (b) (6)

**TAB B-2-2**  
**NEW MATERIAL WEAKNESS**

Title: iMARC Automation Capabilities

Description of Material Weakness: Currently this weakness encompasses the following deficiencies:

- iMARC has no automation controls that allow a bonus to be verified for eligibility. Eligibility must be verified manually. Human error on these incentives can cause payments that violate the law and policy.
- Program managers have no access to DJMS or any other funding data management source to identify what has or has not been paid. NGB also has limited capability to keep track of what funded has gone out for the year and to shut off the system once funding cap has been reached. All state managers need to request from outside sources to receive data on what is being spent (DFAS). Also NGB and state program managers have no ability to forecast for out years on spending. Need to be able to reconcile commitments and obligations against forecasted budget request and verify/compare the reliability of outside agency support. If this continues then there is no clear way to decide what money goes where and no capability to shut off funding when funding when funding cap is reached.
- iMARC goes down at varying times throughout the day. When it goes down it can be for 10 min to a week. If iMARC does go down we have to revert to manual processing and have no back-up system. Loss of data impacts the duplication of incentive payments, overpayment and loss of funding reconciliation, in addition to the possibility of issuing an incentive bonus control number from loss of internal controls.
- DD Form 2475 is required for payments of the various loan repayment programs. The authority for the Chaplain Loan Repayment Program (CHLRP) IS 10 USC 16303 which is not listed on the form. The form cannot be utilized for CHLR.
- There is no data/management controls surrounding a timeline for a request of a control number. The policy states the NLT time for submittal of a controls number. Without this process being corrected we continually get ETP's submitted by states to over look the policy. They continually request a

retrograded manual control number to give a Soldier an incentive. This causes major effort to research all the details in each case and make a fair and equitable decision.

#### **Statement of Annual Assurance Extract (FY11) – Milestones for Corrective Action**

- There is no standardization for required documents or where each document needs to be. Documents can be loaded in iPERMS or iMARC. Some documents never get loaded in either. With the delay of when documents get loaded into iPERMS bonuses can get processed without any documents. Without a delineation of what needs to get loaded where and the timeliness of when documents get uploaded, bonuses can be paid in the improper FY.
- Contracts are signed under the improper bonus addendums and without proper information like the bonus control number. This is done because of manual documents in the system. This causes payments to be made to Soldiers because of no fault to the Soldier, which causes exceptions to the policy guidance.
- Systems like RTRS and RETAIN are not used nationwide to help lock a soldier in for a bonus. This causes Soldiers to be eligible for a bonus and have to receive a manual control number for an incentive. This causes incentives to be paid without following proper policy guidance.

Functional Category: Research, Development, Test, and Evaluation

Senior Official in Charge: (b) (6)

Pace of Corrective Action:

Year Identified: 2010

Original Target Date: N/A

Target Date in Last Year's Report: N/A

Current Target Date: N/A

Reason for Change in Date(s): N/A

Validation Process: Test a new automated system in the field prior to implementation. Verify through internal audits from state and national level this program is validating information properly.

Results Indicators: Evaluation of new automated system data to identify issues for correction and to ensure automated eligibility verification and validation measures are functioning.

Source(s) Identifying Weakness: Lean Six Sigma study and Process Review  
Team findings

Major Milestones in Corrective Action:

A. Completed Milestones:

Date: June 2010 Milestone: Short term solution; added  
PEC team in to review 100% validation of eligibility prior to payments.  
NGB team will review 10% of payments prior to being submitted for pay.

B. Completed Milestones:

Date: September 2011 Milestone: Create an automated Guard  
Incentives Management System (GIMS) that can correct deficiencies.

C. Planned Milestones:

Date: Milestone:  
D. Validation Milestone (FOR CORRECTED WEAKNESS (ES) ONLY):  
Date: Milestone:

NGB or DA Action Required: NGB-GSE-1

Point of Contact: (b) (6) 703-601-7651



**TAB B-2-3  
NEW MATERIAL WEAKNESS**

**Title:** Dual Compensation

**Description of material weakness:**

Several States have submitted a Material Weakness regarding Dual Compensation. These submissions take on various issues that conclude the overall material weakness. The issues include, but are not limited to:

a. Current processes do not adequately protect against unauthorized dual compensation for technicians performing Inactive Duty Training (IDT) during the technician workday. The vast majority of IDT is performed on weekends or in the evenings, outside the normal technician workday. However, some IDT are performed during the technician workday, which would require a technician to be in an appropriate leave status. (CAARNG)

b. Dual Compensation reviews are not able to be performed by the USPFO Resource Management, Technician Pay section with the current reporting methods utilized by USPFO-RM. (IDARNG)

c. No internal control were found that establish or performed within the USPFO to identify instances of dual compensation associated with inactive uniformed duty. (ILARNG/LAARNG/MIARNG)

d. Separately designed Orders, Civilian Pay and the Military Pay System do not interface to include internal controls for the identification/detection and prevention of dual compensation. (PAARNG/IAARNG/WIARNG)

e. There is currently no formal process between HRO and the G1 to code technicians accurately in SIDPERS, and it requires manual input. The HRO and G1 are developing a process to communicate changes in technicians' status between the two divisions to ensure reports accurately reflect technician status. There are also no current automated or internal controls in place to identify Air Guard military duty performed by technicians paid through the Army Guard. Lastly, in addition to failing identify when individuals may be getting paid under both systems, the same is true in recording sick leave while in a technician status and on military orders at the same time. (GAARNG)

**Functional category:** Personnel and/or Organizational Management  
Comptroller and/or Resource Management

**Senior official in charge:**

**Year identified:** 2011

**Original target date:** 2011

**Target date in last year's report:** N/A

**Current target date:** 2011

**Reason for change in date:** N/A

**Validation process:** NGB will notify the States when weakness has been corrected.

**Results indicator:** When all various issues have been looked into.

**Source(s) identifying weakness:** IAARNG, IDARNG, ILARNG, LAARNG, MIARNG, PAARNG, CAARNG, WIARNG, GAARNG.

**Major milestones in corrective action:**

**a. Completed Milestones:**

**Date:** 6Apr11 **Milestone:** Issue forwarded to G1 for corrective actions.

**b. Planned Milestones:**

**Date:** **Milestone:**

**NGB or DA action required:** ARNG, G1

**Point of contact:** See individual State MWs.

**TAB B-2-2**  
**NEW MATERIAL WEAKNESS**

**Title:** USPFO Oversight

**Description of Material Weakness:**

In addition to last year's MW submission, States are continually reporting weaknesses of USPFO oversight. This year's weakness takes on various issues that conclude the overall material weakness. Several States have reported the issues, but only five States submitted as a material weakness. The issues include, but are not limited to:

a. Oversight of Federal Funds regarding the Federal Tuition Assistance Program. Although NGB has updated the iMARC process by adding review and validity through NGB and PEC for payment, this process omits visibility of the USPFO. USPFO Military Pay personnel are no longer involved in the payment process and the USPFO does not have visibility of these Federal funds. Management controls have been severely impacted and are deficient to ensure Federal funds are properly accounted for and protected from fraud, waste and abuse. (ALARNG/FLARNG)

b. Oversight of Federal Funds regarding the Incentive Program. The CAARNG Incentive Program was revealed to have inadequate internal controls resulting in allegations of large scale erroneous, invalid and illegal payments of bonuses and student loan repayments. The primary cause for this material weakness was lack of appropriate oversight and control measures to review the work of the incentive manager at the State and NGB level for several years. (CAARNG)

c. Migration of Function from USPFO. Federal Functions involving receipt, storage and issue of ammunition/explosives assigned to the USPFO are not under the direct control and supervision of the USPFO or assigned outside of the direct control and supervision of the USPFO. An IG report was conducted by First Army in which recommendations to the TAG were to consider returning functions. USPFO continues to work this issue with FLARNG Command with no avail. (FLARNG/MSARNG)

d. Inability to manage all systems recording the USPFO data. Centralization of systems has removed the ability to exclusively manage the information systems the USPFO uses to receive and account for all funds and property and make reports and returns on those funds and properties. This provides the basis for lack of accountability and an extremely strong potential for USPFO violations. (OKARNG/WVARNG)

Functional Category: Resource Management and Supply Operations

Senior Official in Charge: (See State MWs).

Pace of Corrective Action:

Year Identified: 2006

Original Target Date: 2008

Target Date in Last Year's Report: N/A

Current Target Date: N/A

Reason for Change in Date(s): See State MWs

Validation Process: See State MWs

Results Indicators: N/A

Source(s) identifying Weakness:

Major Milestones in Corrective Action:

A. Completed Milestones:

Date:	Milestone:
-------	------------

C. Planned Milestones (Fiscal Year 2010)

Date:	Milestone:
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OSD or HQDA Action Required: NGB-PF

Point of Contact: NGB-ZC-PF, (b) (6), 703-607-1645



## **TAB B-3**

# **UNCORRECTED MATERIAL WEAKNESSES**

**ARNG Equipment Tracking**

**TAB B-3-1**

**Migration of function from USPFO**

**TAB B-3-2**

**Tab B-3-1**  
**Uncorrected Material Weakness**

**Title:** ARNG Equipment Tracking

**Description of Material Weakness:** The ARNG cannot readily and accurately determine when and in what quantity new equipment is delivered to ARNG units and the appropriation used to procure the equipment. This material weakness is due to the lack of Army logistic and acquisition transparency and controls in its existing automated systems and procedures to track appropriated equipment funding from the appropriation, through the procurement process, and to the delivery of equipment at the component level of detail. Until the weakness is corrected the ARNG will not be able to accurately validate if it receives equipment for which appropriated funds were designated and the CNGB will not be able to report to Congress in accordance with the National Defense Authorization Act 2008.

**Functional Category:** Major Systems Acquisition – G8

**Senior Officer in Charge:** Chief of Staff, Army and (b) (6), Division Chief, Materiel Programs Division, Army National Guard, National Guard Bureau.

**Pace of Corrective Action:**

**Year Identified:** 2007

**Original Target Date:** N/A

**Target Date in Last Year's Report:** N/A

**Current Target Date:** 1 Mar 11

**Reason for Change in Date(s):** Complexity of DA automated logistics and acquisition systems and the three year obligation period of Other Procurement – Army appropriated funds.

**Validations Process:** OSD tasked HQDA to improve transparency and to prepare and submit Quarterly Equipment Delivery Reports. HQDA created the Transparency and Traceability Enterprise General Officer Steering Committee to oversee and validate the process through completion. The goal of the transparency IPT is to automate the reporting process by spring of 2011. The Financial Synchronization & Transparency

(FST) IPT began a formal Post-Appropriation Reconciliation Process (PARP) for both the FY 10 Base and OCO budgets.

Results Indicators: The two major Army Integrated Process Teams, the Financial Synchronization Team (IPT) and the Delivery (IPT) include significant ARNG participation and facilitation. Both have made and continue to make significant progress toward identifying essential corrective actions. The IPTs also oversaw proposed changes and tests of fundamental system changes. The full scope of a majority of data processes, hardware and software system changes have been validated. Certification IPTs will keep transparency of financial and equipment tracking processes on schedule for full implementation by FY13. The Army replaced their initial report format for the quarterly Equipment Delivery Report with an ARNG developed format in Nov 10 to improve accuracy of tracking.

Source(s) Identifying Weakness: ARNG and OSD

Major Milestones in Corrective Action:

A. Completed Milestones:

Date: Aug 16, 2009 and 16 Nov 2009. Milestone: Submission of first Army Quarterly Equipment Delivery Report (EDR) OSD

Date: 16 Feb 10 Milestone: Continue quarterly EDRs by DA to OSD and application of shortfalls following equipment distribution.

B. Planned Milestones (Beyond Fiscal Year 2010):

Date: Mar 2011 Milestone: FST GOSC tracks process to ensure accomplishment of objectives through FY11-13. IPTs plan continue to improve automated processes for reporting equipment.

Date: 2012 Milestone: ARNG provide accurate data for the CNGB to meet FY08 National Defense Authorization Act reporting requirements.

Date: 2013 Milestone: Full implementation of financial equipment tracking (TBD).

NGB or HQDA Action Required: NGB will continually demand accurate equipment appropriations and equipment delivery data from the DA until the ARNG can submit accurate data for NGB to submit reports that meet FY 2008 National Defense Authorization Act reporting requirements; and continued support of HQDA and ARNG to

become fully transparent with equitable component participation in the equipping process.

Point of Contact: (b) (6), Division Chief, Materiel Programs Division, Army National Guard, National Guard Bureau. (New).



**TAB B-3-2**  
**UNCORRECTED MATERIAL WEAKNESS**

Title: Migration of Functions from USPFOs for Florida. (The following States also have this material weakness: AK, AR, GA, GU, ID, IL, KY, MD, MN, MS, NC, ND, NE, NM, NY, OH, OK, PA, PR, SD, VI, WV)

**Description of Material Weakness:**

a. Condition: Federal functions involving commercial transportation and receipt storage, and issue of ammunition/explosives assigned to the USPFO have been migrated from the direct control and supervision of the USPFO or been assigned outside of the direct control and supervision of the USPFO which precludes the USPFO from complying with existing regulations and/or law.

b. Cause: The Adjutant General, based on guidance from NGB (Memorandum from CNGB, dtd June 2004, and NGR 130-6, dtd 1 July 2007 – this regulation was not approved by the Secretary of the Army and Secretary of the Air Force), migrated federal functions based in statutory and regulatory requirements from the USPFO for Florida to State Directors assigned to the FLARNG.

c. Effect/Impact: Precludes the USPFO from completing his statutory and regulatory compliance duties and responsibilities under Title 32 Section 708, AR 710-2, AR 130-400 and AR 735-5. Provides the basis for lack of accountability and direct control and supervision for commercial transportation activities and the direct control and supervision regarding the functions of receipt, storage and issue of ammunition/explosives to National Guard units using Camp Blanding Joint Training Center, a state owned facility. The lack of direct control/supervision causes USPFO to violate Title 32, Section 708, para 5.1.13 and 5.1.17, DoDD 5105.77, dated 21 May 2008 (NGB Charter), paragraph 2-8 AR 735-5, regarding custodial, supervisory, and direct responsibility as the federal Stock Record Officer, paragraph 4d and 19b, AR 130-400, and paragraph 13, page I-101-16, Defense Travel Regulation 4500.9R.

**Functional Category:** Resource Management and Supply Operations

**Senior Official in Charge:** (b) (6)

**Pace of Corrective Action:**

**Year Identified:** 2006 (1<sup>st</sup> Army IG Report)

Original Target Date: 2008

Target Date in Last Year's Report: N/A

Current Target Date: 1 Apr 11

Reason for Change in Date(s): Original identification date was based on First Army (1A) Inspector General (IG) report dtd Apr 06, regarding Commercial Transportation and Food Service requisition functions. No functions were returned to control of \*USPFO as recommended by 1A IG report as the 1A IG report only recommended TAG consider returning the functions. 1A IG Report dtd Oct 08 reiterated findings regarding migration of USPFO functions and recommended return of the functions to USPFO. TAG-FL directed his CoS work with USPFO regarding fix of 1A IG findings and return of functions to USPFO, 19 Jun 08. Original memorandum prepared by USPFO dtd Jul 08 requested return of migrated functions involving Food Service, Commercial Transportation and ASP Operations at Camp Blanding Joint Training Center. CoS directed another Staff Action Paper be processed to all Directorate Staff, and that was accomplished Sep 08 with Directorate Staff input dtd Oct 08. A meeting with the CoS, DCSLOG and USPFO occurred 27 Jan09. The Food Service requisition function was returned to USPFO, however, the Commercial Transportation and Ammunition & Explosive migrated functions were not returned and issues were not solved and are still awaiting a decision by CoS and TAG-FL.

Validation Process: Excerpt from AAA Report dtd May 04, USPFO IG Reports dtd 2006 & 2008, memorandum and an information Paper, by USPFO, (enclosed – all without applicable attachment).

Results Indicators: Return the direct control and supervision of the Commercial Transportation Section, including all full time personnel currently assigned, to the USPFO. This change is transparent to using units and is supported by current regulations, laws, manpower vouchers and TDA positions. Return the direct control and supervision of the Ammunition Supply Point, Camp Blanding Joint Training Center, including all full time personnel currently assigned, to the USPFO. This change is transparent to using units and is supported by current regulations, and laws.

Source(s) identifying Weakness: US Army Audit Agency, 1A IG and USPFO for Florida

Major Milestones in Corrective Action:

A. Completed Milestones:

Date: Jun 08

Milestone: Briefed TAG and recommended corrective

29

action.

Date: Jul 08	Milestone: USPFO submitted memorandum to TAG outlining weaknesses and corrective actions and requested return of migrated functions.
Date: Sep 08	Milestone: USPFO submitted action paper, per instructions of CoS, FLARNG.
Date: Jan 09	Milestone: USPFO met with CoS and DCSLOG – Food Service Function to be returned to USPFO.
Date: Apr 09	Milestone: Implement change to return Food Service Requisition process, Commercial Transportation and ASP receipt storage and issue functions to USPFO.

#### C. Planned Milestones (Fiscal Year 2010)

Date: Sep09	Milestone: Weakness was assigned to NGB-ZC-PF (USPFO) Mr. Kozosky for revision of CNGB memo and rewriting NGR 130-6.
Date: Mar11	Milestone: No status of action for correctness has been forwarded to the ARNG ICA for this material weakness.

OSD or HQDA Action Required: NGB-PF

Point of Contact: NGB-ZC-PF, (b) (6), 703-607-1645

# **CORRECTED MATERIAL WEAKNESSES**

**N/A**



## **TAB C: ICOFS**

### **FMFIA Internal Controls over Financial System (ICOFS) Process**

1. Within the Army National Guard's Installations Division, we recognize that management is responsible for establishing and maintaining effective internal controls over financial systems (ICOFS) to meet the objectives of the Federal Managers' Integrity Act (FMFIA). We are providing no assurance that, as of February 17, 2011, the Planning Resource Infrastructure Development and Evaluation (PRIDE) system's internal controls are operating effectively.
2. PRIDE is an operational system used for ARNG lifecycle facility management. It is used by the National Guard Bureau (NGB), and the 50 States 3 Territories, and the District of Columbia. There are existing controls within PRIDE which prevent unauthorized access, enforce segregation of duties, and protect data integrity; however, no testing has been performed to give us reasonable assurance on the effectiveness of system controls.
3. ARNG initiated the Federal Financial Management Improvement Act (FFMIA) compliance review of the PRIDE system with the Army Audit Agency (AAA) in October 29,, 2009. ARNG and AAA completed reviewing the DFAS Blue Book requirement in May 2010; however, both parties concluded that until the end state system relationship between the General Fund Enterprise Business Systems (GFEBS) and PRIDE was defined further, there were a high number of assumptions over system requirements. GFEBS implementation will change the requirements for financial data elements maintained in PRIDE. Current discussions with GFEBS indicate that real property financial data elements will be split between both systems and passed through the Headquarters Installation Information System (HQIIS). As of this statement, data requirements have not been defined.
4. ARNG and ASA (FM&C) subsequently adjusted the material weakness timeliness in the Army Financial Improvement Plan (FIP) for PRIDE. The current target date for PRIDE FFMIA compliance is set a 1<sup>st</sup> Quarter, FY 2012. ARNG is working with the GFEBS Property Plant and Equipment (PP&E) Team to determine system data requirements for both systems.

Compliance with Federal Financial Management Improvement Act			
Substantial Compliance Requirements	Reporting Entity	Auditor	Reason for Non-Compliance
1. System Requirements	No	N/A	IFMS has been defined, but has not been fully implemented
2. Accounting Standards	No	N/A	IFMS has not been defined.
3. USSGL at Transaction Level	No	N/A	IFMS has not been defined.

### **Actions to Achieve FFMIA Compliance**

ARNG and the GFEBS PP&E Team are working to define system ownership over financial requirements. Requirements meetings are being planned for Quarter 2-3, FY 2011 to assign system requirements. Once requirements are assigned, ARNG will re-coordinate with AAA to restart the FFMIA compliance review process of PRIDE.

FFMIA compliance is expected to be achieved by December 31, 2011.

Army Financial Improvement Plan - PRIDE Tasks		
Due Date	Task	Owner
1st Qtr FY 12	Obtain AAA certification that PRIDE substantially complies with all identified requirements based on the current version of the DFAS Blue Book and JFMIP (Army RP FIP, WBS 3.1.5.10)	ARNG
1st Qtr FY 12	Conduct FFMIA compliance audit on the added PRIDE Web enhancements and provide report on the system compliance status (Army RP FIP, WBS 3.1.5.11)	AAA

FL-MW  
TAB B-2-1  
New Material Weaknesses

Title and Description of Material Weakness: Information Management and Reporting Center (iMARC) Payment Data Reliability

Material Weakness: The payment data contained in iMARC does not match the payment data contained in DFAS in all cases.

Functional Category: USPFO

Senior Official in Charge: (b) (6)

Pace of Corrective Action: N/A

Year Identified: 2010

Original Target Date: 2010

Target Date in Last Year's Report: N/A

Current Target Date: N/A

Reason for Change in Date: N/A

Validation Process: The Audit Staff found the interface between the data system iMARC and DFAS to be problematic. Over half of the incentive payment transactions we reviewed in the data system iMARC had not been updated, some for over a year. Incentive payments made in 2009 still reflected an iMARC pay status of "T.L. Issued (PAID)" rather than "PAID by DFAS". Additionally, the Audit Staff identified the "DFAS Payments" screen in iMARC, found under the "SRIP" tab reflected erroneous information regarding the Fiscal Year (FY) for which a payment was made. We verified that all payments made in FY10 reflected an FY of 2000. We also identified that bonus payments were not always reflected in the "DFAS Payments" screen making it appear as if the recipient had not received a payment when in fact they had. Ultimately, the Audit Staff concluded that we could not make an accurate determination regarding any Soldier's pay account without reviewing data reports from both systems to reconcile the discrepancies.

Results Indicators: iMARC is generating incentive pay reports containing erroneous information.

Source Identifying Weakness: USPFO for FL Internal Review Audit # 2011-001

NGB or DA action required: Modification of current interface between iMARC and DFAS to ensure data is updated in a timely manner and reflects accurate information.

Point of Contact: (b) (6), 904-823-0524



ID - MW  
**TAB B-2 New Material Weaknesses**

**Local ID #** 11-06

**Title:** No iMARC Separation of duties.

**Description of Material Weakness:**

- a. iMARC does not allow for adequate separation of duties within the National Guard recruiting and retention, G/J1 incentives program.
- b. iMARC consolidates all key duties and responsibilities in authorizing, processing, recording, and reviewing of transactions with the one individual in the education office.
- c. TL's for Student Loans were sent directly to the finance office for payment without any documentation that they had been reviewed & approved for payment by another person within the J1 office. TL's for bonuses were routed thru NGB to DFAS for payment without any indication that they had been reviewed & approved by another person within the J1 office.

**Functional Category:** Personnel and/or Organization Management.

**Senior Official in Charge:** (b) (6), G1 IDARNG.

**Pace of Corrective Action:**

**Year Identified:** FY 2011.

**Original Target Date:** FY 2011.

**Target Date in Last Year's Report:** N/A New Material Weakness.

**Current Target Date:** N/A New Material Weakness.

**Reason for Change in Date:** N/A New Material Weakness.

**Validation Process:** Army-level material weakness.

**Results Indicator:** N/A.

**Source(s) Identifying Weakness:** Idaho USPFO Internal Review Office.

**Major Milestones in Corrective Action:**

- A. Completed Milestones:  
Date: 22 FEB 2011 Milestone: Material Weakness identified and submitted to NGB.
- B. Planned Milestones (Fiscal Year 2011) N/A.



**TAB B-2 New Material Weakness Local ID # 11-06 cont.**

C. Planned Milestones (Beyond Fiscal Year 2011) N/A.

D. Validation Milestones: N/A.

**NGB or DA Action Required:** iMARC program modification in order to have separation of duties and additional oversight of the Incentive Pay Program.

**Point of Contact:**

(b) (6)

G1 Educations/Incentives, Incentives Manager.

Office: (208) 272-4687

E-mail: (b) (6)

FY 11 Annual Statement of Assurance (ASA) on the Managers' Internal Management Controls Program for the Maryland Army National Guard (MDARNG)

**TAB B-2 New Material Weaknesses**

- MD-MW
1. **Title. Recruiting and Retention Incentive Bonus Program.**
  2. **Description of Material Weakness.**
    - a. **Condition.** Over- and under-payments of Incentives.
    - b. **Cause.** Application controls within the iMARC system were not adequate to ensure that only eligible Soldiers received incentive payments.
    - c. **Effect/Impact.** Continued overpayment and underpayment.
  3. **Functional Category.** Personnel and/or Organization Management
  4. **Senior Official in Charge.** (b) (6), USPFO for Maryland
  5. **Pace of Corrective Action.**
    - a. **Year Identified.** FY 2011
    - b. **Original Target Date.** FY 2011
    - c. **Target Date in Last Year's Report.** N/A
    - d. **Current Target Date.** N/A
    - e. **Reason for Change in Date.** N/A
  6. **Validation Process.** Periodic reviews of transactions posted to iMARC to ensure data is updated timely.
  7. **Results Indicator.** \$0 of overpayment and \$0 of underpayment.
  8. **Source(s) Identifying Weakness.** Results from the NGB directed Quick Reaction Audit.
  9. **Major Milestones to Include in Progress to Date.**
    - a. **Completed Milestones.** Internal Review Report #2011-001 dated 24 January 2011 identifying the problem.
    - b. **Planned Milestones (Fiscal Year 2011).** Internal Review will perform audit follow-up beginning 1 April 2011, and will provide quarterly reports to Senior Leadership on status of open Findings/Recommendations until closed.
    - c. **Planned Milestones (Beyond Fiscal Year 2011).** TBD.

TAB B-2-1

FY 11 Annual Statement of Assurance (ASA) on the Managers' Internal Management Controls Program for the Maryland Army National Guard (MDARNG)

d. Validation Milestones. N/A

10. ARNG or HQDA Action Required. This Finding and several associated Recommendations for strengthening the application control weaknesses in iMARC were elevated to NGB-level for resolution.

11. Point of Contact. (b) (6), ICA, 410-702-9068, (b) (6)

**1. Title. Technician Dual Compensation.**

**2. Description of Material Weakness.**

a. Condition. Individuals received improper Dual Compensation (Dual Comp) from their Technician positions while performing periods of military duty.

b. Cause. Internal controls related to Dual Compensation were not effective. Application controls within the "Manday Accounting Report" were not adequate to ensure that all periods of military duty for all Military Technicians were captured.

c. Effect/Impact. As a result, Mil Techs had Dual Comp-related errors totaling \$5,900.51.

**3. Functional Category. Personnel and/or Organization Management**

4. Senior Official in Charge. (b) (6), USPFO for Maryland

**5. Pace of Corrective Action.**

a. Year Identified. FY 2011

b. Original Target Date. FY 2011

c. Target Date in Last Year's Report. N/A

d. Current Target Date. N/A

e. Reason for Change in Date. N/A

6. Validation Process. Enforce timely update to iMARC and verify on a monthly basis.

7. Results Indicator. \$0 of overpayment and \$0 of underpayment.

8. Source(s) Identifying Weakness. Results from the NGB directed Quick Reaction Audit.

9. Major Milestones to Include in Progress to Date.

TAB B-2-2



**FY 11 Annual Statement of Assurance (ASA) on the Managers' Internal Management Controls Program for the Maryland Army National Guard (MDARNG)**

- a. Completed Milestones. Internal Review Report #2011-001 dated 24 January 2011 identifying the problem.
- b. Planned Milestones (Fiscal Year 2011). Internal Review will perform audit follow-up beginning 1 April 2011, and will provide quarterly reports to Senior Leadership on status of open Findings/Recommendations until closed.
- c. Planned Milestones (Beyond Fiscal Year 2011). TBD.
- d. Validation Milestones. N/A

10. ARNG or HQDA Action Required. This Finding and several associated Recommendations for strengthening the application control weaknesses in the Manday Accounting Report were elevated to NGB-level for resolution.

11. Point of Contact. (b) (6), ICA, 410-702-9068, (b) (6)

TAB B-2-3



## **TAB B MATERIAL WEAKNESS**

### **TAB B-1 List of Material Weaknesses**

#### **New Material Weaknesses:**

a. Information, Management and Reporting Center (iMARC) does not properly interface with Defense Finance and Accounting Service DFAS. FY2011

b. iMARC does not properly interface with Standard Installation and Division Personnel Reporting System (SIDPERS). FY2011

Uncorrected/Corrected Material Weaknesses: None

### **TAB B-2 New Material Weakness (1 of 2)**

Local ID#: 201101

Title: iMARC does not always properly interface with DFAS systems to accurately reflect bonus payments made to Soldiers.

#### **Description of Material Weakness:**

- a. Condition: The report used to monitor bonus payments disbursed to members does not accurately reflect the total payments made. The report excludes payments previously disbursed thereby falsely reflecting that members are entitled to receive more funds than what they are actually due. The iMARC generated report assists the Incentive Manager and other activity directors in tracking individual payments and total payment figures. The inaccuracy of the report places severe limitations on the incentive manager's ability to properly manage and track the bonus program.
- b. Cause: The exclusion of bonus payments on iMARC generated reports is a result of technical interface issue between the iMARC system and DFAS systems.
- c. Effect/Impact: The interfacing problems between the iMARC system and DFAS systems results in inaccurate records for individual payments which carries through to totals shown on other iMARC reports showing bonus data. Inaccurate records complicate effective program management and increase the chance that an erroneous payment may occur.

Functional Category: Comptroller and/or Resource Management

Senior Official in Charge: (b) (6) G1 Director of Personnel

Pace of Corrective Action:

Year Identified: 2011

Original Target Date: 2011

Target Date in Last Year's Report: N/A

Current Target Date: N/A

Reason for Change in Date(s): N/A

Validation Process: NGB will notify the states when this issue has been resolved. USPFO-IR will test corrective actions of NGB during follow-up audit.

Results Indicators: When the output from iMARC matches 100% of what has been paid from DFAS.

Source(s) Identifying Weakness: The USPFO-IR identified the problem during Audit # 2010-021 National Guard Bureau Directed Audit of Recruiting and Retention Incentives New Jersey National Guard dated 3 December 2010.

Major Milestones in Corrective Action:

A. Completed Milestones:

Date: Nov 10 Milestone: Discovered issue during NGB directed Incentives Audit. Results and findings of Audit were sent to NGB for action.

B. Planned Milestones: (Fiscal Year 2011)

Date: 4<sup>th</sup> Qtr 2011 Milestone: Follow up with NGB to determine if the IMARC and DFAS interface issues have been solved. USPFO-IR will conduct follow up audit to verify if this has been completed.

C. Planned Milestones: (Beyond Fiscal Year 2011)

Date: 4<sup>th</sup> Qtr 2012 Milestone: Incentive office will conduct internal inspection to verify if issue is still present. If not fixed follow up with NGB proponent.

NGB or DA Action Required: Determine why iMARC does not fully interface with DFAS. Fix issues with IMARC and conduct sufficient testing to verify accuracy. Notify states of progress or if the problem is fixed.

Point of Contact: (b) (6) Education Service Officer at 609-562-0711 or (b) (6)



**TAB B-2 Cont...**  
**Tennessee Army National Guard**  
**New Material Weaknesses**

**Local ID# 2011-001 (Cont...)**

**Source(s) identifying Weakness:** The TNARNG Military History Program was reviewed by the J3 and Public Affairs Offices and has identified and validated this weakness.

**Major Milestones in Corrective Action:**

**A. Completed Milestones:**

Date: 20 January 2011 Milestone: Completed initial analysis of the program and reported deficiencies.

**B. Planned Milestones (Fiscal Year 2011):**

Date: 01 March 2011 Milestone: Continue to maintain Mobilization Readiness historical files on units that have deployed their AA Headquarters and maintain a lineage / honors point of contact to field questions.

**C. Planned Milestones (Beyond Fiscal Year 2011):**

Date: Milestone:

**NGB or DA Action Required:** ARNG to resolve.

**Point of Contact:** POC: (b) (6), NGTN-PA

**Local ID# 2011-002**

**Title:** Certification of Selective Reserves Incentives Program (SRIP) payments

**Description of Material Weakness:**

- a. **Condition:** Selective Reserves Incentives Program (SRIP) payments are not being routed through the USPFO-TN for certification and therefore may be in violation of 32 United States Code (USC) § 708 and National Guard Regulation (NGR) 130-6. This is a Material Weakness within the National Guard Bureau and Defense Finance and Accounting Service (DFAS) certification procedures for centralized funding.
- b. **Cause:** A change in NGB-EDU policy required payments to be routed to DFAS-PEC for payment beginning in February 2010 which took the USPFO out of the payment certification process.

TN-MW

**TAB B-2 Cont...**  
**Tennessee Army National Guard**  
**New Material Weaknesses**

- c. **Effect/Impact:** There is a lack of an identifiable certification of payment obligations prior to disbursement of funds by DFAS-PEC. Statue 32 USC § 708 (b) (1) specifically states that the USPFO for TN is "required to authenticate requirements, certify as to authority and authorize the expenditure of funds for property, supplies, equipment, services and payrolls". This is further supported by NGR130-6/ANGI 36-2 that the USPFO for TN, or his designated official, is "the certifying official for disbursements made by DFAS". SRIP payments are not being routed through the USPFO for TN for certification and therefore may be in violation of Statue and regulations.

**Functional Category:** Personnel

**Senior Official in Charge:** (b)(6)

**Pace of Corrective Action:**

**Year Identified:** December 2010

**Original Target Date:** N/A

**Target Date in Last Year's Report:** N/A

**Current Target Date:** TBD by NGB/DFAS

**Reason for Change in Date(s):**

**Validation Process:** NGB proponent identifies certification procedures and provides legal standing ISO 32 United States Code (USC) § 708 and National Guard Regulation (NGR) 130-6.

**Results Indicators:** Documented position memo from NGB identifying certification of SRIP payment LAW 32 United States Code (USC) § 708 and National Guard Regulation (NGR) 130-6.

**Source(s) identifying Weakness:** Internal Review audit results and the USPFO for Tennessee has identified and validated this weakness.



**TAB B-2 Cont...**  
**Tennessee Army National Guard**  
**New Material Weaknesses**

**Major Milestones in Corrective Action:**

**A. Completed Milestones:**

Date: 05Dec 2010 Milestone: Audit Report forwarded to CNGB (NGB-IR) identifying material weakness issue

**B. Planned Milestones (Fiscal Year 2011):**

Date: TBD: NGB position memo

**C. Planned Milestones (Beyond Fiscal Year 2009):**

Date: 01 Apr 2011 Milestone: add to 5-year Management Control Plan with Internal Review providing tri-annual evaluation.

**D. Validation Milestones:**

Date: Milestone:

**NGB or DA Action Required:** NGB/DFAS to resolve

**Point of Contact:** (b) (6)

**Feasibility Study Findings and Recommendations for  
Army National Guard Incentives Support Services**

**Supporting ARNG Recruiting and Retention**

*A report submitted by...*

**Team:**



***Arthur Bryant, Program Director  
James Roebuck, Program Manager***

***Feasibility Study Team:  
Michael Ortega, Process Analyst  
Grant Santee, Organizational Analyst  
Antimo Bruno, Managerial Analyst***

***FINAL Version 3.3***

**April 30, 2010**

**Macrosystems  
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Seattle, WA 98107  
(206) 547-2700  
[www.macrosystems.com](http://www.macrosystems.com)**

**NGB Contract # W9133L-09-D-0004-0002**

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# INCENTIVES TASK FORCE FINDINGS AND RECOMMENDATIONS

## Army National Guard Incentive Support Services Program

### EXECUTIVE SUMMARY

Team Macrosystems formed an Incentives Feasibility Study team (under the NGB contract awarded to conduct a study of ARNG incentives bonus process) comprised of an organizational analyst, managerial analyst, and a process analyst, who were tasked with reviewing and mapping out a "bumper to bumper" process flow of the current Selected Reserve Incentive Program (SRIP) bonus program, identifying areas of risk, and recommending areas for improvement. This was accomplished by talking with Incentive Managers (IMs), recruiters, MEPS counselors, Incentive Operations Team (IOT) case managers and providing a survey to all Incentive Managers that focused on five essential components or areas of effective internal control systems (based on COSO, an internationally recognized framework of controls and standards):

- Evaluation of information and communication, which supports all other control components by communicating control responsibilities to personnel and by providing information in a form and time frame that allows them to carry out their duties.
- Evaluation of risk assessment, which involves identification and analysis by command of relevant risk to achieve predetermined objectives.
- Evaluation of control activities (and objectives), which are the policies, procedures and practices that ensure command objectives are achieved and risk mitigation strategies are executed.
- Evaluation of control environment, which establishes a foundation for the internal control systems by providing fundamental discipline and structure.
- Evaluation of monitoring, which covers the external oversight of internal controls by leadership or other parties outside the process, or the application of independent methodologies, like customized procedures or standard checklists, by personnel within a process.

### Areas of Risk Identified:

Overall results indicate that opportunities for internal control improvement exist in all areas and risks increase with the following issues:

- Poor communications of the budgeting process including perceived lack of strategic direction.
- Lack of an effective risk assessment process that clearly identifies risks and related mitigation plans.
- A perceived lack of concise and timely policies and procedures.
- Decentralized and inconsistent IM organization structure and process flow (see list of systems utilized from survey).
- Reactive versus proactive operational environment (weak monitoring).



## FINDINGS & RECOMMENDATIONS

### 1. Key internal controls for the overall management of the SRIP bonuses are either missing or are inadequate, which exposes the program to the risk of exceeding overall appropriation limits and non-compliance with the Antideficiency Act (Title 31, United States Code).

We did not find an effective budget management process in place for proactive monitoring of bonus program budget limits, particularly at the state level. In addition, the processes in place for managing budget targets against actuals and communicating these goals to users with responsibility for obligating incentive bonus funds are inadequate and do not give appropriate consideration for preventing the over-commitment of current year funds and their consequential impact on future anniversary payment obligations.

- ▶ Evaluate the development of a cost and budget management system which includes setting and enforcing state SRIP budget targets, monitoring and communicating actual performance against budgeted targets with IMs on a periodic basis (either monthly or quarterly).
- ▶ Evaluate the development of a budget adjustment system for reallocating budgeted funds between States and SRIP bonus program budgets within a fiscal year to balance individual State readiness or program needs, while still maintaining budgeted limits.

### 2. Lack of an effective risk assessment process that clearly identifies risks and related mitigation plans.

- ▶ Conduct a risk assessment, including mitigation plans.
- ▶ Request compliance audit (by state, DFAS, GAO or Incentive Operations Team) of SRIP bonus payments and unresolved “on hold” transactions that continue to obligate SRIP budgeted funds in IMARC, which also remain as scheduled payments in DJMS (address audit trail requirements).

### 3. A perceived lack of concise and timely policies and procedures.

Survey results indicate confusion exists throughout the IM user base that appears to center on the lack of clear and concise policies and procedures relating to incentives and bonuses. A perception of constant change in these programs is also reported in the survey and in interviews with recruiters.

- ▶ Analyze root causes of confusion within IM user base and evaluate the effectiveness of programs implemented to address this issue.
- ▶ Develop a training program that addresses policy and procedure requirements.
- ▶ Develop training tools for IM's (e.g., task checklists, process flow chart with system interfaces and validation reports identified).

### 4. IM backgrounds, experience levels, functions and organizational structure are not standardized.

IM's identified approximately 30 different systems/reports used to validate SRIP bonus transactions and manage the incentives process, but none were used consistently. Comprehensive standards for IM job functions and position requirements, as well as consistent monitoring for compliance with policies and regulations, appear to be lacking.

- ▶ Develop comprehensive standards for IM position requirements (e.g., experience requirements, grade/title and full or part time position) and document.
- ▶ Evaluate how to best integrate standard requirements into IM positions with States and Territories.
- ▶ Conduct periodic inspections/monitoring for compliance with regulations and policies.

#### 5. Reactive versus proactive environment leads to less-than-effective monitoring and problem resolution.

Current performance metrics are focused on correcting errors after they happen (e.g., losses with active contracts) rather than preventing them from happening.

- ▶ Develop metrics and reporting that detect and/or prevent errors from occurring.
- ▶ If errors occur, identify root cause and correct.

#### 6. Inadequate Process Control Systems.

Process scenarios related to bonus payment eligibility validation, payment, suspension/reinstatement, and termination (see SRIP BONUS PROGRAM PROCESS FLOW MODEL SCENARIOS - #4-8) are lacking appropriate control systems to standardize and consistently support IM tasks, as well as failing to provide adequate audit trail for eligibility determinations to support payment approval (see Appendix A – IM SURVEY RESULTS - survey of systems utilized by IMs).

- ▶ Develop system interface for standardizing IM workflow and reporting for bonus payment eligibility validation, suspension/reinstatement and contract termination.
- ▶ Develop control output processes to capture and time/date stamp eligibility data to create an audit trail for supporting data relied upon by IMs to make bonus payment approval determinations.

#### 7. Systems Data Integrity

Information in several key data sources (e.g., SIDPERS, IMARC, and AUVS) has been reported to contain erroneous entries or otherwise not updated with current data to be a consistently reliable data sources for determination of soldier bonus payment eligibility, suspension/reinstatement and termination, which increases the risk of approving payments contrary to SRIP policy and regulations.

- ▶ Evaluate data integrity of key data sources (e.g., SIDPERS, IMARC, and AUVS) and make corrections.
- ▶ Establish data maintenance procedures to improve data reliability and timely data updates.

#### 8. Other Recommendations

- ▶ Conduct follow-up surveys (or other feedback methods) with IM's and other stakeholder users (e.g., MEPS Counselors, Recruiters, and Readiness NCOs).
- ▶ Document and formalize feedback/follow-up process.

## 1. INTRODUCTION

During the past several months, the Incentives Task Force team has worked closely with the Incentive Operations Team (IOT) at PEC in order to better understand the current state processes in place for execution of the incentives bonus payout program, with a particular focus on the Selected Reserve Incentives Program (SRIP). The Task Force developed a high-level view of the incentive programs as they currently exist today, Based on workshops with NGB Leadership, selected interviews of Incentive Managers, recruiters, and MEPS counselors; surveys of IMs across the 54 states and territories, and weekly briefings from the IOT. The purpose of this report is:

- 1) to summarize the Task Force's program assessment and identify areas of risk in the ARNG incentive management process;
- 2) to provide a "bumper to bumper" process flow map of the SRIP bonus program;
- 3) to issue findings with respect to the adequacy and effectiveness of existing process controls; and
- 4) to offer strategic recommendations to improve processes and supporting controls.

## 2. TASK FORCE APPROACH

In consideration of the many disparate elements involved in the incentive management program, including the recruitment and bonus pay-out cycle, it was apparent to the Incentives Task Force that the first step in conducting an objective assessment of this program would be to initiate a 3-month discovery process to map out the incentives management process flow, identify the areas of risk, and assess the adequacy of existing process controls in order to issue its findings and strategic recommendations for process improvement and internal control.

The approach the Task Force used to gather program information involved participating in several incentive workshops at PEC (involving IOT management and case managers, NGB Leadership and IMs from several states), as well as selected interviews with IMs from several states, recruiters, and MEPS counselors. In addition, an online survey was developed and sent to all IM's (in the 54 states and territories) in an effort to gather information about incentive management practices (see Appendix A – IM SURVEY RESULTS).

In developing its findings and strategic recommendations, the Task Force focused much of its scrutiny on the process environment surrounding validation of bonus contracts, eligibility validation for bonus payment requests, suspension/reinstatement, contract termination, and assessing existing controls for compliance with fiscal regulations and policies.

### 3. SRIP BONUS PROGRAM PROCESS FLOW MODEL SCENARIOS

#### Process Flow Model Description:

The Task Force focused on enlistment bonuses, which comprise approximately 85% of the total SRIP bonus programs budgeted for 2010, in order to map out the “bumper to bumper” incentive process flow of the incentives program. The incentive program process flow model is divided into two parts:

- 1) One (1) consolidated process flow diagram for the entire SRIP bonus program (see Attachment 1); and
- 2) Twelve (12) component process/data flow scenarios (inter-connected and each on a separate page).

#### How to read the Process Flow Diagrams:

Processes and decision points are grouped into functional “swim lanes” with flows between cross-functional responsibilities denoted by solid arrows. The key system interface directional data flows between processes and decision points are denoted by open arrows with dotted lines.

Key processes, decision points, and data sources are highlighted in blue and those areas of identified weakness or needing more definition are highlighted in red.

#### Summary of Key SRIP Processes and Decision Points:

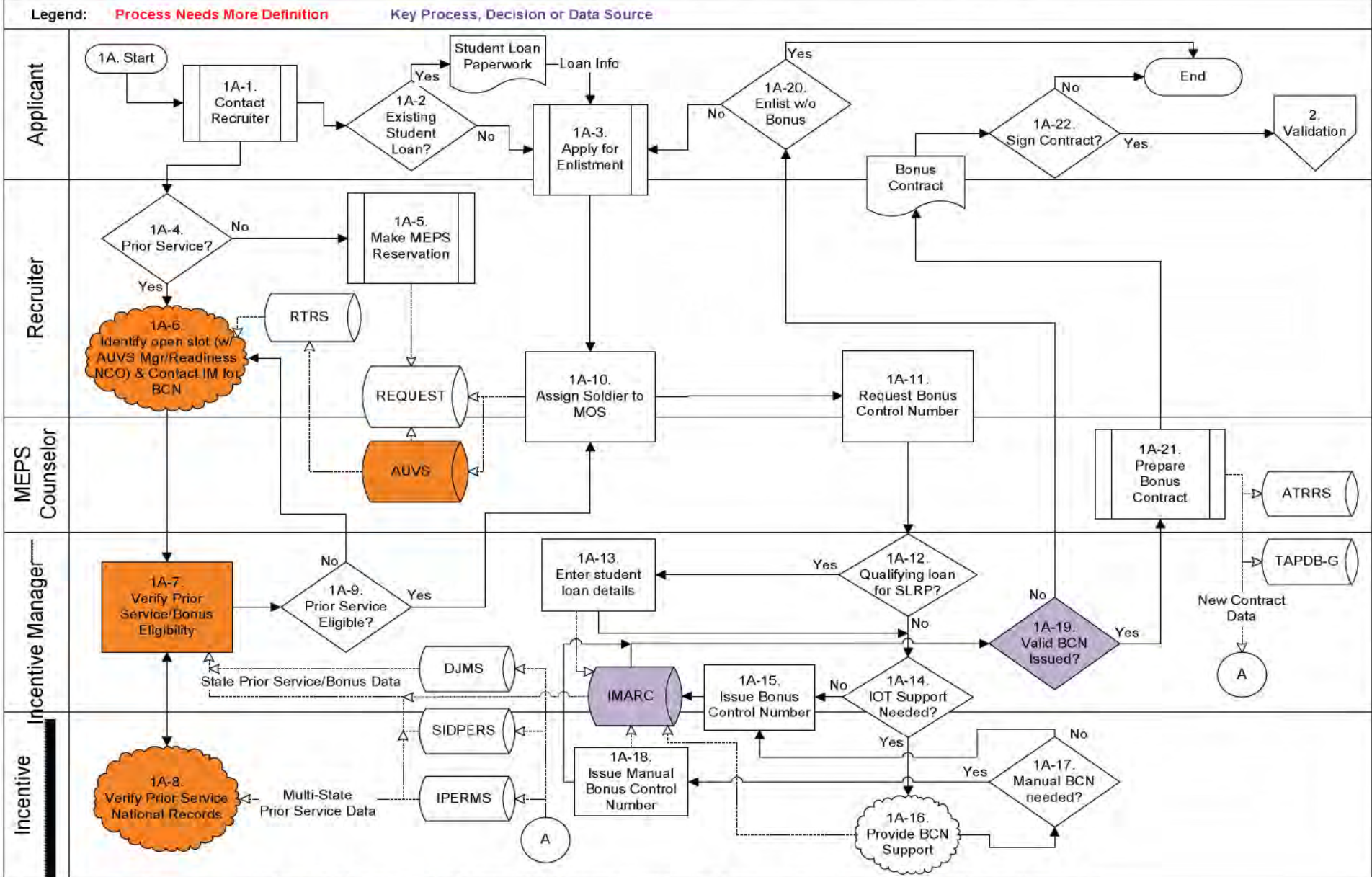
- Initial Eligibility for Enlistment Bonus (*Process Scenarios 1A-1D: Approve Bonus Contract*)
- Payment Eligibility Decision Points (*Process Scenario 4-5: Review Eligibility for SLRP/ Bonus Payment*)
- Correct Rejected Pay Request (*Process Scenario 6: Incentive Bonus Payment*)
- Suspend & Reinstate Bonus Decision Points (*Process Scenario 7: Suspend/Reinstate Bonus Payments*)
- Terminate Bonus Contract (*Process Scenario 8: Terminate Bonus / SLRP Contract*)

#### Identified Areas of Weakness/Needing More Definition:

- Identification of Open MOS Slots (*Process Scenarios 1A-1D: Approve Bonus Contract*)
- Verify Prior Service Eligibility (*Process Scenarios 1A-1D: Approve Bonus Contract*)
- Locate Authorized MOS Slot for Excess (*Process Scenario 4: Review Eligibility for Bonus Payment*)
- Confirmation of rejected SLRP requests (*Process Scenario 6: Incentive Bonus /SLRP Payment*)
- Data Interface between IMARC and DJMS (*Process Scenario 7: Suspend/Reinstate Bonus Payments*)
- Evaluation of suspended contracts in IMARC (*Process Scenario 7: Suspend/Reinstate Bonus Payments*)

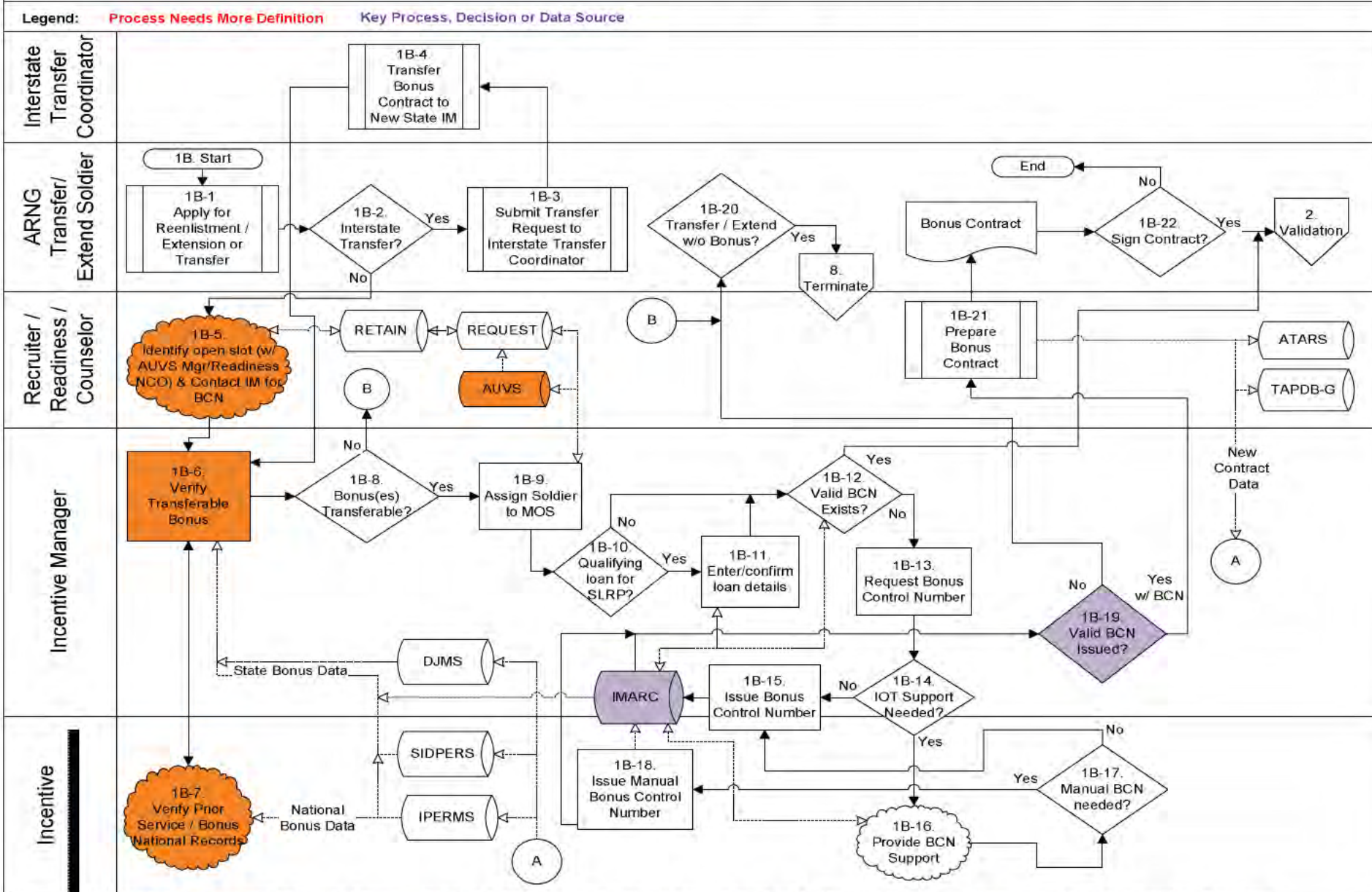


# 1A. SRIP Bonus Process Scenario – Approve Bonus Contract for New ARNG Enlisted Applicant



1A. -- Process/data scenario for initial approval of new SRIP bonus contracts for new applicants for ARNG enlistment.

# 1B. SRIP Bonus Process Scenario – Approve Bonus Contract for ARNG Soldier Reenlistment / Transfer / Extension

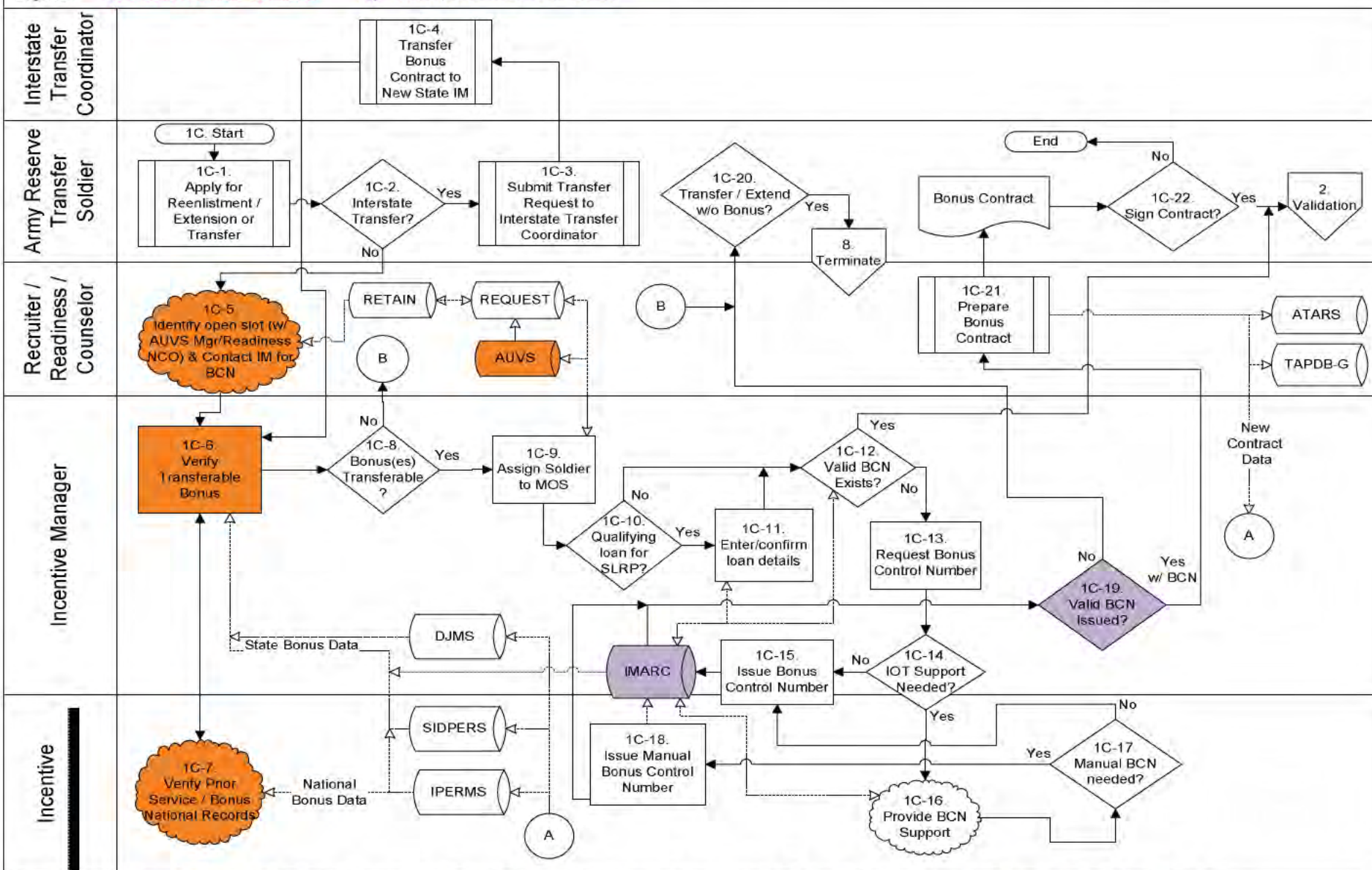


1B. – Process/data scenario for initial approval of SRIP bonus contract transfers for ARNG soldier reenlistment, transfer and extension.



# 1C. SRIP Bonus Process Scenario – Approve Bonus Contract for Reserve Soldier Transfer to ARNG

Legend: **Process Needs More Definition**    **Key Process, Decision or Data Source**



1C. – Process/data scenario for initial approval of SRIP bonus contract transfers for Army Reserve soldier transfer to ARNG unit.

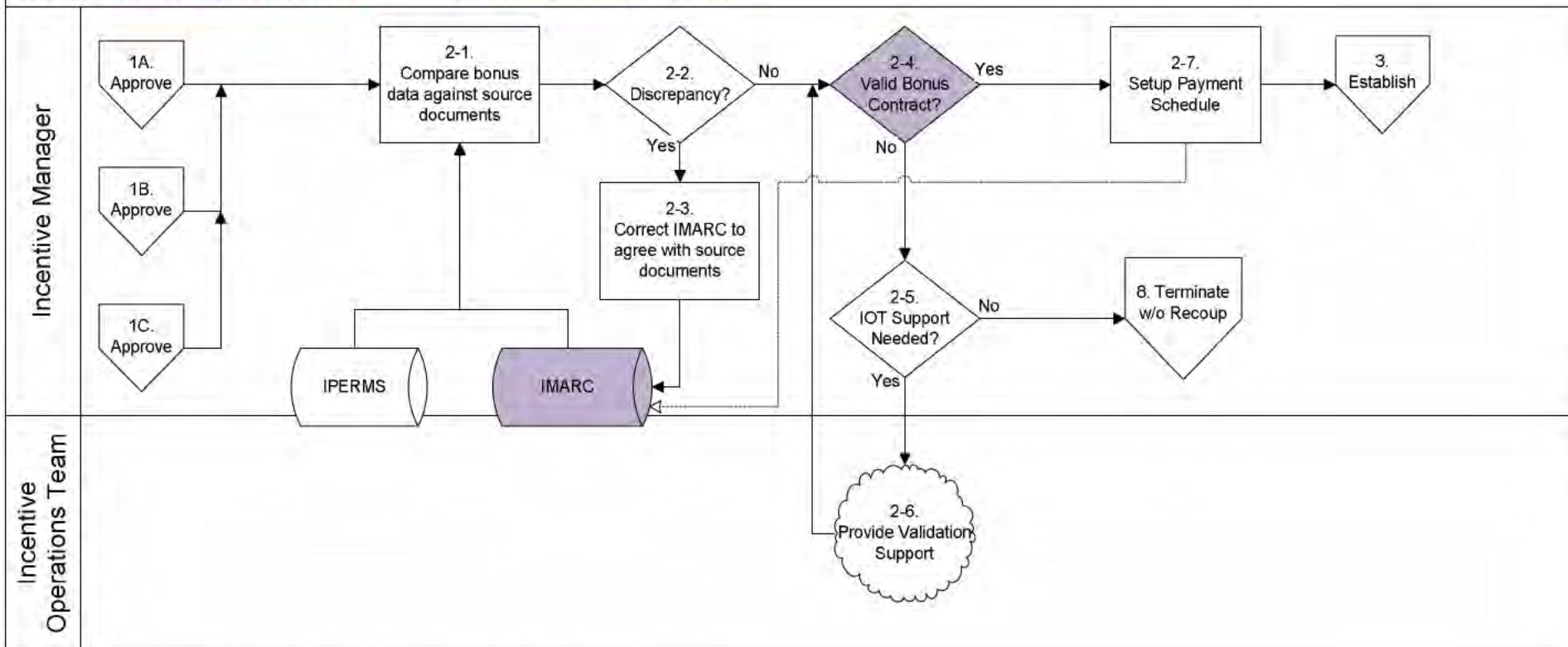
**Legend:**      **Process Needs More Definition**      **Key Process, Decision or Data Source**





## 2. SRIP Bonus Process Scenario – Validate Bonus Contracts

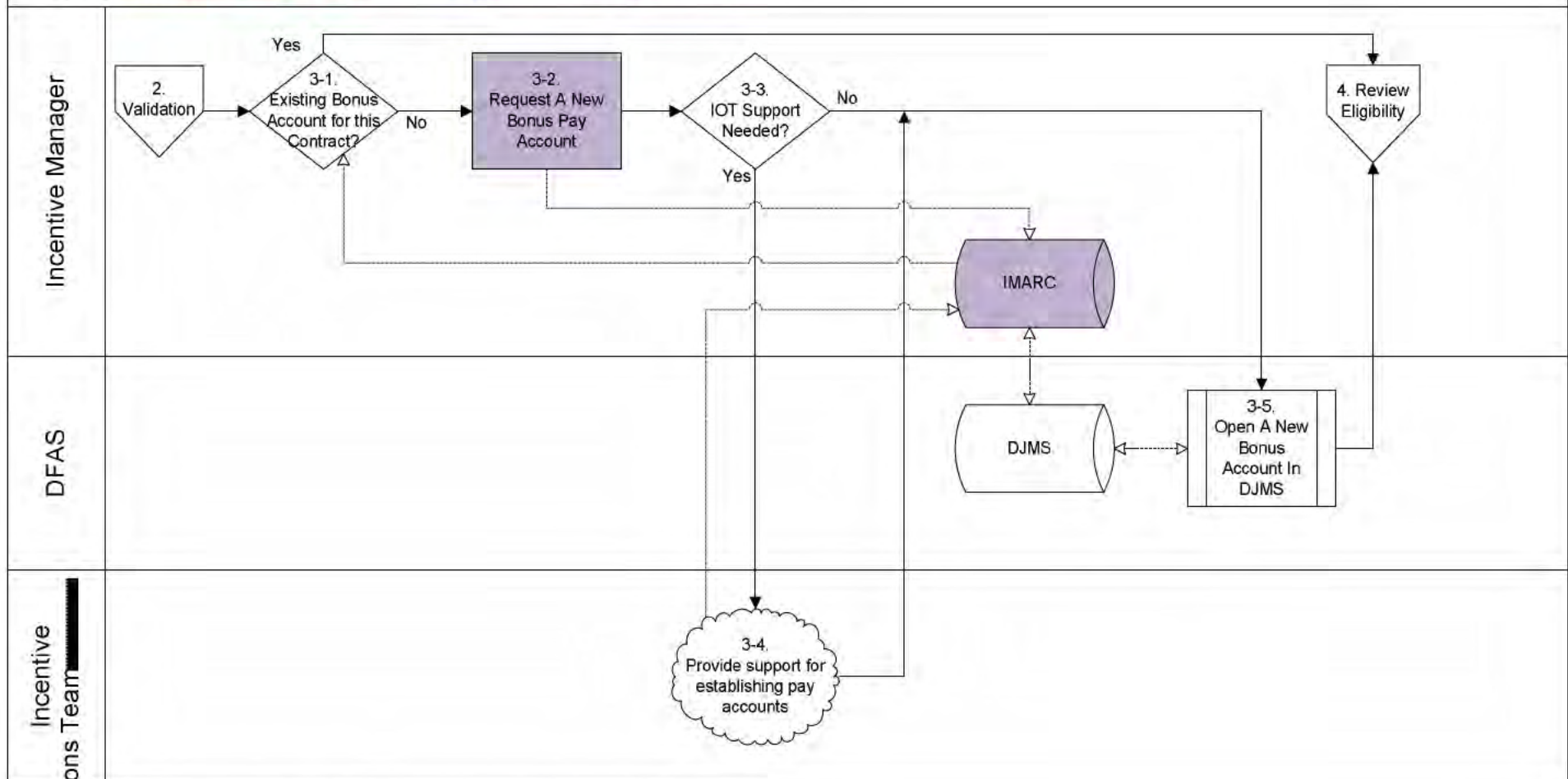
Legend: **Process Needs More Definition**      **Key Process, Decision or Data Source**



2. – Process/data scenario for validation of SRIP bonus contracts.

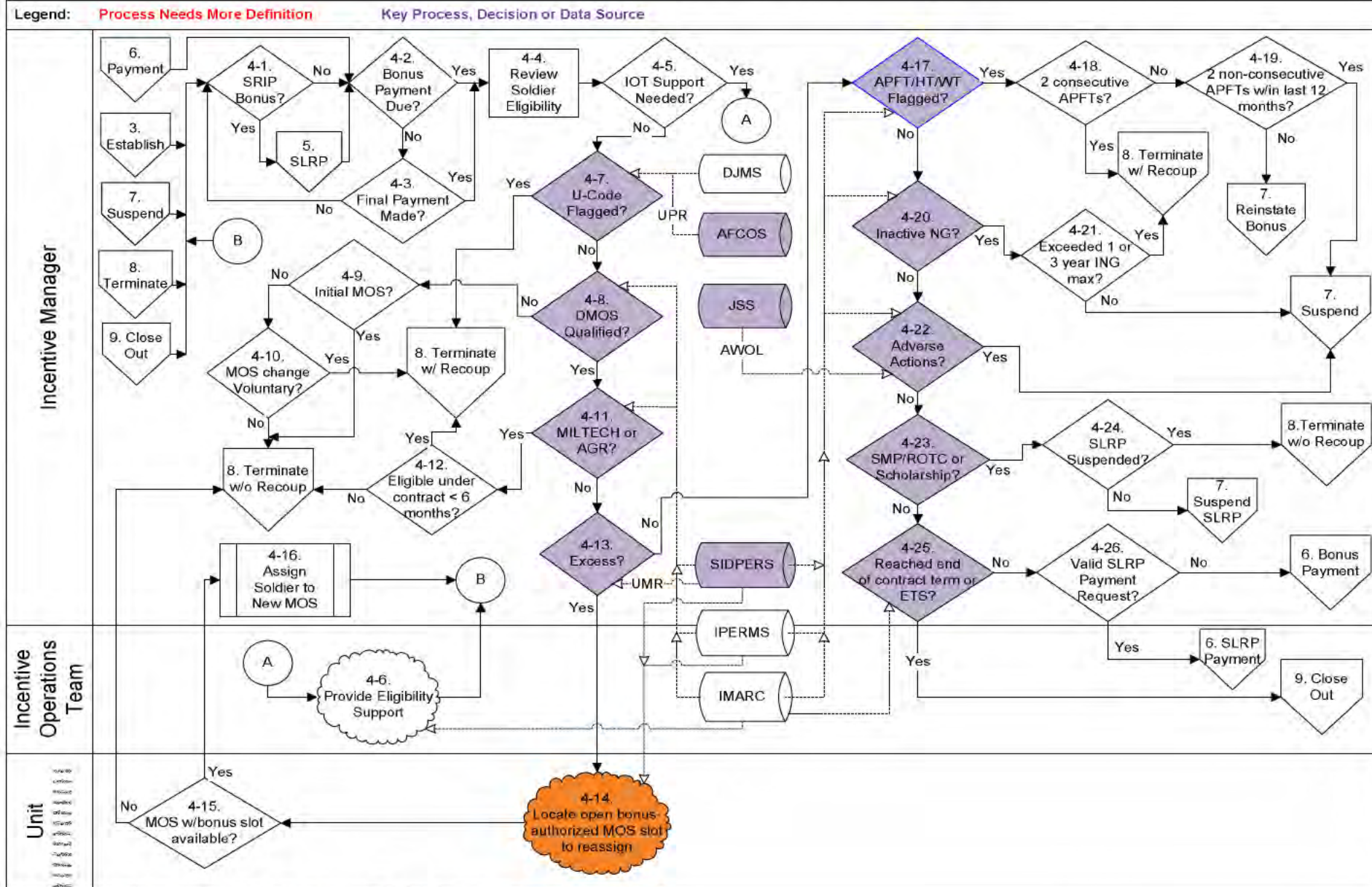
### 3. SRIP Bonus Process Scenario – Establish Soldier Bonus Account

Legend: **Process Needs More Definition**      **Key Process, Decision or Data Source**



3. – Process/data scenario for establishing bonus contracts with DFAS.

## 4. SRIP Bonus Process Scenario – Review Soldier Eligibility for Bonus / SLRP Payment

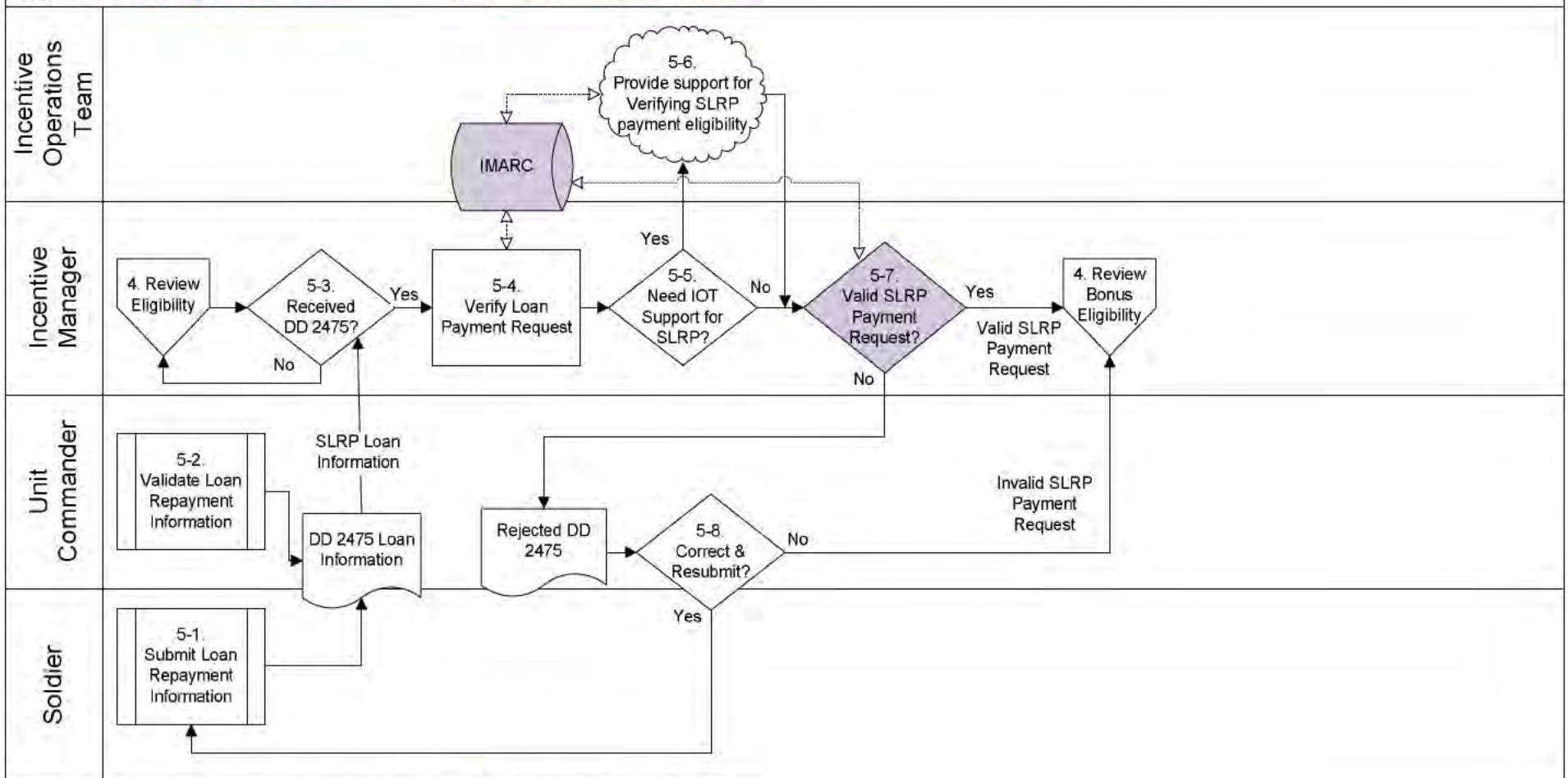


4. – Process/data scenario for reviewing SRIP bonus payment eligibility.



## 5. SRIP Bonus Process Scenario - Student Loan Repayment Program (SLRP) Payment Request Validation

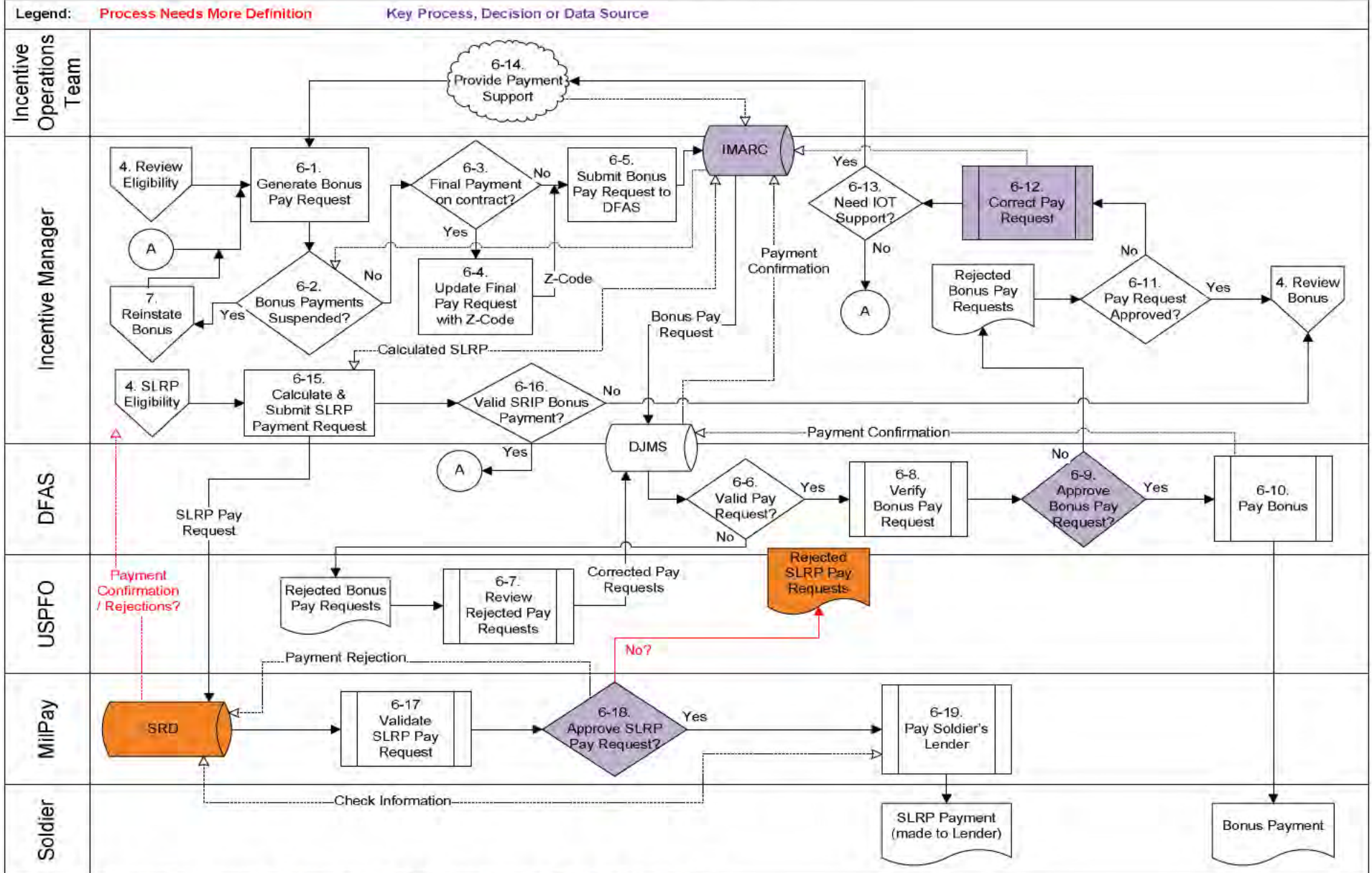
Legend: **Process Needs More Definition**      Key Process, Decision or Data Source



5. – Process/data scenario for validating SLRP payment requests.



## 6. SRIP Bonus Process Scenario – Incentive Bonus / SLRP Payment

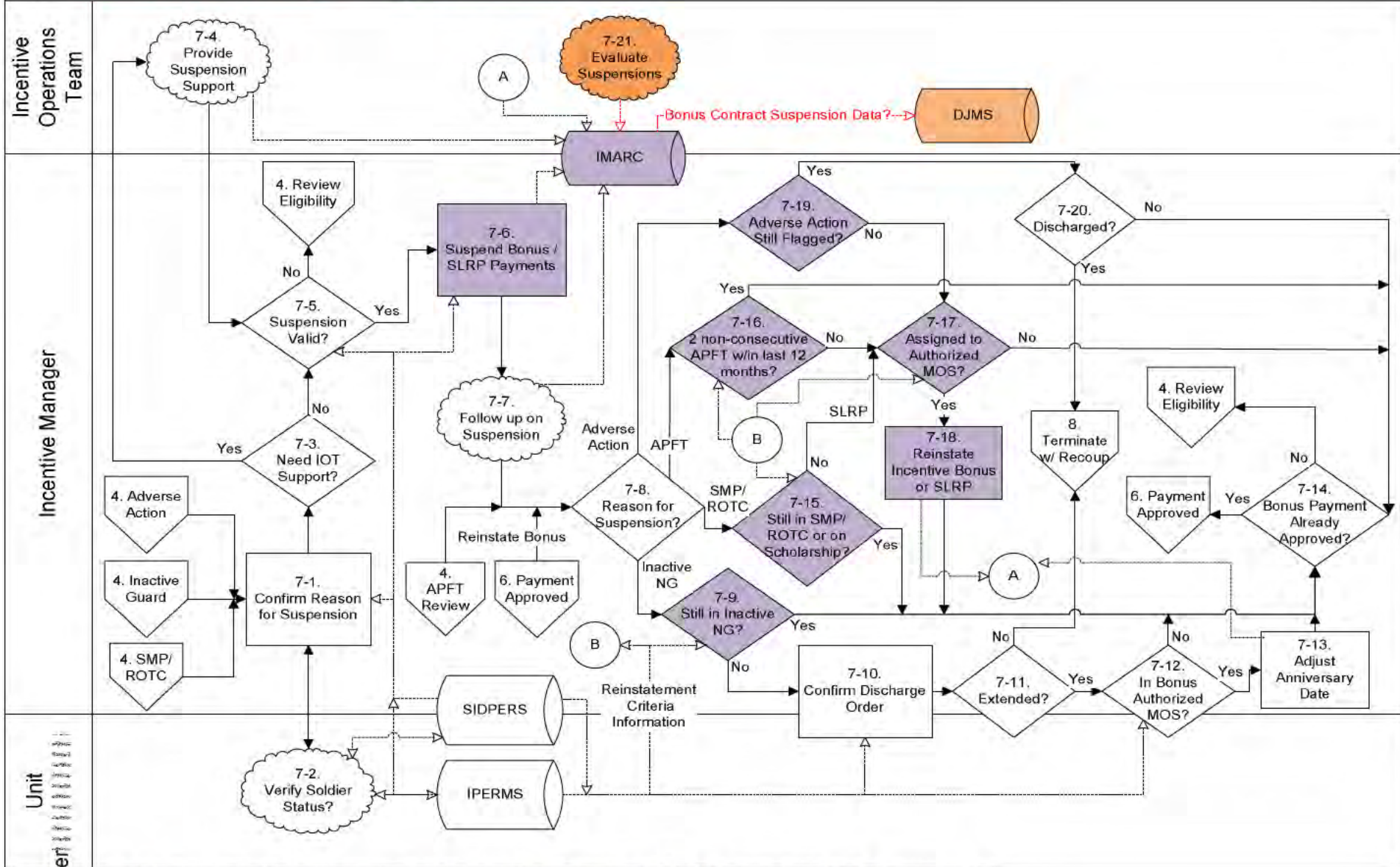


6. – Process/data scenario for submitting SRIP bonus and SLRP payments.

7. SRIP Bonus Process Scenario – Suspend / Reinstate Bonus / SLRP Payments
--

Legend: **Process Needs More Definition** Key Process, Decision or Data Source

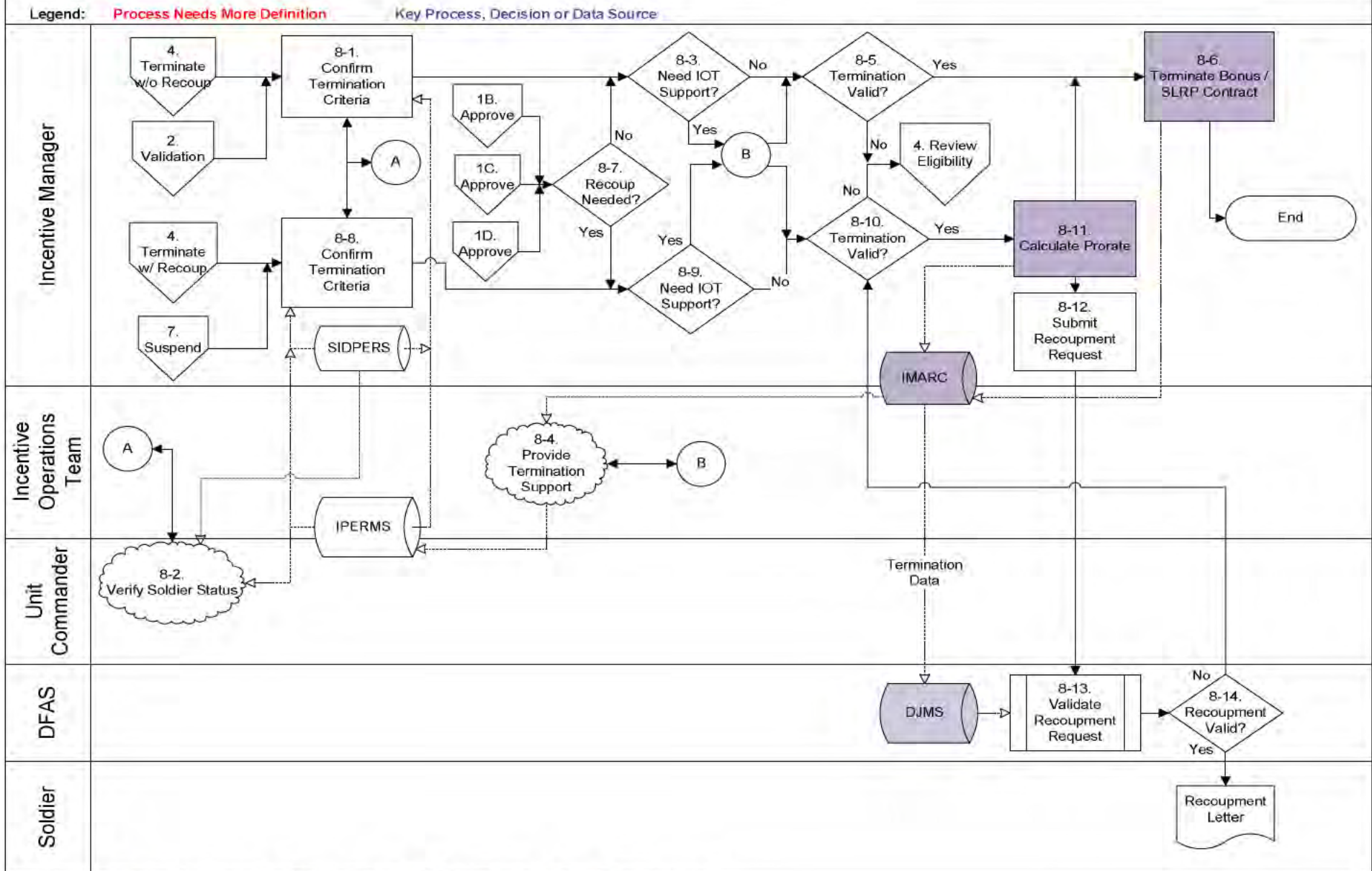
Legend: **Process Needs More Definition** Key Process, Decision or Data Source



7. – Process/data scenario for suspending and reinstating suspended SRIP bonus and SLRP payments.

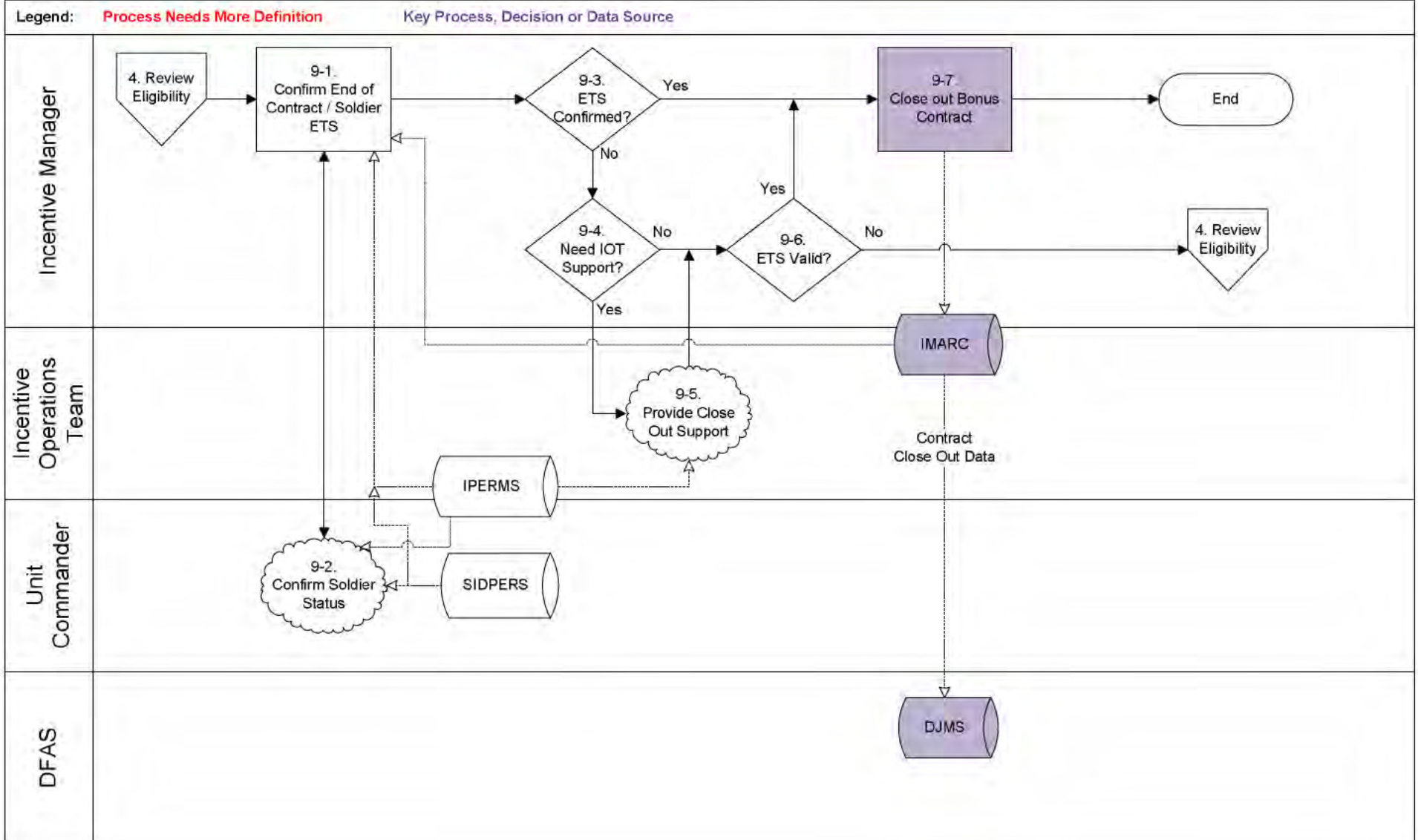


## 8. SRIP Bonus Process Scenario – Terminate Bonus / SLRP Contract



8. – Process/data scenario for terminating SRIP bonus and SLRP contracts.

## 9. SRIP Bonus Process Scenario – Close Out Bonus / SLRP Contract



9. – Process/data scenario for closing out SRIP bonus and SLRP at end of the contract term.



## Appendix A – IM SURVEY RESULTS

Survey results indicated that IM's use the following systems/reports in performance of their IM duties:

Systems/Reports/Documents	Total Usage (35 Responses)
AFCOS	1
ARISS	1
ATTRS	1
AWOL REPORT	3
BONUS 1 REPORT	2
CMS	1
DBIW	1
DD214	1
DFAS	1
DJMS	11
EDUCATION REPORTS	2
FLAG REPORTS	1
GED	1
HSD	1
iMARC	26
IPERMS	22
JSS	17
JUSTIS	2
MILPO ORD	1
OVERDEW REPORTS	1
RCAS (UMR)	8
REPORT WEB	1
RUMBA	1
SIDPERS	18
SOLDIERS STATUS CHANGE	1
SRD1	1
SRIP CONTRACTS BY STATE	1
UNSAT REPORTS	2



## NATIONAL GUARD BUREAU

111 SOUTH GEORGE MASON DRIVE  
ARLINGTON VA 22204-1382

ARNG-GSE

23 February 2011

MEMORANDUM FOR Director, Army National Guard, Comptroller Division,  
ATTN: ARNG-RMC-M

SUBJECT: 2010 Annual Statement of Assurance (ASA) on Internal Management Controls

The ARNG-GSE is providing a qualified statement of reasonable assurance validating internal controls meet the objectives of Federal Managers' Financial Integrity Act (FMFIA) overall programs, administration, and operations with the exception of six material weaknesses described in TAB B. These material weaknesses were found in the internal controls over the effectiveness and efficiency of operations and compliance with applicable laws and regulations as of the date of this memorandum. Specifically, we identified weaknesses that include multiple deficiencies attributed to the ARNG's Bonus; Education and Incentives; GI Bill and FTA programs. Other than the material weaknesses noted in TAB B, the internal controls were operating effectively and no other material weaknesses were found in the design or operation of the internal controls.

The Division continues to identify and address internal control weaknesses within GSE programs. Through the efforts of the program management staff as well as a renewed senior leader emphasis on internal controls, the Education Division continues to make strides towards efficient and effective usage of Guard resources to better support the 54 States and Territories education, incentive and employment initiatives. This report outlines multiple program management functions throughout the GSE Division and highlights areas that require additional improvement/oversight.

Two branches will report their feeder statements to the following:

- Patriot Academy – (b) (6) 2219 BSC, at (317) 247-3300 ext 41609  
(Division POC: (b) (6) at (317) 247-3300 ext 41829
- GED Plus – (b) (6) PEC, at (501) 212-4887  
(Division POC: (b) (6) at (501) 212-6939

My determination is based on a general understanding and adherence to the five GAO Standards for Management Controls and Army Regulation 11-2 Management Controls, verified by methods I believed are necessary to evaluate the adequacy of internal controls. Actions supporting my determinations included application of all specifically required Army Management Control Evaluation Checklists and:

- Consideration of National Guard Bureau Inspections, external audits and other independent review reports



- Heightened awareness and formal responsibility for the adequacy of management controls by program managers and branch chiefs.

In order to improve the effectiveness and efficiencies, reviews are being performed by a Lean Six Sigma Team; Process Review Team (PRT); Internal Review (IR) and the Army Audit Agency (AAA). The Lean Six Sigma Team is comprised of personnel from GSE-Incentives Branch and G8. This team is evaluating the ARNG Incentive Programs for Officer, Enlisted and Loan Repayment Programs. The PRT consists of functional experts from GSE, G8 and IR. At the request of the Director, GSD, to review student loan repayment, select reserve incentives, GI Bill kicker and Federal Tuition Assistance recipient data and determine if appropriate procedural and systematic processes and controls are in place and to ensure accurate administrative functions of programs and funding. Internal Review conducted an audit on the Recruiting and Retention Program, however, the report has not yet been released. The objective is to evaluate the adequacy and effectiveness of internal controls over the ARNG Recruiting and Retention Program. The AAA engagement will address Controls over the Loan Repayment Program Incentives within the Army National Guard. Completion date TBD.

If you have any questions, please contact the Division ICA and primary point of contact for GSE's ASOA is (b) (6) Program Analyst, at 703-607-9757 or DSN 327-9757, email (b) (6) or alternate (b) (6) Resource Management Branch Chief, at 703-601-7653 or DSN 321-7653, email (b) (6)

(b) (6)

Encls

Tab A – How the Assessment was Conducted w/encls

Tab B – Material Weaknesses

Tab C – Five Year Internal Control Evaluation Plan

Tab D – DA Form 11-2

LTC, EN

Chief, Education, Incentives, and Employment Division

## **TAB A**

### **HOW THE ASSESSMENT WAS CONDUCTED**

This assurance statement is based on procedures described in Army Regulation (AR) 11-2, Managers' Internal Control Program. Actions taken during the year to comply with the objective of the Army's Management Controls are described below.

1. A training program was conducted with primary objectives to ensure that:
  - Every program manager and branch chief understands AR 11-2 and Government Accountability Office (GAO) standards and how to apply them in daily operations.
  - Every program manager and branch chief reviewed existing 5 year plan, evaluated established key controls and published a new Division Internal Control Evaluation Plan (ICEP) and Managers' Internal Control Program (MICP).
  - Every manager and branch chief understands their responsibilities for using standard checklists for day-to-day guidance and formal application as required.
  - Managers and branch chiefs familiarized themselves with the Assistant Secretary of the Army (Financial Management and Comptroller) web site so they can obtain the key management control evaluation checklists and other useful management control information.
2. While conducting the assessment, some deficiencies identified required immediate corrective action. These issues and accomplishments are provided at Tab A-3.
3. Certification of key controls by the AUM in accordance with AR 11-2 has been completed by this division.
4. The GSE Internal Control Administrator maintains a copy of the certification statements. This documents that evaluations were completed and certified by the AUM.



## CONTENT OF TAB A

### TAB A-1: The Basis for Reasonable Assurance.

The assurance statement is based on a combination of actions taken to ensure a reasonable level of confidence that management controls throughout the GSE are in place and operating. Actions taken include:

- Developed and distributed GSE Management Control Plan to branch chief's and program managers. Ensured compliance with changes in the program.
- Made widespread distribution of AR 11-2 (Management Controls). Stressed the importance of every manager understanding the GAO and Army standards for management control in the federal government.
- Provided annual training to branch chief's and program managers.
- Ensured management control responsibilities were included in performance objectives and OER support forms. Provided branch chief's and program managers with sample statements to be included in support forms.
- Branch chief's provided feeder statements in support of the divisions' assurance statement. These statements took into account audit, inspection, and other independent review reports.
- Discussions from various subject matter experts and the Lean Six Sigma Study, in the form of a risk assessment.

These practices and efforts are the basis for reasonable assurance that the Education, Incentives and Employment Division (GSE) has internal controls in place and that they are operating.

### TAB A-2: Other Information Required

- **Leadership Emphasis.** AR 11-2 states managers are to provide leadership and support to ensure that management controls are in place and operating effectively. Within the GSE division, management controls are an integral part of the day-to-day management and operation of functions we perform. Leadership oversight is provided through a combination of weekly staff meetings, day to day management and coordination of functional issues, policy statements, and periodic meetings to define and emphasize specific operations.

Particular emphasis for the FY 11 management control evaluation was provided through correspondence, discussion at staff meetings, and training provided to each branch.

- **Training.** On 25 January 2010, the GSE Internal Control Administrator conducted an eight hour training session on the management control process and distributed

comprehensive training packets to all GSE Program Managers (PMs) and Branch Chiefs (BCs) to conduct management control evaluations. In several cases, multiple personnel were training within a branch. The training included an overview of the Management Control Process, the five year plan, checklist completion and certification, material weakness format, and annual assurance statement requirements. Each trainee was provided a training package that contained all of the training materials. GSE maintains electronic training materials on the division share drive. The site provides general information and regulatory guidance on management controls; AUM, ICA, PM training slides, and audit reports (GAO, AAA, NGB-IR). These training materials are used to help ensure that all key personnel are trained and understand their Management Control Program responsibilities IAW AR 11-2. During FY 2011, 20 personnel in the GSE directorate attended annual training and 17 management control computer based training courses were completed. The training ensured PMs and BCs understood the basic program requirements and its importance.

➤ **Execution.** AR 11-2 prescribes the policies and procedures and assigns responsibilities for executing the Management Control Plan. The AUM:

- Designated an ICA to administer the Managers' Internal Control Program.
- Included explicit statements of management control responsibility in performance agreements of key personnel with management control responsibilities.
- Ensured branch chief's submitted feeder statements, and supporting Management Control Evaluation Certificate Statements (DA Form 11-2) to the ICA.
- Signed all DA Form 11-2's
- Used ARC-M to assess the annual statement of assurance prior to submission.

GSE completed a total of five evaluations in FY 11. All branches reported that checklists for which they were responsible have been completed as required and that the AUM had incorporated appropriate management control responsibilities into their performance standards or evaluation reviews. The branches submitted their respective management control evaluation certification statements (DA Form 11-2) and reported that all checklists were completed as required by the GSE management control plan.

### **TAB A-3: Internal Control Program's Significant Accomplishments**

Title of Accomplishment: Established policy to prevent manual processing of incentive payments

Issue: Lack of incentive process transparency from contract initiation to bonus payment

Accomplishment: ARNG-GSE established policy and provided guidance to state Incentive Managers to input data into the Information, Management and Reporting System Center (iMARC). All bonus contracts must now have an iMARC generated bonus control number; contracts with manually generated control numbers cannot be processed for payment. This policy change ensures all incentive contracts are entered in a centralized incentive management system and provides transparency of the incentive process from contract to payment.

Title of Accomplishment: Established effective oversight of incentive payment eligibility

Issue: Lack of review process to ensure eligibility prior to incentive disbursement

Accomplishment: ARNG-GSE leveraged the increased transparency provided by consistent use of iMARC by instituting a 100% review of bonus payment transactions submitted by state Incentive Managers. Two additional levels of review are now performed prior to submission to DFAS for payment. When a payment comes due in iMARC it is reviewed by the state Incentive Manager and pushed forward to the ARNG Incentive Support Team for a 100% review of eligibility requirements. It is then pushed forward for a 10% validation review by NGB Program Managers before finally being sent to DFAS for payment.

Title of Accomplishment: Incentive Business Policy Rules

Issue: Relying on Incentive Managers to determine all eligibility requirements to approve a bonus control number (BCN).

Accomplishment: Increased automation capabilities in iMARC so that the system pre-qualifies a Soldier while the control number data is being entered for the request based on the UIC and paragraph/line the Soldier is going into the system will not allow the BCN to be requested if the Soldier does not meet the eligibility criteria.

**ARNG-GSE  
Internal Controls Training Tracker  
FY11 (26 Feb 10 - 25 Feb 11)**

Trainee Name	Role	Branch	ARC Training	GSE Resource Management Training	(AKO) The Army Managers' Internal Control Program Course Letter of Instruction	(AKO) The Army Managers' Internal Control Program Becoming an ICA	(AKO) The Army Managers' Internal Control Program Internal Control Process	(AKO) The Army Managers' Internal Control Program Internal Control Evaluations	(AKO) The Army Managers' Internal Control Program Preparing Your ASOA Cover Memo	(AKO) The Army Managers' Internal Control Program Tab A - How the Assessment was Conducted (AKO)	(AKO) The Army Managers' Internal Control Program Material Weakness Process	(AKO) The Army Managers' Internal Control Program GAO Standards for Internal Controls in the Federal Government	(AKO) The Army Managers' Internal Control Program Internal Controls in Army Regulations
(b) (6)	ICA/Branch Chief	R	15-Dec-10	INSTRUCTOR									
	ICA/Coordinator/Prog Mgr	R	14-Sep-10	COORDINATOR	19-Jan-11	18-Jan-11	21-Jan-11	20-Jan-11	21-Jan-11	22-Jan-11	22-Jan-11	18-Jan-11	21-Jan-11
	Coordinator	R	15-Dec-10	COORDINATOR		14-Oct-10	14-Oct-10						
	Branch Chief	I		25-Jan-11									
	Program Manager	V		25-Jan-11	23-Jan-11	23-Jan-11				23-Jan-11	23-Jan-11	23-Jan-11	23-Jan-11
	Program Manager	I											
	Program Manager	I	15-Dec-10	25-Jan-11									
	Program Manager	I		25-Jan-11									
	Program Manager	V											
	Program Manager	E		25-Jan-11									
	Program Manager	E											
	Program Manager	R	15-Dec-10	25-Jan-11									
	Program Manager	R											
	Program Manager	I		25-Jan-11									
	Program Manager	I	15-Dec-10	25-Jan-11									
	Program Manager	V	15-Dec-10										
	Program Manager	E		25-Jan-11									
	Program Manager	E	15-Dec-10	25-Jan-11									
	Coordinator	R	15-Dec-10	COORDINATOR									
	Program Manager	E	15-Dec-10										
	Branch Chief	E	Departed Division 1 Feb 11										

Total On hands  
Total CBT

20	10	10		2	3	2	1	1	2	2	2	2
17												

Enclosure to TAB A



## **TAB B**

### **MATERIAL WEAKNESSES**

#### **TAB B-1: List of Material Weaknesses**

##### **New Material Weaknesses.**

1. Incentive Eligibility (11-I-001)
2. iMARC Automation Capabilities (11-I-002)
3. Incentive Payments (11-I-003)
4. G.I. Bill Incentive kicker validation process (11-E-004)
5. Systems are capturing incorrect or insufficient information (11-E-005)
6. Recoupment Process (11-E-006)

## **TAB B-2: New Material Weaknesses**

**Local ID#:** 11-I-001

**Title:** Incentive Eligibility

**Description of Material Weakness:** This weakness encompasses the following deficiencies:

Soldier reassignments between eligibility determination and the time of payment means Soldiers in over strength positions may still receive bonus payments.

The volume and complexity of incentive policy documents makes it difficult for Recruiters and state Incentive Managers to stay current on incentive policies.

Army Regulations lag behind current incentive policy. Higher authority must be used from the Department of Defense Instructions and the Law in order to implement guidance on incentives. The implementation of incentives may change, when the AR's catch up with the bonuses being offered.

Untrained, minimally trained, or inexperienced personnel working with incentives may not know or understand eligibility requirements. A person managing incentives must be proficient in iMARC, and iPERMS, and possess a clear understanding of other system data like DJMS, Pay Tape, SIDPERS, DSRO, AUVS, REQUEST, and RETAIN.

**Functional Category:** Force Readiness

**Senior Official in Charge:** (b) (6), Incentives Oversight Branch Chief

**Pace of Corrective Action:**

**Year Identified:** 2010

**Original Target Date:** 30 September 2011

**Target Date in Last Year's Report:** N/A

**Current Target Date:** N/A

**Reason for Change in Date(s):** N/A

**Validation Process:** A Clear understanding from all 54 states and territories on incentive eligibility.

**Results Indicators:** N/A

**Source(s) Identifying Weakness:** Lean Six Sigma study and Process Review Team

**Major Milestones to include Progress to date:**

- A. Completed Milestones:  
Date: October 2010      Milestone: Working with HQDA to gain updated manuals.
- B. Planned Milestones: (Fiscal Year 2010)  
Date: April 2011      Milestone: Developed a clear concise policy that is reviewed by the field, and Multiple NGB divisions prior to implementation.
- C. Planned Milestones: (Beyond Fiscal Year 2010)  
Date: April 2011      Milestone: Implement a newly designed training course that allows for distant learning and classroom instruction.
- D. Validation Milestones: (FOR CORRECTED WEAKNESS(ES) ONLY):  
Date:      Milestone:

**ARNG or HQDA Action Required:** ARNG-GSE-I

**Point of Contact:** (b) (6) 703-601-7651

**Local ID#:** 11-I-002

**Title:** iMARC Automation capabilities

**Description of Material Weakness:** This weakness encompasses the following deficiencies:

iMARC has no automation controls that allow a bonus to be verified for eligibility. Eligibility must be verified manually. Human error on these incentives can cause payments that violate the law and policy.

Contracts are signed under improper bonus addendums and without proper information such as the bonus control number. This is done because of manual documents in the system. This results in improper payments, because of no fault of the Soldier.

There is no data/management controls surrounding a timeline for a request of a control number. The policy states the NLT time for submittal of a controls number. Without this process being corrected we continually get ETP's submitted by states to over look the policy. They continually request a retrograded manual control number to give a Soldier an incentive. This causes major effort to research all the details in each case and make a fair and equitable decision.

Program Managers have no access to DJMS or any other funding data management source to identify what has or has not been paid. NGB has limited capability to track distributed funds and to stop payments once funding cap has been reached. NGB and state program managers must be able to reconcile commitments and obligations against forecasted budget request and verify/compare the reliability of outside agency support. There is no clear way to decide what money goes where and no capability to shut off funding when funding cap is reached.

Manual processing is required when iMARC is down. Loss of data impacts the duplication of incentive payments, overpayment and loss of funding reconciliation, in addition to the possibility of issuing an incentive bonus control number from loss of internal controls.

DD Form 2475 is required for payments of the various loan repayment programs. The authority for the Chaplain Loan Repayment Program (CHLRP) is 10 USC 16303 which is not listed on the form. The form cannot be utilized for CHLR.

There is no standardization for required documents or where each document needs to be. Documents can be loaded in iPERMS or iMARC. Some documents never get loaded in either. With the delay of when documents get loaded into iPERMS bonuses can get processed without any documents. Without a delineation of what needs to get loaded where and the timeliness of when documents get uploaded, bonuses can be paid in the improper FY.

Systems such as RTRS and RETAIN are not used nationwide to help lock a soldier in for a bonus. This causes Soldiers to be eligible for a bonus and have to receive a manual control number for an incentive. This causes incentives to be paid without following proper policy guidance.



**Functional Category:** Research, Development, Test, and Evaluation

**Senior Official in Charge:** (b) (6), Incentives Oversight Branch Chief

**Pace of Corrective Action:**

**Year Identified:** 2010

**Original Target Date:** 30 September 2011

**Target Date in Last Year's Report:** N/A

**Current Target Date:** N/A

**Reason for Change in Date(s):** N/A

**Validation Process:** Test a new automated system in the field prior to implementation. Verify through internal audits from state and national level this program is validating information properly.

**Results Indicators:** Evaluation of new automated system data to identify issues for correction and to ensure automated eligibility verification and validation measures are functioning.

**Source(s) Identifying Weakness:** Lean Six Sigma study and Process Review Team findings

**Major Milestones to include Progress to date::**

**A. Completed Milestones:**

**Date:** June 2010 **Milestone:** Short term solution; added PEC team in to review 100% validation of eligibility prior to payments. NGB team will review 10% of payments prior to being submitted for pay.

**B. Planned Milestones: (Fiscal Year 2010)**

**Date:** September 2011 **Milestone:** Create an automated Guard Incentives Management System (GIMS) that can correct deficiencies.

**C. Planned Milestones: (Beyond Fiscal Year 2010)**

**Date:** **Milestone:**

**D. Validation Milestones: (FOR CORRECTED WEAKNESS (ES) ONLY):**

**Date:** **Milestone:**

**ARNG or HQDA Action Required:** ARNG-GSE-I

**Point of Contact:** (b) (6) 703-601-7651

**Local ID#:** 11-I-003

**Title:** Incentive Payments

**Description of Material Weakness:** This weakness encompasses the following deficiencies:

States have the ability to submit for a payment on an incentive directly to the USPFO in their state for a payment on a bonus. When this occurs, there is no visibility in the bonus tracking system that a bonus was ever received by a Soldier. This leads to missed payments in the future as the Soldier is not being tracked properly.

Payment schedules must be manually entered into the iMARC system. This allows state incentive managers to pay on the schedule they set up. This does not allow NGB proper funding projections until after the fact and makes our year predictions skewed.

The payments are made directly to a third party financial institution using the SRD-1 system. Currently, there is no FIT, FICA, or Medicare tax withheld from the loan repayments at the time of disbursement to the financial institutions or at any subsequent time or date. The SRD-1 and MMPA do not share payroll data information. When additional compensation is paid through another system, there is no automated process to determine when an employee's withholding exemptions for FIT, amount of current FICA wages, or if maximum FICA limitation is met during the year. Taxes are not paid to the IRS for loan repayment programs. This creates a financial hardship for the soldier and a debt for the ARNG.

There is no AMSCO for the Chaplain Loan Repayment Program (CHLRP). Payments are charged against the SLRP AMSCO. Both the CHLRP and SLRP programs fall under different sections of the law. A separate AMSCO is needed to accurately determine funding projections, since these incentives are different values.

**Functional Category:** Personnel and/or Organization Management

**Senior Official in Charge:** (b) (6), Incentives Oversight Branch Chief

**Pace of Corrective Action:**

**Year Identified:** 2010

**Original Target Date:** 30 September 2011

**Target Date in Last Year's Report:** N/A

**Current Target Date:** N/A

**Reason for Change in Date(s):** N/A

**Results Indicators:** N/A



**Source(s) Identifying Weakness:** Lean Six Sigma study and Process Review Team

**Major Milestones to include Progress to date:**

A. **Completed Milestones:**

Date: June 2010      Milestone: Verbally instructed state Incentive managers that the only allowable way to pay incentives is through iMARC.

B. **Planned Milestones:** (Fiscal Year 2010)

Date: September 2011      Milestone: Work with G8 to implement a policy for both incentive managers and USPFO's that the only allowable way to process an incentive is by receiving information through iMARC.

C. **Planned Milestones:** (Beyond Fiscal Year 2010)

Date:      Milestone:

D. **Validation Milestones:** (FOR CORRECTED WEAKNESS(ES) ONLY):

Date:      Milestone:

**ARNG or HQDA Action Required:** ARNG-GSE-I

**Point of Contact:** (b) (6) 703-601-7651

**Local ID#:** 11-E-004

**Title:** GI Bill Incentive kicker validation process

**Description of Material Weakness:** Currently this weakness encompasses the following deficiencies.

iMARC has no automation controls that allow a GI Bill Kicker to be verified for eligibility when a member joins the ARNG. The process of eligibility must be verified manually. If this continues, we will continually see cases where human error submitted improper verification and no direct delineation can be determined from ignorance and intentional when caught in small cases.

State GI Bill Managers and the Military Entrance Process Station (MEPS) have the ability to issue and input Kicker contracts into the iMARC system without any outside control in the verification process. This causes erroneously awarded kicker contracts. Currently we are rewriting the business rules in iMARC to validate eligible kicker contracts through Automated Unit Vacancy System (AUVS) and Recruit Quota System (REQUEST) management program. The removal of the manual process and manual overrides will reduce erroneously issued kickers.

**Functional Category:** Research, Development, Test and Evaluation.

**Senior Official in Charge:** (b) (6), G.I. Bill Program Manager

**Pace of Corrective Action:**

**Year Identified:** 2010

**Original Target Date:** 30 September 2011

**Target Date in Last Year's Report:** N/A

**Current Target Date:** N/A

**Reason for Change in Date(s):** N/A

**Validation Process:** Test a new automated system in the field prior to implementation. Verify through internal audits from state and National level this program is validating information properly.

**Results Indicators:** Evaluation of new automated system with correct data to identify issues for correction and to ensure automated eligibility verification and validation measures and functioning.

**Source(s) Identifying Weakness:** Lean Six Sigma study and Process Review team findings



**Major Milestones to include Progress to date:**

**A. Completed Milestones:**

Date: 01 OCT 2010      Milestone: G.I. Bill Team Contract renewal with  
Kicker added to contract PWS

**B. Planned Milestones: (Fiscal Year 2010):**

Date: 01 OCT 2010      Milestone: Short term solution; added PEC team in  
review validation of eligibility prior to Kicker validation. Audit 33% of weekly submitted  
contracts.

**C. Planned Milestones: (Beyond Fiscal Year 2010)**

Date: N/A      Milestone: N/A.

**D. Validation Milestones: (FOR CORRECTED WEAKNESS(ES) ONLY)**

Date: N/A      Milestone: N/A

**ARNG or HQDA Action Required:** ARNG-GSE-E

**Point of Contact:** (b) (6), 571-481-4000 ext 343

**Local ID#:** 11-E-005

**Title:** Systems are capturing incorrect or insufficient information

**Description of Material Weakness:**

Grade submission requirements can be bypassed using a falsified passing grade, when the real grade reflects an "F" or a "W" which triggers, by statutory requirement, a recoupment action. The lack of controls sets the conditions for potential errors and fraud.

There is no process to verify that the degree that a soldier is going after is the one that is on file. The shortage of guidance counselors in state education offices further aggravates this issue.

iMARC and AFCOS don't exchange information so budgets are always out of sync which causes poor accounting. When a soldier is nearing an MRD or ETS date, the education office can bypass the warning and approve an ineligible benefit.

The Education Office can check a box which says there is a degree plan on file though none or an incorrect one may exist. This can cause a Soldier with no degree plan to erroneously receive benefits.

A Soldier is able to apply for a class in iMARC then change his enrollment to a different class which has not been approved. This negates authorization for payment.

There is no control box that can be checked to ensure that counseling, as required by statute, has been done. This is compounded by a shortage of guidance counselors in the states to actually conduct this counseling.

**Functional Category:** Force Readiness

**Senior Official in Charge:** (b) (6), FTA Program Manager

**Pace of Corrective Action:** System Change Request (SCR) in process

**Year Identified:** 2010

**Original Target Date:** 30 Sep 2011

**Target Date in Last Year's Report:** N/A

**Current Target Date:** N/A

**Reason for Change in Date(s):** N/A

**Validation Process:** Review draft SCR before going to live iMARC.

**Results Indicators:** Measurable increase in recoupment actions.

**Source(s) Identifying Weakness:** Experience and Lean Six Sigma Study

**Major Milestones to include Progress to date:**

A. Completed Milestones:  
Date: 14 FEB 2011      Milestone: Identify problem. Document and draft  
SCR for submission.

B. Planned Milestones:  
Date: TBD      Milestone: Submit SCR.

C. Planned Milestones:  
Date: TBD      Milestone: Audit sample set of grades against  
iMARC and validate for accuracy.

D. Validation Milestones: (FOR CORRECTED WEAKNESS(ES) ONLY):  
Date:      Milestone:

**ARNG or HQDA Action Required:** ARNG-GSE-E

Current delays are the result of an NGB directive to focus resources against the largest systemic issues in the Division which causes a shift of resources away from current pending Tuition Assistance requirements. No action required until Division priorities shift.

**Point of Contact** (b) (6) 304-654-7043



**Local ID#:** 11-E-006

**Title:** Recoupment process lacks controls

**Description of Material Weakness:**

The recoupment action can be bypassed at the ESO level. When a failing or withdrawn grade is entered, an option still exists to close the record without initiating a mandated recoupment action.

A recoupment action is not automatically triggered after 45 days of a course completion for a missing, failed, withdrawn or incomplete grade. Lack of automation allows recoupment actions to be overlooked or forgotten at the state ESO level.

iMARC knows when an officer is a loss to the Guard, but it does not trigger an automated recoupment action for breach of a Reserve Duty Service Obligation (RDSO) agreement. This lack of recoupment controls can cause recoupment's not to occur when officers are discharged.

iMARC knows when a Soldier is a loss to the Guard because of an Mandatory Retirement Date (MRD), an Estimated Time of Separation (ETS) date, a soldier going into the Inactive National Guard (ING) or into the Individual Ready Reserve (IRR), but it does not trigger an automated recoupment action which are mandated for such separations from service. This lack of recoupment controls can because recoupment's do not to occur when Soldiers are discharged.

**Functional Category:** Force Readiness

**Senior Official in Charge:** (b) (6), Education, Branch Chief

**Pace of Corrective Action:** System Change Request (SCR) in process

**Year Identified:** 2010

**Original Target Date:** 30 September 2011

**Target Date in Last Year's Report:** N/A

**Current Target Date:** N/A

**Reason for Change in Date(s):** N/A

**Validation Process:** Review draft SCR before going to live iMARC

**Results Indicators:** Measurable increase in recoupment actions.

**Source(s) Identifying Weaknesses:** Experience and Lean Six Sigma Study



**Major Milestones to include Progress to date:**

**A. Completed Milestones:**

Date: 14 FEB 2011  
SCR for submission.

Milestone: Identify problem. Document and draft

**B. Planned Milestones:**

Date: TBD

Milestone: Submit SCR.

**C. Planned Milestones:**

Date: TBD  
iMARC and validate for accuracy.

Milestone: Audit sample set of grades against

**D. Validation Milestones: (FOR CORRECTED WEAKNESS(ES) ONLY):**

Date:

Milestone:

**ARNG or HQDA Action Required: ARNG-GSE-E**

Current delays are the result of an NGB directive to focus resources against the largest systemic issues in the Division which causes a shift of resources away from current pending Tuition Assistance requirements. No action required until Division priorities shift.

**Point of Contact:** (b) (6) 304-654-7043

**ARNG-GSE  
5-YR PLAN  
Reporting Year FY 11**

1	A	B	C	D	E	F	G	H	I	J	K
						Risk Level	10	11	12	13	14
1	Function	Description	Regulation/Guidance	Alternate Method	Branch						
2	Program Management	Monitor, Track & Pay Selected Reserve Incentive (AMEDD SRIP)	AR 135-7		I	L		X		X	
3	Program Management	Monitor, Track & Pay Selected Reserve Incentive Program (SRIP) Incentives- Enlisted	AR 135-7	LSS and PRT	I	H	X	X	X	X	X
4	Program Management	Monitor, Track & Pay Selected Reserve Incentive Program (SRIP) Incentives - Officer	AR 135-7	LSS and PRT	I	H	X	X	X	X	X
5	Program Management	Monitor, Track & Pay Selected Reserve Incentive Program (SLRP, HLRP and LRP) Incentives	AR 135-7	LSS and PRT	I	H	X	X	X	X	X
6	Program Management	Management/Oversight MGIB Programs - (Ch 30AD, Ch 1606 SR, Kicker, Ch 1607 REAP, Ch 33GIB) and FTA	DoDI 1322.17, DoD-DTM 09-003	LSS and PRT	E	H	X		X		X
7	Program Management	Management Oversight VOLED Programs	AR 612-5		E	H	X		X		X
8	Program Management	Personnel and Classification Testing (Army Personnel Testing (APT) Program)	AR 611-5, Appendix D, ARNG Voluntary Education Programs Policy		E	M		X		X	
9	Program Management	Army Continuing Education System	AR 621-5 Appendix H, DODD 1322.8E, DODI 1322.25 ARNG Voluntary Education Programs Policy		E	M		X		X	
10	Program Management	Education Incentives and Entitlements-Army Continuing Education System	AR 621-202, Chg 1, Appendix D		E	M		X	X		X
11											
12	Alternate Method Def										
13	LSS = Lean Six Sigma										
14	PRT = Process Review										
15											
16	Risk Level										
17	H=High										
18	M=Medium										
19	L=Low										
20											
21	Branch										
22	J=Employment										
23	I=Incentives										
24	R=Resource Mgt										
25	E=Education										
26	G=GED Plus										
27	P=Patrol Academy										

**TAB D**

**DA Form 11-2**

**INTERNAL CONTROL EVALUATION CERTIFICATION**

For use of this form, see AR 11-2; the proponent agency is ASA(FM&amp;C).

1. REGULATION NUMBER  
AR 135-72. DATE OF REGULATION  
15 Apr 1996

## 3. ASSESSABLE UNIT

ARNG-GSE-I

## 4. FUNCTION

Manage, Track, and Pay SRIP for Enlisted Soldiers

## 5. METHOD OF EVALUATION (Check one)

☐ a. CHECKLIST

b. ALTERNATIVE METHOD (Indicate method)

Lean Six Sigma process mapping study (results attached)

APPENDIX (Enter appropriate letter)

Process Review Team (results attached)

## 6. EVALUATION CONDUCTED BY

a. NAME (Last, First, MI)

(b) (6)

b. DATE OF EVALUATION

18 Jan 11

## 7. REMARKS (See Attached)

Use this block to describe the method used to test key controls, the internal control weakness(es) detected by the evaluation (if any) and the corrective action(s) taken. (THIS IS MANDATORY)

## a. METHOD OF TESTING KEY CONTROLS

(Check all that apply)



Direct Observation

Review of Files or  
Other Documentation

Analysis



Sampling



Simulation



Interviews



Other (Explain)

## b. EVALUATION RESULTS (Include specific items tested):

Overall process for all programs was tested through mapping process

## c. INTERNAL CONTROL DEFICIENCIES DETECTED, IF ANY. (Include potential material weaknesses):

- Incentive Eligibility
- iMARC Automation capabilities
- Incentive Payments

## d. DESCRIBE CORRECTIVE ACTIONS TAKEN, IF APPLICABLE.

- Currently working with HQDA-G1 to update AR's
- Training for IM course
- In the process of completing automated bonus system, Guard Incentives Management System (GIMS)
- Working joint policies with DFAC and Incentives for concise guidance to incentive managers and USPFO's
- Writing procedural guidance for field
- PEC team put in place to review 100% eligibility, Exceptions to Policy, and CMS cases prior to payments (NGB does 10% review of these)

## 8. CERTIFICATION

I certify that the key internal controls in this function have been evaluated in accordance with provisions of AR 11-2, Army Managers' Internal Control Program. I also certify that corrective action has been initiated to resolve any deficiencies detected. These deficiencies and corrective actions (if any) are described above or on attached documentation. This certification statement and any supporting documentation will be retained on file subject to audit/inspection until superseded by a subsequent internal control evaluation.

## a. ASSESSABLE UNIT MANAGER

(1) Typed Name and Title

(b) (6)

LTC, EN, Chief, Education, Incentives, and Employment Division

(2) Signature

(b) (6)

b. DATE CERTIFIED

23 Feb 2011



REMARKS

c. continued broken down and more defined

- Untrained or minimally trained users with access to iMARC with the ability to input contracts and process payments
- Not mandatory to use iMARC for document/payment submission
- Programs in outdated AR (1996)
- System (iMARC) does not have defined rules to catch incentive eligibility (current review is manual)
- No data/management controls surrounding timeline for request for control number
- Program Manager doesn't have visibility of funding
- Limited standardization of required types of documents needed for upload
- Using multiple databases for source documents (IPERMS, iMARC, SIDPERS), no continuity and difficulty auditing
- Difficulties understanding policies (SRIP), guidance is not clear
- iMARC not accurately capturing correct incentives information
- Inability to forecast funding requirements which may lead to potential ADA
- Contracts being signed without BCN or dates, contract becomes invalid (SRIP)
- Limited ability to track and confirm payments
- Systems used to help lock in for bonuses are not used nation wide (RTRS)
- Incentives are not viewed prior to a move or completing service
- Policy changes or updates come out rapidly and incentive managers struggle to keep up
- No back-up for when iMARC goes down
- Annex's are manual which can cause wrong annex's in wrong FY
- Incentive managers are allowed to push payments through USPFO without any iMARC oversight

**INTERNAL CONTROL EVALUATION CERTIFICATION**

For use of this form, see AR 11-2; the proponent agency is ASA(FM&amp;C).

1. REGULATION NUMBER

AR 135-7

2. DATE OF REGULATION

15 Apr 1996

3. ASSESSABLE UNIT

ARNG-GSE-I

4. FUNCTION

Manage, Track, and Pay SRIP for Officers

5. METHOD OF EVALUATION (Check one)

☐ a. CHECKLIST

b. ALTERNATIVE METHOD (Indicate method)

Lean Six Sigma process mapping study (results attached)

APPENDIX (Enter appropriate letter)

Process Review Team (results attached)

6. EVALUATION CONDUCTED BY

a. NAME (Last, First, MI)

(b) (6)

b. DATE OF EVALUATION

18 Jan 11

7. REMARKS (See Attached)

Use this block to describe the method used to test key controls, the internal control weakness(es) detected by the evaluation (if any) and the corrective action(s) taken. (THIS IS MANDATORY)

a. METHOD OF TESTING KEY CONTROLS

(Check all that apply)



Direct Observation

Review of Files or  
Other Documentation

Analysis



Sampling



Simulation



Interviews



Other (Explain)

b. EVALUATION RESULTS (Include specific items tested):

Overall process for all programs was tested through mapping process

c. INTERNAL CONTROL DEFICIENCIES DETECTED, IF ANY.

(Include potential material weaknesses):

- Incentive Eligibility
- iMARC Automation capabilities
- Incentive Payments

d. DESCRIBE CORRECTIVE ACTIONS TAKEN, IF APPLICABLE

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- Writing procedural guidance for field
- PEC team put in place to review 100% eligibility, Exceptions to Policy, and CMS cases prior to payments (NGB does 10% review of these)

8.

**CERTIFICATION**

I certify that the key internal controls in this function have been evaluated in accordance with provisions of AR 11-2, Army Managers' Internal Control Program. I also certify that corrective action has been initiated to resolve any deficiencies detected. These deficiencies and corrective actions (if any) are described above or on attached documentation. This certification statement and any supporting documentation will be retained on file subject to audit/inspection until superseded by a subsequent internal control evaluation.

a. ASSESSABLE UNIT MANAGER \*

(1) Typed Name and Title

b. DATE CERTIFIED

(2) Sign

LTC, EN, Chief, Education, Incentives, and Employment Division

23 Feb 2011



REMARKS

c. continued broken down and more defined

- Untrained or minimally trained users with access to iMARC with the ability to input contracts and process payments
- Not mandatory to use iMARC for document/payment submission
- Programs in outdated no AR (only in law and DoDI 1205.21 Sep 20, 1999)
- System (iMARC) does not have defined rules to catch incentive eligibility (current review is manual)
- No data/management controls surrounding timeline for request for control number
- Program Manager doesn't have visibility of funding
- Limited standardization of required types of documents needed for upload
- Using multiple databases for source documents (IPERMS, iMARC, SIDPERS), no continuity and difficulty auditing
- Difficulties understanding policies (SRIP), guidance is not clear
- iMARC not accurately capturing correct incentives information
- Inability to forecast funding requirements which may lead to potential ADA
- Contracts being signed without BCN or dates, contract becomes invalid (SRIP)
- Limited ability to track and confirm payments
- Incentives are not viewed prior to a move or completing service
- Policy changes or updates come out rapidly and incentive managers struggle to keep up
- No back-up for when iMARC goes down
- Annex's are manual which can cause wrong annex's in wrong FY
- Incentive managers are allowed to push payments through USPFO without any iMARC oversight
- Soldiers commission on installations away from home state and have challenges signing addendum day of commission
- No system available to track officer candidates through commissioning programs
- Officer Strength Managers have high overturn rates and receive little incentive guidance while being trained.

**Risk Identification and Mitigation Matrix**  
**Selected Reserve Incentive Program (SRIP)**

	Area of Process	Current Management Controls	Current System Controls	Risks	Data	Mitigation Strategy
Applicant is counseled in respect to inquiry on incentive			AUVS feeds iMARC to populate most up to date vacancy information and available bonuses	If State data is not valid (e.g., double slotting), then iMARC will not reflect true bonus vacancies  If State does not use iMARC, then manual manipulation can occur		
				OCS may not be informed about bonus opportunities  Insufficient training for OSMs (OSMs seem to have same issues as IMs; have only been doing Officer bonuses for a few years)  High turnover for OSMs  Tracking of any individual in Officer Candidate program is not available systematically  Newly appointed Officer/WO may sign bonus agreement that is invalid because a BCN is never issued	No specific OCS data, may have some ETPs	Ensure Recruiter Managers are up to date on incentive program eligibility and track OCS candidates  Training issue  OCS should have an additional skill identifier -  AGR Stabilization Policy - mandatory to require DL SRIP training for OSMs (module specific to Officer policy)  Front load requirement as part Fed Rec packet on OSMs to have incentive annex
			Bonus control number must be requested through iMARC and approved by State Incentive Manager or designated party	States have iMARC role that allows request and approve by same person (manager role in iMARC)  No document that describes who can have what access in iMARC  BCN is requested for one Soldier and once approved put on another Soldier's annex  Field enlistments may be completed prior to approved BCN (BCN requested days after contract. iMARC only allows BCNs to be issue on or after date of request. If Soldier is valid for bonus, IOT has to issue manual BCN).		
	MEPS GC verifies that NPS Soldier's BCN has the final enlistment MOS attached to it			RTRS is not being used nationwide  Confirmation may not occur which may allow the Soldier to get an unauthorized incentive		Evaluate PTH impact on use of RTRS  Monitoring so that if the RTRS enlistment doesn't happen within 8 days or within MOS, the BCN is cancelled  Remind IM via iMARC to ensure enlistment occurred



		Officer - AOC/MOS is built into IMARC so that only available vacancy can be selected		
	If Soldier already has enlistment bonus, he/she is advised on various options when becoming an Officer		Soldier may not be advised completely on ramifications of decision which may lead to termination  IMARC does not have defined business rules to catch if Soldier has Enlisted and Officer bonus that he/she should not  Erroneous enlistment	Have iMARC pull data from DMDC regarding previous/existing incentives; Educate Recruiters how to read REDD Report OR increase access to DMDC
Bonus Control Number Request Approved/Denied	Incentive Manager determines if Soldier has prior service in DJMS		DJMS only provides the State Incentive Manager with the ability to access Army service related bonus information. All other service information is inaccessible via this system.	Have iMARC pull data from DMDC regarding previous/existing incentives; Educate Recruiters how to read REDD Report OR increase access to DMDC
	BCN must be requested before or on the date of enlistment/appointment	Requesting a bonus control number cannot be a previous date from current date	Soldiers may lose out on bonus opportunities  NGB user level role authorization to input bonus on a previous date	
	Incentive Manager review BCN request to ensure IAW regulations	As of FY10, iMARC has verification rules built in (strength, fill, end strength, critical skill formula) and will stop the approval of BCN at the State level	Incentive Manager may not understand how to apply current policy or may not have correct policy  At NGB level user access will override current system controls	
		iMARC validates the dollar amount against current funds associated for a State to determine if funds are available to process		
	If iMARC goes down, State has authorization to continue to enlist personnel and utilize manual BCN guidance (like USAR).		If MOS has reached 100% fill, you could have States go over 100% fill  Inability to forecast funding requirements which may lead to the potential of Anti-deficiency Act (ADA)	
	PEC issues a manual BCN for USAR transfers			
Complete incentive annex	Contract must have valid BCN		MEPS/Recruiter/RCCC/OSM writes contract without BCN; therefore, contract is invalid and Soldier may not realize until anniversary date  MEPS/RECRUITER/RCCC/OSM utilizes incorrect annexes or may fill out incorrectly - may be due to policy change (or GCRC electronic)	

	MEPS/Recruiter/RCC/OSM have correct versions and are trained on completion		Using manual annexes allows the opportunity to use an annex from an incorrect FY  May offer an incentive that would not normally be offered		
	MEPS/Recruiter/RCC/OSM follows State defined process to process annex (e.g., upload to iPERMs/data entry to SIDPERS)		Incentive annex does not get loaded to iPERMS/data entry to SIDPERS; Incentive Manager cannot track incentive		
Set-up DFAS Account (Master Pay Record)	Incentive Manager validates contract		Annex is not loaded to iPERMS  Annex does not have BCN  Annex does not use appropriate template		
	PEC and NGB push request for DFAS account prior to submission to DFAS (no review required)		Was there enough study done before setting up the automation rules (should USPFO be involved? Should IM request go direct to DFAS?) - REAL RISK: are we authorizing things at State level that needs a higher level of approval?  Is there a risk that then payment will be processed outside of IMARC		Separation of duty analysis (more detail in SLRP)  Implement policy designating the sub-delegation of authority (E8 and above)
	Incentive Manager establishes DFAS Master Pay Account prior to payment		Soldier's bonus is determined ineligible and bonus is terminated; there is now an open DFAS Master Pay Account  If Master Pay Account is not established until right before payment, there may be a delay in payment or payment request could be kicked back (do not know DFAS business rules)  No validation that a Master Pay Account is established prior to payment or closed if not used (found when payment is processed) - can't pay		Work with G8 to develop mitigation strategy once better understand process
		If payment schedule established, IMARC prompts Incentive Manager to initiate payment (45 days out)	45 days may not be enough time to get record ready to pay	Query iMARC prompt/pay dates to evaluate % that require more than 45 days	Conduct study to determine how many days are necessary to validate Soldier's eligibility  Leverage automation and external data sources for continuous eligibility verification and validation



Pay Bonus

For Soldiers with training requirements, IM manually tracks using overdue payment report Soldiers training fulfillment and updates payment dates so that iMARC can set-up payment schedule		Tracking does not occur and Soldier is not paid		Educate IMs to monitor overdue payment report
Incentive Manager validates Soldier's eligibility in iMARC and SIDPERS: MOSQ/AOCQ qualified, flagged U-Code, flagged APFT/HT/WT, ING, and adverse actions	IMARC flags ineligibility  Allow SIDPERS screenshots to prove that iMARC data is not correct	Soldier's SIDPERS record must be up to date in order for iMARC to properly reflect Soldier's status  iMARC adverse action flags do not prohibit Incentive Manager from initiating payment  There may be duplication of documents/data needed to validate across iPERMS, SIDPERS, and iMARC; question may arise which is most current (no two way data field between SIDPERS and iPERMS)		Out of scope - continue to educate the importance of up to date records; integrate incentives into current processes  Stop gaps: - Mismatch screens based off of incoming data feeds which could feed iMARC bins  Determine if possible to prevent payment if adverse action flag checked - more restrictions you have; more restrictive the process can be and delay payment
Incentive Manager uses open field remarks field				
There is a code in SIDPERS to note that the Soldier has a bonus; must be manually updated by State		State may not be notified of bonus and may cut additional orders (e.g., discharge) which may conflict with bonus requirements and may cause recoupment		Work with MILPOS to embed Incentive Processes in State Extension/Discharge processes
Incentive Manager receives Unit's validation of Soldier's Satisfactory Participation		Commander may not act at all - IM must get MILPO approval to process payment; payment may not occur that should have  Commander may not know AWOL rule (AR 135-91) and indicate unsatisfactory participation  Manual process may slow down Soldier's payment		Incorporate incentive education into Officer training  Update current Commander's handbook  Recommend that Commander attends DL course

IOT (PEC) (100%) and NGB (10%) validate payment request  Excel spreadsheets are maintained to captured which payment requests are QC's by NGB	iMARC captures audit trail for IOT (PEC) review	If returning entire batch, may delay a qualified payment  Detailed quality review may cause delay of payment due to additional steps and/or not having enough manpower to review  When RCMS is down, iMARC is down - no back up system to allow anything to be done in iMARC		Add flag for accelerated payments so that it is processed immediately and not in batch  Invoke a green/amber/red system - not allow payment to be pushed to next level unless eligibility status is green or amber; amber requires review, green is immediately processed  Training to ensure that all parties are aware of MOS conversions; build in cross table in iMARC for MOS conversions
Incentive manager monitors via reject report/double check with DJMS payment to ensure Soldier receives payment		No systematic confirmation of payment  Correct budget visibility reconciliation  Tax implications (out of scope)  Soldier may not get paid	December DFAS payment test report by Tiber Creek	Continued quality controls over conversion of DFAS data  Work with DFAS community to resolve the tax free bonus issue
	DFAS has system control to reject payments that they deem are not correct; generates reject report	IM does not receive reject report; Soldier is not paid within 30 day requirement	Evaluate recent reject reports against iMARC corrections	Reject report is going to Tiber Creek; need to confirm that it is being uploaded to iMARC/the States
IM must ensure that the "Z" code is reflected in Soldier's iMARC record after last payment is made				
After final payment, IM changes Soldier's iMARC record to complete after term has been successfully completed with a remark		If done prior to final payment being made, final payment will be rejected (iMARC glitch vs. DFAS glitch)  iMARC does not calculate Officer final payment or recoupment amounts	IOT (Pec) to run report	Quick Win: Fix iMARC, adjust payment schedules to reflect one day prior to ETS date  Future: Ensure contracts are not set up with payment on 6th anniversary date  Coordinate with Tiber Creek to adapt calculator so that it can be used for Officers
Incentive Manager monitors Soldier's eligibility throughout the year	iMARC will reflect updates in position and personnel changes via use of Soldier Status Tab out of Management tab in iMARC	IM do not "perform action" position category changes due to lack of training, manpower, local leadership, etc		Build balance scorecard  Emphasize in training
		A change happens to Soldier record which may affect eligibility for bonus which is not caught in time to address		



Monitor Eligibility

		When a change does occur, the IM may not be aware of how to action Soldier's bonus due to current regulations/rules		
Incentive Manager suspends Soldier's incentive contract or payment if eligibility changes		<p>IM may not know that Soldier meets suspension criteria</p> <p>Soldier may get paid when not authorized</p> <p>States move Soldier into ING to open vacancy (management tool - erroneous move), Soldier cannot get paid bonus if in ING status</p> <p>Unit does not inform IM of 68W not being recertified within 6 month time frame. IM cannot terminate.</p> <p>IM may not actively monitor any Soldier in suspense status to include completion of required extension for period of non-availability</p>		<p>Training</p> <p>Enforce notification from Unit of members no longer 68W certified, i.e., memo format; document appropriately for audit purposes</p>

Terminate - No Recoupment

If Soldier is not active in DFAS, Incentive Manager processes termination manually creating a case in the Case Management System (CMS)				<p>Updated training</p> <p>Enforcement of policy</p>
IOT (PEC) and NGB push termination to DFAS (no quality review)		<p>IM submission of terminations to IOT (PEC) and NGB are not currently being reviewed for accuracy</p> <p>IM may not be trained on recoupments; there are many difference between Officers and Enlisted</p>		<p>QUICK WIN: Have 100% review at IOC (PEC) and 10% at NGB start reviewing termination</p> <p>IMARC flags Soldier's that may require termination</p> <p>Additional State level reviewer (ESO) to validate if termination is properly executed</p> <p>Termination rules for incentive programs policy is being created</p>

If Soldier is not active in DFAS, Incentive Manager processes recoupment manually creating a case in the Case Management System (CMS)	If Soldier is active in DFAS, Incentive Manager submits recoupment request through IMARC and PEC/NGB reviews			
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Terminate With  
Recoupment

IOT (PEC) and NGB push termination to DFAS (no quality review)		IM submission of terminations to IOT (PEC) and NGB are not currently being reviewed for accuracy  IM may not be trained on recoupments; there are many difference between Officers and Enlisted		
IM must manually calculate recoupment amount		iMARC does not calculate Officer final payment or recoupment amounts; no check and balance to determine if correct		
IM manually monitors Enlisted incentives converted to Officer accession  All payments go through IOT (PEC) and NGB		Paid two incentives, hardship for recoupment		Revisit with DFAS - may be out of scope
10% payment eligibility validation		An accelerated payment request cannot be separated; risk that is not paid in a timely manner  Funding codes may not be reviewed in depth (why still getting rejects?)		Bring management control tables back under NGB control (e.g., funding citation tables)  Management dashboard to control different aspects of program
PM pulls iMARC reports: forecasting, obligation of commitments, Soldier status		Reports do not contain detail data; hard to set-up reports  Cannot properly forecast; program analysis may be inaccurate  Anti-deficiency Act (ADA) violation		Expand ad hoc query capabilities and allow users access to data; need report generator  Build tools to track BCN starting day 1 through when agreements are completed; enforce accountability (forensic auditing capability for all aspects of program) - support analytics for return on investment
Monitoring and researching law and updating policy to meet law guidelines and updating business rules accordingly		Communication of change of business rules does not get to all vested parties		Expand distribution list to include R&R, G1, IG, Chief of Staff, RCCC, etc  Pop up warning in iMARC for policy changes/ direction to go read  REQUEST message to MEPS GC  For major changes, have refresher DL module
		Hard to measure return on investment		Build tools to track BCN starting day 1 through when agreements are completed; enforce accountability (forensic auditing capability for all aspects of program) - support analytics for return on investment

Record Posted to NGB Reading Room

13 June 14

7 of 8

FOIA Requested Record #J-11-0035  
Released by National Guard Bureau  
Page 127 of 554

Cross talk across division to ensure policy compliance is in synch		Cause confusion to IM and erroneous Multiple policies can have conflicting information		QUICK WIN: Staff draft EIOMs with iMARC/select States and Select Divisions. Need to get NGB G1 POC(s) for review.  Policy crosswalk
Address ETPs and Congressional; manual review required		ETP may be approved erroneously		Investigate status of Automated ETP module application developed in iMARC; get demo
		No SOPs		Develop SOPs/desk side toolkit; upload to iMARC
		Inconsistent archiving		Develop and enforce archiving strategies
Personnel continuity/manpower shortages		Time spent to get up to speed Positions are not filled Efficiencies in program operations Position not filled with correct personnel		Adhere to AGR Stabilization rule  Investigate adding a DAC position (Convert Branch Chief to GS13? DAC analyst?) - TDA under manpower study  Develop qualifications for positions and interview personnel prior to filling position; Pre-req training and skill sets
				Collect complete listing of regulations that are effective today (due COB Tuesday)



<b>INTERNAL CONTROL EVALUATION CERTIFICATION</b> For use of this form, see AR 11-2; the proponent agency is ASA(FM&C).		1. REGULATION NUMBER AR 135-7
		2. DATE OF REGULATION 15 Apr 1996
3. ASSESSABLE UNIT ARNG-GSE-I		
4. FUNCTION Manage, Track, and Pay SRIP for Loan Repayment Programs (SLRP, HPLRP, CHLRP)		
5. METHOD OF EVALUATION (Check one)		
<input type="checkbox"/> a. CHECKLIST	<input checked="" type="checkbox"/> b. ALTERNATIVE METHOD (Indicate method) Lean Six Sigma process mapping study (results attached) Process Review Team (results attached)	
APPENDIX (Enter appropriate letter)		
6. EVALUATION CONDUCTED BY		
a. NAME (Last, First, MI) <b>(b) (6)</b>	b. DATE OF EVALUATION 18 Jan 11	
7. REMARKS (See Attached) Use this block to describe the method used to test key controls, the internal control weakness(es) detected by the evaluation (if any) and the corrective action(s) taken. (THIS IS MANDATORY)		
a. METHOD OF TESTING KEY CONTROLS (Check all that apply)		
<div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"><input checked="" type="checkbox"/> Direct Observation</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Review of Files or Other Documentation</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Analysis</div> <div style="text-align: center;"><input type="checkbox"/> Sampling</div> <div style="text-align: center;"><input type="checkbox"/> Simulation</div> <div style="text-align: center;"><input type="checkbox"/> Interviews</div> </div> <div style="margin-top: 10px;"><input type="checkbox"/> Other (Explain)</div>		
b. EVALUATION RESULTS (Include specific items tested): Overall process for all programs was tested through mapping process		
c. INTERNAL CONTROL DEFICIENCIES DETECTED, IF ANY. (Include potential material weaknesses): - Incentive Eligibility - iMARC Automation capabilities - Incentive Payments		
d. DESCRIBE CORRECTIVE ACTIONS TAKEN, IF APPLICABLE. - Currently working with HQDA-G1 to update AR's - Training for IM course - In the process of drafting HPLR info for NGR - Updating DD 2475 - Writing procedural guidance for field - Critical Task Site Selection Board (CTSSB) IM course 26-30 July 2010		
8. CERTIFICATION		
I certify that the key internal controls in this function have been evaluated in accordance with provisions of AR 11-2, Army Managers' Internal Control Program. I also certify that corrective action has been initiated to resolve any deficiencies detected. These deficiencies and corrective actions (if any) are described above or on attached documentation. This certification statement and any supporting documentation will be retained on file subject to audit/inspection until superseded by a subsequent internal control evaluation.		
a. ASSESSABLE UNIT MANAGER		
(1) Typed Name and Title <b>(b) (6)</b> LTC, EN, Chief, Education, Incentives, and Employment Division	b. DATE CERTIFIED 23 Feb 2011	
(2) <b>(b) (6)</b>		



REMARKS

c. continued broken down and more defined

- Untrained or minimally trained users with access to iMARC with the ability to input contracts and process payments
- Not mandatory to use iMARC for document/payment submission
- Programs in outdated AR (1996)
- HPLR process not outlined in NGR
- No data/management controls surrounding timeline for request for control number for HPLR
- limited HPLR training at Incentive Manager Course, limited management control to ensure eligibility at payment time
- Payment schedule must be manually entered in iMARC
- Program Manager doesn't have visibility of funding
- Limited standardization of required documents - SLRP and CHLRP
- Using multiple databases for source documents, no continuity and difficulty auditing
- Difficulties understanding policies (SLRP and CHLRP)
- iMARC not accurately capturing correct incentives information
- Inability to forecast funding requirements which may lead to potential ADA
- Contracts being signed without BCN or dates, contract becomes invalid (SLRP and CHLRP)
- Confusion with what version of the annex should be used (SLRP and CHLRP)
- Limited ability to track and confirm payments
- No AMSCO for CHLRP
- CHLRP not authorized to use DD 2475
- No back-up for when iMARC goes down
- Taxes are not taken out of payments, soldier must handle at end of year individually

**Risk Identification and Mitigation Matrix**  
Student Loan Repayment Program (SLRP)

	Area of Process	Current Management Controls	Current System Controls	Risks	Data	Mitigation Strategy
Applicant is counseled on SLRP benefit and provides supporting documents		Recruiter/MEPS GC/ROCC/Readiness NCO counsel Applicant/Soldier on requirements for SLRP (including documentation)		Representative does not know current policy rules/changes or how to read supporting documents  - Cannot mandate training until all individuals involved in incentive counseling process	-# ETPs/Congressional/I G Complaints  - frequency of policy changes (a look back for contracts executed over past 6 years)  - MILPAC/COSAC issues	IOT (PEC) Regional Manager role established and defined - Quick Win  Develop a cross walk of policies (include a view across Divisions)  Better develop policy distribution list  DL refresher courses  Identify all users that need to be trained on incentive programs; mandate training  Ongoing bonus pilot program  EDU have heighten presence with States G1 community  Identify all training sources that have a piece of incentive programs in it  Mandatory counseling sheet is includes in iMARC
		Applicant/Soldier provides promissory notes and disbursement statements; no verification of legitimacy of documents		Representative does not enforce requirement and executes incentive annex  Representative has source documentation, but does not know what is valid  Representative does not know if document is falsified (does not come from a credible source)  No standardization of what documents are required	FY08 NGB-IR audit (not published, but have data)  Unless in audit or IM tracks manually, there is no way to pull data on whether or not iMARC record has correct source documents	Require mandatory fields/upload of standard documents in iMARC  iMARC to interface with all systems involved with the incentive program process (bi-directional data feeds as required)  Establish a repository for incentive program folder/quick query to pull documents in chronological order in iPERMS  Establish separations of duties/roles and effective oversight  Data feeds from source agencies (i.e., get source documents direct from Lender via system or fax/email)
			iMARC has the capability of the initial SLRP process (BCN through verification)	Source/supporting documents and/or BCN request are not input to iMARC  Record Posted to NGB Reading Room 13 June 14	- Number of records per State that can be tracked via iMARC vs. non (cumbersome)	Prevent payment of SLRP except through iMARC  Documenting As Is Process FOIA Requested Record #J-11-0035 Released by National Guard Bureau



Control Number Request Approved/Denied	Control Number must be requested before or on the date of enlistment	Requesting a control number cannot be a previous date from current date	Soldiers may lose out on incentive opportunities  NGB user level role authorization to input bonus on a previous date	# ETPs/Congressional/IG Complaints (JASMS for NGB, ?? For States)	Data cleansing across States of existing databases (IMARC/GIMS)  Require IM to clean/zero out (Losses with Active Contracts, Position or Personnel Category Change, Pending Validation, Validation Failed, Pending Establishments- SRIP only) - Daily? Set reasonable metrics and grade accordingly
	Incentive Manager reviews control number request to ensure IAW regulations (including review of promissory notes and disbursement statements)		Incentive Manager may not understand how to apply current policy or may not have correct policy  At NGB level user access will override current system controls  If State does not use iMARC, Incentive Manager may not approve BCN or have the opportunity to review		Enforce management controls for mandated BCN  Determine who is using iMARC for what/Define what types of people can have what level of access  When BCN is requested, system performs automatic verification of eligibility  Automatic feed
			NGB has not oversight review of record if process outside of iMARC; may become funding problem  Incentive Manager may not receive or		Move authorization of user access from vendor to NGB;  restrict access to those who can override/control source database (ensure iMARC keeps record)
	If iMARC goes down, State has authorization to continue to enlist personnel and utilize manual BCN guidance (like USAR).		If MOS has reached 100% fill, you could have States go over 100% fill  Inability to forecast funding requirements which may lead to the potential of Anti-deficiency Act (ADA)	- amount of time when iMARC is down  - Get iMARC User survey questions  - Get data from iMARC help desk	IM does a data analysis for MOS in which enlisting to determine strength and vacancy fill with AUVS Manager  Investigate what causes iMARC to go down and what cost it will take to keep up -create a store it forward system (already implemented in iPERMS)?  Ensure no system maintenance is conducted on Saturdays when MEPS is open  Train users to put in a help ticket if system is down  Identify managerial reports required from DFAS for PM visibility  Monthly, use forecast of spend plan against forecasting at the beginning of the year
	Requestor must notify Applicant/Soldier of disapproval		This step may not occur and Applicant /Soldier may enlist/extend assuming he/she has benefit  No way to verify if occurs	- ETP/ etc	- auto email from iMARC for extensions (no email address for NPS)  - auto email to requestor & RSP regarding denial/ RSP review contract with Soldier in detail (easier to fix in first month); give RSP access to iMARC  - self service soldier screen



Complete incentive annex	Contract must have valid BCN	MEPS/Recruiter/RCCC/OSM writes contract without BCN; therefore, contract is invalid and Soldier may not realize until anniversary date  MEPS/RECRUITER/RCCC/OSM utilizes incorrect annexes or may fill out incorrectly - may be due to policy change (or GCRC electronic)  If contract does not have BCN, it is difficult to forecast budget	- Who is using eTRANS who is not (data piece and file piece)	- Build contract clauses into system which force correct annex; not  - Recruiting/Retention NCO conduct anniversary reviews  - ensure that updated addendums are uploaded to GCRC prior to SRIP implementation  - Create a balance scorecard and start grading states
	Requestor have correct versions and are trained on completion where to get current version (can be generated from IMARC)	Using different versions of annexes allows the opportunity to use an annex from an incorrect FY  May offer an incentive that would not normally be offered  NGB is not in position to publish timely changes to incentive annexes; GCRC may have outdated electronic annexes		
	Requestor follows State defined process to process annex (e.g., upload to iPERMS/data entry to SIDPERS)	Incentive annex (promissory notes and disbursement statements) does not get loaded to iPERMS/data entry to SIDPERS; Incentive Manager cannot track incentive (eTRANS piece)  Not consistent where promissory notes/disbursement statements are located  Difficult to conduct historic audit if documents are not located in a consistent location (must have system of record)		Agreement between GCRC and iMARC - Quick Win. Since October GCRC is uploading promissory notes to iMARC in a unique field. Look into also pulling incentive annexes.  Add iMARC folders to upload 2475, promissory notes, disbursement letters, annexes  Create a unique SLRP tab to upload documents in iMARC  Investigate system of record and develop agreement (SIDPERS/iMARC/iPERMS)
	Incentive Manager validates contract	Annex is not loaded to iPERMS (is this IM responsibility?)  Annex does not have BCN or signed/dated  Annex does not use appropriate template		



D

Verify  
eligibility/Set-up  
loan  
details/Upload  
supporting  
documents

Incentive Manager enters loan details and sets-up loan payment in iMARC		<p>If not set-up, iMARC will not monitor anniversary date, difficult to track payment amounts and loan types</p> <p>Consolidation loans are not split which causes risk of accepting of non qualified loans or double payment (one portion entered as separate loan);</p> <p>Law allows Parent Plus loan to be accepted, but not currently allowed</p>		<p>Evaluate feasibility of centralized Lender list to screen out non-federal loan</p> <p>Required use of NSLDS website to verify all Title 4 loans, not in default; print out and upload to iMARC</p> <p>Crosswalk NGB policy with law to determine if NGB policy should be modified to simplify requirements</p>
Incentive Manager uploads incentive annex, promissory notes, and disbursement statements to iMARC		<p>If not uploaded, historical auditing become difficult</p>		
	<p>If loan details entered to iMARC, iMARC moves Soldier's record to "Generate DD 2475" queue 90 days prior to Soldier's anniversary date</p>	<p>Incentive Manager must monitor iMARC queue otherwise Soldier's loan may not get paid (no iMARC notification inside or outside of system)</p>		
<p>If loan details not entered to iMARC, Incentive Manager (or Unit) manually monitors Soldier's anniversary date</p> <p>If no BCN, Incentive Manager will need to work with IOT (PEC) in order to create iMARC record. Suspense of 30SEP10 all incentive agreements that did not have control numbers must be loaded to iMARC.</p>		<p>If not monitored, Soldier's loan may not get paid</p>		

E

Process DD Form  
2475

Incentive Manager/Unit, Soldier, and Lender complete DD Form 2475		<p>Not mandated - State may use alternate form or no form</p> <p>DD Form 2475 issues: interest rate cannot confirmed (what does it include), need to include disbursement statements, commander block - sign off of satisfactory participation/doesn't match DFAS,</p> <p>Payment will not be made promptly if 2475 is not received by IM prior to anniversary date; not guarantee than completed 2475 is received by IM</p> <p>2475 can be falsified if not received directly from Lender</p>		<p>Data feed with department ed</p> <p>Research reason to have 2475 - only needed because of State and private loans (not federal) - is form even needed? Time savings If not needed, change regulations</p> <p>Update form</p>
Incentive Manager waits for completed DD Form 2475 to initiate payment		DD Form 2475 may not be submitted; payment is delayed or not initiated		
Incentive Manager validates Soldier and loan's eligibility in iMARC prior to each payment		<p>Non-utilization of code/position in SIDPERS to note that Soldier has SLRP benefit - Commander may be unaware if he is making a change that will affect Soldier's eligibility</p> <p>If DD Form 2475 does not have correct lender (currently there are many bank buy-outs), payment may be made to incorrect lender</p> <p>Can we go into Soldier Locator to see if have SLRP benefit?</p> <p>Does iMARC FMFIA certified to handle financial information (OMB Circular A 123, Auditing)</p>	<p>- Pull SIDPERS date on who has SLRP code; crosswalk with iMARC data</p> <p>Look at help desk log of questions</p> <p>Manpower data/ desk side audit/</p>	<p>Work with HRP to enforce use of code; balance score card</p> <p>Crosscheck lender with department of education to determine if lenders are valid, NGB recently put a division LNO at Division of Ed (Quick Win) to work on behalf of NGB to develop strategies to share information</p> <p>Manpower report to request additional staff (about to start manpower study) with additional DACs</p> <p>Potential ways to modify payment process:</p> <ol style="list-style-type: none"> <li>1) Examine feasibility of system generated fax on demand to DFAS and/or EFT</li> <li>2) Centralize specific allotment for NGB to use payment card, EFT</li> <li>3) Outsourcing</li> </ol> <p>Require USPFOs not to accept manually created TL (code on TL says came from iMARC)</p>

E	Pay Lender	Incentive Manger submits certified (e.g., signed) TL Packet to USPFO to initiate payment	<p>Once TL is submitted to USPFO, IM may lose visibility to payment of loan (no visibility in iMARC) out of correct accounting line</p> <p>Not enough education on authority behind TL</p>		<p>Across all - update regulations; every team member has been tasked to build a continuity book, build a knowledge management section for Incentives</p> <p>Evaluate benefit of additional enlisted/officer positions at Army G1 for SRIP, SLRP - career development</p> <p>Create stop gaps:  - TL won't print unless loan details are entered and documents are uploaded, iMARC validation to occur  - Automatic feed: Route TL from IM to IOT/NGB to USPFO to SRD-1 East or West for payment (centralize payment process)</p> <p>Complete the first annual assurance statement. NGB should have visibility of States annual assurance statements and audits. Add requirement that these documents are provided to NGB from the States.</p> <p>Update PM PDs to include required internal management control duties IAW OMB Circular same number as b4, AR 11-2</p>
			<p>Risks surrounding how check is written out to Lender (e.g., not have specific information that ties check to Soldier)</p> <p>SRD-1 does not mandate fields - check can be cut that does not include Soldier's name/loan number</p>		<p>Work with G8 to better understand what happens after submit payment; SRD-1 check writing system and it's capabilities (potentially use alternate methods of pay)</p>
		SRD-1 disbursement system has SLRP pay code	<p>IM may not have access; know about resource</p> <p>What system is used to verify check was cashed? Can't reconcile budget until 13 months later - ADA for potential Flash Report/fiscal irresponsibility</p> <p>iMARC does not talk to SRD-1</p>	State Audit	<p>iMARC reach into EDAVPS to pull confirmation of payment (SRIP uses DJMS)</p> <p>As of 12JAN11 requested an audit of incentive systems (Quick Win)</p>
			No way to validate if check is returned to U.S. Treasury		<p>See alternate methods to pay</p> <p>Closer relationship with processes that pay Soldier; work with G8 to provide specific examples and questions regarding DFAS processes</p>
		Pay process executed through Vendor Pay	USPFO does not have standardized checklist of requirements to process payment (i.e., what is in TL Packet)		Utilize NGB IR findings and data to confirm or deny risk



G	Recoupment	Incentive Manager identifies erroneous payment during eligibility check for anniversary payment		Lack of central management and control	How many SLRP recoupments occur	
				No concise written guidance on how to process recoupments		Quick Win: Utilize FMR to develop guidance on recoupment process; Policy is currently under review to fill void, define processes, establish separation of duty (G8/EDU)
				No oversight to know what should be recouped No feedback to know that recoupment occurs		Properly use code in SIDPERS to ensure orders conflicting with incentive annex are not executed
	Suspension					Build into review piece
				Mismanagement of SLRP funds in open allotment		See various payment approaches
		AR 135-7 Guidance put out to States: - CHLRP Instruction - EIOMs		AR 135-7, DODIs, etc are outdated Guidance is not enforceable in the format of an instruction (EDU-i) EIOMs are quick wins		Update regulations; Incorporate EIOMs into regulations, as applicable Remove instruction and incorporate into regulations/policy - Putting SLRP portion into FY11 SRIP Policy (pending Army improvement)
				Non-compliance with AR 11-2/135-7 management control steps		Perform a review of mandated management controls and cross walk with internal controls ; update as necessary
		Audit, PRT Control Number/IMARC usage mandated				
		CTSSB revamped Incentive Manager Certification to be TRADOC certified (JUL10)		Pre-requisites are not required (e.g., Fiscal Law)		Conduct study to determine which additional classes IMs need (fiscal law, ethics); Update training requirements per results of study - Pre-reqs to basic IM course or part of sustainment training Determine what, if any, training is required before user can get IMARC access Whatever an untrained IM does goes to PEC for review Confirm that Fiscal Law course is available through Air Force DL training site
		Mandatory for IM to have formal training within 6 months of taking role		Many things can go wrong in first 6 months of job execution 6 month rule is not being monitored/enforced		Evaluate how frequently IM Basic Course should be offered If IM does not attend Basic Training within first six months, IMARC access is turned off - IOT(PEC) to monitor

J

Program  
Management

Conducting research to identify issues with current process and recommend to be business rules; discovery phase in developing SOP - Discussions with outside agencies/States/Lending Institutes/etc - Historic audits				
Realization that controls are not effective				
50% monthly review by NGB PM of SLRP payments (fall10) - records in EAST SRD-1		Quick Win  Two different SRD-1 system (East/West), NGB PM only has access to one (East)		Gain access to SRD-1 West; evaluate manpower to determine how 100% review can occur
		iMARC has capabilities that are not being used  Funds are not available to enhance iMARC (not currently an issue)	Determine which report cards mention incentive programs	Requesting funding in POM 1217 (Manning PEG invalidated iMARC funding in POM 1015 to force ARNG into Go Army Ed for FTA)  Prioritize SLRP DL sustainment in refresher modules
		Not monitoring access to iMARC  Need to look at delegation rights (who is responsible for managing funds)?  Non-standardization/automation of program across 54 States; not centrally managed  iM doesn't have access to external systems to manually perform eligibility checks		NGB PM should manage iMARC user permissions and access levels; require that training certificates (required DoD system access training - PII, ethics training, security awareness) is submitted with access request; need to determine if there needs to be redundancy with DoD certifications since required for CAC  Verify that User roles are compliant with DoD FMR V 5, ch 33 and 7 (certifying officer, department accountability officer, etc)  Leverage automation for centralized verification and validation of eligibility and payments  Coordinate to provide system access and/or reports with required data to validate eligibility

8/3 June 8/14



**Risk Identification and Mitigation Matrix**  
Health Professional Loan Repayment Program (HPLR)

Area of Process	Current Management Controls	Current System Controls	Risks	Data	Mitigation Strategy
Applicant is counseled on HPLR benefit and provides supporting documents	AMEDD Specialty Recruiter counsel Applicant/Soldier on requirements for ARNG and HPLR (including documentation)		<p>Representative does not know current policy rules/changes or how to read supporting documents</p> <p>User role for Specialty Recruiter is not defined/regulated in iMARC</p> <p>Specialty Recruiters are required to go to OSM training within 6 months (can cause harm prior); tracking of attendance at training done by Recruiting Command; no notification of completion of training to NGB</p> <p>NGB has no control over AMEDD Specialty Recruiters; cannot mandate training, processes</p>	<p>Email log (general idea of volume and types of questions)- not all issues addressed via email</p> <p># of States with Specialty Recruiter</p> <p>Current AMEDD Recruiters, training (yes/no), when trained, turnover</p>	<p>QW: Create centralized AMEDD email account</p> <p>QW: Establish formal customer response timeline, log issues, FAQ document (desktop SOP to list business rules, include in toolkit)</p> <p>Query customer list/iMARC access to evaluate what level of access, training; if necessary develop a survey (access needed, training needed, do any recruiters have SOPs, collect best practices)</p> <p>- identify State that is using with minimal errors; find how to use for best practices/SOP</p> <p>Improvement communication with Strength Maintenance Community, e.g., Receive an invite to Strength Maintenance conference, VTC with OSMs, OSMAC</p> <p>Investigate making fulltime AMEDD recruiting/technician position State position /Enforce Stabilization Policy (out of scope) Potentially give more of a role to IM</p> <p>Review OSM and IM course and determine if AMEDD incentive training is sufficient</p>
	AMEDD Recruiters have SOPs	AMEDD Recruiter tools are posted to GKO	No enforcement that AMEDD Recruiters use available tools correctly; only identified when goes wrong		Determine if pieces of toolkit need to be uploaded to iMARC
	Applicant/Soldier provides required documents		<p>Not mandatory to use iMARC for document submission</p> <p>Efficiency of document submission process lacking</p>	<p>Which States using iMARC/which aren't iMARC to submit documents</p> <p>% of packets that don't have sufficient documents</p>	<p>Build checklist into iMARC</p> <p>- at a minimum: reminder checklist</p> <p>- ideally: forces submission of documents</p>
	NGB has delegation of authority over regulations		<p>Delegation of authority over regulations, but changing to official regulations is dependent upon Army fixes regulations</p> <p>AMEDD Program not in formal regulation</p> <p>Same issue as other programs with out of date, etc.</p>		<p>Determine if NGB 600-7 update can include AMEDD</p> <p>Mr. Gay: does iMARC tutorial include AMEDD piece</p>



		USAREC boards - Applicant which includes list of benefits (Officer signs statement acknowledging/declining benefits)		USAREC may not know ARNG eligibility requirements/board incorrectly - small risk	How many people approved for incentives vs. board results	No mitigation strategy needed at this time
				No data/management controls surrounding timeline for request for control number for HPLR bonus - when did process start?	For new accessions, could use USAREC board results - time consuming to pull - pick a sample	Modify DCA to include additional field to reflect when board results are determined (would need to work with USAREC)
			Incentive Manager requests control number in iMARC	Incentive Manager not reviewing packet before requesting BCN (relying on Specialty Recruiter)  New IM Course does not address uniqueness of AMEDD	# sending back, length of time to respond (GKO Tracker)	Modify training  Update IM responsibilities so that they must review
	Control Number Request Approved/Denied			After signature of contract, legally have 6 years to claim first payment. - Budgeting issues - Soldier's not receiving benefit	DCA/GKO sampling to see lag in time between contract signature and initiation of benefit	Education/Self Service
		NGB reviews control number request to ensure IAW regulations (including review of documents) and works with Recruiter to resolve outstanding issues		SIDPERS//PERMS/TAPDBG data updates (e.g., State code AMEDD AOC incorrectly)  Officer may not be able to produce sufficient loan documentation		QW (since 2009): Identification of AOC coding issue and education on correction (has been improving)
		GKO Tracker indicates approval or denial of control number; NGB sends notification email	iMARC shows approval or denial of control number	If Incentive Manager is not aware/notified, payment schedule will not be set-up and 2475/payment process may not be initiated		Outstanding question: Where does a iMARC record go after BCN is approved?
		Recruiter must notify Applicant/Soldier of disapproval		If this process does not occur, Soldier's will not be aware that they should request bonus instead	Look at Soldier's denied and then which took/did not take bonus	Education/Self Service
	Complete incentive annex					
		Incentive Manager receives notification that the incentive was approved and sets up pay schedule		Recruiter is no longer involved in process  Stop tracking in GKO		Training  IOT(PEC)/NGB QC HPLR verification/submission of payment

D	Verify eligibility/Set-up loan details/Upload supporting documents	Incentive Manager validates contract and eligibility		No management control to ensure eligibility is being verified prior to initiating 2475 process  There are iMARC drop down options (e.g., historical) that should not be used and are causing issues	Number of records against each drop down option	Eliminate IM role from process - Would like to move the entire management process to the NGB level (Recruiter will pass packet to NGB and NGB completes the remainder of process)  Work with Tiber Creek to determine if unneeded options can be removed
		AMEDD Community very involved. If made aware of someone losing credentials, make NGB aware. NGB sends Soldier notification				
		NGB maintains packets (not necessarily uploaded to iMARC)		May be difficult in the future for historical audit purposes (contracts should be uploaded at a minimum)	Out of 50 active cases how many non-uploads	NGB (or States) upload document - potentially include within instruction document
E	Process DD Form 2475					
E	Pay Lender					
G	Recoupment					
J	Program Management	Utilize AR 135-7 as process		No policy documentation to lay out ARNG process that mandates control for program		
		AMEDD Community is very involved in informing professionals: Incentive Review at OBC Course and Medical Team Conferences				
				Program Manager no visibility to funding (change in policy may change required budget - need G8 involvement)		

# Process Review Team Findings Colorado

- SRIP
  - Administrative Errors
    - Records not annotated with AGR or Mil Tech start dates
    - Soldiers Transferring or Changing MOSs without proper documentation
    - Reassignment orders do not contain reasons for move
    - All documents not iPERM'd
  - AGR and Mil Tech incentives not actioned IAW policy
  - Officers receiving OAB while already on SLRP
  - Records completed rather than terminated
  - Records inappropriately completed
- SLRP
  - USPFO pays all LRP out of 1 AMSCO and current FY rather than date of eligibility.
  - Data does not reflect cancelled checks or returned payments
  - LR payments not properly calculated (over Cap, extra years)
  - Terminations and Completions not properly recorded
  - Mil Tech and AGRs not properly actioned
  - Unauthorized loans processed for payment
- State System Issues
  - Not monitoring AGR and Mil Tech active SRIP Contracts
  - SLRP Payments exceed annual cap
  - Allowing OAB to Officers with active SLRP
- NGB Systemic
  - Terminations do not necessarily recoup as intended
  - Disconnect between iMARC and DFAS data
  - iMARC does not indicate type of LR (HP, C, S) on TL
  - Need new recoupment policy/process, to include "out of service"
  - SLRP TLs need AMSCO added
  - PMs must review DFAS 37-100 annual for incentives AMSCOs.

## Next Steps for State

- Continue research and action SSN issues provided by process review team.
- Update SOPs and processes to incorporate those findings CO can correct
- IM must complete IM training w/in 6 months
- ESO should cross train all personnel
- Manpower study shows 6 personnel (4 education and 2 Incentive) required – Currently 3 auth/2 O/H

## Next Step for PRT team

- Continue Detailed Process Mapping
  - Develop "To Be" from "As Is" and issues found
- Provide SSN level of detail to CO with required actions
- Provide SLRP processes to USPFO
- Evaluate WA and TX
- Develop IM SOP
- Revisit CO 2<sup>nd</sup>/3<sup>rd</sup> Qtr FY 11 to assess



# Process Review Team Findings Puerto Rico

- SRIP
  - Administrative Errors
    - iMARC records not annotated with AGR or Mil Tech start dates
    - Contracts accepted without signature dates – invalid
    - Records inappropriately marked complete
    - AFQT scores not reentered after new testing
  - 60% MOS Conversion Bonuses invalid –
    - Retroactive contracts & no documentation in iPERMS
  - 75% of FLRI contracts invalid
    - Retroactive contracts & Executed after policy expiration
  - Mil Tech incentives not actioned IAW policy - NTE time counts
  - Potentially 35% error rate
  - Potential recoupment \$214,600/25 Soldiers
- SLRP
  - USPFO pays all LRP out of 1 AMSCO
  - SLRP entitlement dates not properly recorded in iMARC
  - Early Payments made
  - Terminations and Completions not properly recorded
  - Mil Techs and AGRS not properly actioned or annotated
  - Incomplete loan documents for consolidated loans
  - Retroactive contracts
  - Potential Recoupment \$147,000/49 Soldiers
  - Potentially 28% error rate
- State Systemic
  - Kudos for iPERMS & SIDPERS updates
  - Incorrectly processing Mil Tech Incentives
  - Minimal HRO/IM communication/coordination
  - Program administration attention to detail missing
  - Available training resources not utilized by staff
  - Staff receptive to training and corrective actions already begun
- NGB Systemic
  - Terminations do not necessarily recoup as intended
  - Disconnect between iMARC and DFAS data
  - Disconnect between SIDPERS and TAPDB-G
  - iMARC does not indicate type of LR (HP, C, S) or APC on TL
  - iMARC allows status change to suspend or terminate bonus w/o changing kicker code
  - iMARC has internal control weaknesses allowing mismatches of codes and rates
  - Need new termination/recoupment policy/process, to include “out of service” debts
  - Need policy to cover deploying individuals/teams
  - Need SLRP instructions and TL updates
  - MOS Conversion bonus policy needs to be overhauled
- Recoupments
  - 16/50 Verified
- Mil Techs
  - 103 Soldiers reviewed

- Potential recoup \$432,000/37 Soldiers
  - Funds due to 10 Soldiers – \$94,700
  - 8 Soldiers need counseling for NTE positions that could soon put bonus in jeopardy
- AGR
  - 47 Soldiers reviewed
  - Potential recoup \$4,000/2 Soldiers
  - Funds due to 2 Soldiers - \$16,500

#### Next Steps for state

- Continue to update SOPs and processes
- Continue to research and action SSN issues provided by process review team – (data provided to MSG Canizares & USPFO IR)
- Continue to scrutinize payments – It is important to take care of the Soldier but not at the risk of the organization
- Continue to use PEC resources to assist in final determination of questionable eligibility prior to payment
- Utilize PEC training for all Incentive and Education personnel
- Establish Incentive counseling for all new hires
- Establish FTA recoupment policy
- Reevaluate credit card payment process for FTA
- Severe Understaffing - manpower study shows 10 personnel (6 education and 4 incentive) required

#### Next Steps for PRT team

- Provide SSN level of detail to PR with required actions
- Develop IM SOP
- Develop Incentive Recoupment Process
- Overhaul MOS Conversion Bonus Policy

# Process Review Team Findings Washington

- SRIP
  - Administrative Errors
    - iMARC records not annotated with AGR or Mil Tech start dates
    - Soldiers transferring or changing MOSs without proper documentation on orders (Individual Request default)
    - Documents not iPERM'd or in mass files
    - iMARC comments do not provide audit trail
    - Records marked historical rather than complete
    - REB start dates inappropriately annotated
  - Mil Tech incentives not actioned IAW policy
  - OAB offered while already on SLRP or prior contract
  - TAPDB-G information not updated
- SLRP
  - USPFO pays all LRP out of 1 AMSCO
  - SLRP entitlement dates not properly recorded
  - Overpayments and over cap
  - Terminations and Completions not properly recorded
  - Mil Techs and AGRS not properly actioned or annotated
  - Documents not on file in iMARC or iPERMS
  - TAPDB-G not updated

## Officers with OAB and SLRP contracts

- WA Systemic
  - Kudos for COP
  - Incorrectly processing Mil Tech Incentives
  - Incorrectly managing officer incentives
  - Documents not in iPERMS or iMARC
  - Transfer orders default to Individual Request
  - HRO/IM communication/coordination
  - Corrective action already begun
- NGB Systemic
  - Terminations do not necessarily recoup as intended
  - Disconnect between iMARC and DFAS data
  - Disconnect between SIDPERS and TAPDB-G
  - iMARC does not indicate type of LR (HP, C, S) or APC on TL
  - iMARC allows status change to suspend or terminate bonus w/o changing kicker code
  - iMARC has internal control weaknesses allowing mismatches of codes and rates
  - Need new termination/recoupment policy/process, to include "out of service" debts
  - Need policy to cover deploying individuals/teams
  - Need SLRP instructions and TL updates

## Next Step for state

- Continue to research and action SSN issues provided by process review team – (data provided to Mr. Luther)
- Continue to update SOPs and processes to incorporate those findings WA can correct
- Manpower study shows 8 personnel (5 education and 3 incentive) required – Currently 5 auth/3 O/H



#### Next Steps for PRT Team

- Continue Detailed Process Mapping
  - Develop "To Be" from "As Is" and issues found
- Provide SSN level of detail to WA with required actions
- Develop IM SOP
- Revisit WA 2<sup>nd</sup>/3<sup>rd</sup> Qtr FY 11 to assess

<b>INTERNAL CONTROL EVALUATION CERTIFICATION</b> For use of this form, see AR 11-2; the proponent agency is ASA(FM&C).		1. REGULATION NUMBER DODI 1322.17; DoD-DTM 09-003
		2. DATE OF REGULATION 29 NOV 1999
3. ASSESSABLE UNIT ARNG-GSE-E		
4. FUNCTION Management/Oversight Control of ARNG GI Bill Programs		
5. METHOD OF EVALUATION (Check one)		
<input type="checkbox"/> a. CHECKLIST	<input checked="" type="checkbox"/> b. ALTERNATIVE METHOD (Indicate method) Lean Six Sigma Process mapping study Process review team	
APPENDIX (Enter appropriate letter)		
6. EVALUATION CONDUCTED BY		
a. NAME (Last, First, MI) (b) (6)		b. DATE OF EVALUATION 7 FEB 11
7. REMARKS (See Attached) Use this block to describe the method used to test key controls, the internal control weakness(es) detected by the evaluation (if any) and the corrective action(s) taken. (THIS IS MANDATORY)		
8. METHOD OF TESTING KEY CONTROLS (Check all that apply)		
<div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <input checked="" type="checkbox"/>            Direct Observation         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/>            Review of Files or            Other Documentation         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/>            Analysis         </div> <div style="text-align: center;"> <input type="checkbox"/>            Sampling         </div> <div style="text-align: center;"> <input type="checkbox"/>            Simulation         </div> <div style="text-align: center;"> <input type="checkbox"/>            Interviews         </div> </div> <div style="margin-top: 10px;"> <input type="checkbox"/>            Other (Explain)         </div>		
b. EVALUATION RESULTS (Include specific items tested): Overall process for all programs was tested through mapping process		
c. INTERNAL CONTROL DEFICIENCIES DETECTED, IF ANY. (Include potential material weaknesses): (1) Systems are capturing incorrect information (2) Missing Documentation (3) GI Bill Incentive Kicker Validation Process (4) Outdated Regulations		
d. DESCRIBE CORRECTIVE ACTIONS TAKEN, IF APPLICABLE: (1) Input from legacy systems data is erroneous. Rewriting business rules to identify erroneous data. Verification process of automated data requires two sources to reduce error or a manual verification process. (2) Crucial documents needed for the verification process is often missing in the Soldiers Official Military Personnel File. (3) State GI Bill Managers and Military Entrance Processing Station (MEPS) have the ability to issue contracts without a verification process. (4) GI Bill Programs are no longer covered in any Army regulation and are only covered by law and implemented guidance by DoD. Army Regulation 621-202 is in draft form that will cover GI Bill programs once approved.		
B. CERTIFICATION		
I certify that the key internal controls in this function have been evaluated in accordance with provisions of AR 11-2, Army Managers' Internal Control Program. I also certify that corrective action has been initiated to resolve any deficiencies detected. These deficiencies and corrective actions (if any) are described above or on attached documentation. This certification statement and any supporting documentation will be retained on file subject to audit/inspection until superseded by a subsequent internal control evaluation.		
a. ASSESSABLE UNIT MANAGER		
(1) Typed Name and Title (b) (6) LTC, EN, Chief, Education, Incentives, and Employment Division (b) (6)		b. DATE CERTIFIED 23 Feb 2011

<b>INTERNAL CONTROL EVALUATION CERTIFICATION</b> For use of this form, see AR 11-2; the proponent agency is ASA(FM&C).		1. REGULATION NUMBER AR 621-5
		2. DATE OF REGULATION 06 SEP 2009
3. ASSESSABLE UNIT ARNG-GSE-E		
4. FUNCTION Management/ Oversight Control of VOLED Programs		
5. METHOD OF EVALUATION (Check one)		
<input checked="" type="checkbox"/> a. CHECKLIST AR 621-5	<input type="checkbox"/> b. ALTERNATIVE METHOD (Indicate method)	
APPENDIX (Enter appropriate letter) H		
6. EVALUATION CONDUCTED BY		
a. NAME (Last, First, MI) (b) (6)	b. DATE OF EVALUATION 11 Feb 2011	
7. REMARKS (See Attached) Use this block to describe the method used to test key controls, the internal control weakness(es) detected by the evaluation (if any) and the corrective action(s) taken. (THIS IS MANDATORY)		
a. METHOD OF TESTING KEY CONTROLS (Check all that apply)		
<div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/>            Direct Observation         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/>            Review of Files or            Other Documentation         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/>            Analysis         </div> <div style="text-align: center;"> <input type="checkbox"/>            Sampling         </div> <div style="text-align: center;"> <input type="checkbox"/>            Simulation         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/>            Interviews         </div> </div> <div style="margin-top: 10px;"> <input type="checkbox"/>            Other (Explain)         </div>		
b. EVALUATION RESULTS (Include specific items tested). Automated management controls in iMARC, which is the FTA database of record, are insufficient. Staffing in the 54 state education offices is predominantly inadequate and further challenged by high turnover and untrained personnel which has resulted in backlogs for grades, recoupments and unliquidated obligations. Short staffing does not allow for proper separation of responsibilities, independent cross checking, or audit oversight. Counseling, to include degree planning, is virtually nonexistent in the states.		
c. INTERNAL CONTROL DEFICIENCIES DETECTED, IF ANY. (Include potential material weaknesses):		
1. Systems are capturing incorrect or insufficient information 2. Process automation leaves room for errors and potential fraud 3. Recoupment process lacks controls		
d. DESCRIBE CORRECTIVE ACTIONS TAKEN, IF APPLICABLE.		
1. Provide adequate staffing in State Education Offices, development of controls to ensure proper information reporting, separation of duties. 2. Automate system controls for grade reporting/degree plans. Develop automated exchange of information between iMARC and AFCOS. 3. Automate recoupment process		
8. CERTIFICATION		
I certify that the key internal controls in this function have been evaluated in accordance with provisions of AR 11-2, Army Managers' Internal Control Program. I also certify that corrective action has been initiated to resolve any deficiencies detected. These deficiencies and corrective actions (if any) are described above or on attached documentation. This certification statement and any supporting documentation will be retained on file subject to audit/inspection until superseded by a subsequent internal control evaluation.		
a. ASSESSABLE UNIT MANAGER		
(1) Typed Name and Title (b) (6) LTC, EN, Chief, Education, Incentives, and Employment Division (b) (6)	b. DATE CERTIFIED 23 Feb 2011	





# iMARC Feasibility Study

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## Bonus and Incentives Program

10/29/2010

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## Executive Summary

### *Overview:*

The Army National Guard (ARNG) launched a Feasibility Study (FS) on the capabilities and adaptability of the iMARC (Information Management and Reporting Center) application, henceforth referred to as iMARC, used to process bonus and incentive payment requests. Expectations of the study for the ARNG as a whole, the Guard Strength Directorate (GSD), and Education, Incentives and Employment Division (GSE-EDU) are to provide the Education Division leadership with a comprehensive review of the existing processing system for the Bonus and Incentives program.

This study provides:

- Program managers and supervisors the opportunity for their input regarding consideration for adequate resources and personnel.
- Stakeholders, whose capital, personnel and reputation are on the line, will have the opportunity to use the results to help them decide whether or not to back the project.
- Owners want a study that has taken an objective look at the project.

To reduce bias by business or Directorate personnel, outside consultants (impartial third parties) are often hired to conduct the analysis and write the study. This FS analyzes the current processes in iMARC and the key issues surrounding the integration with other personnel and finance systems that validate personnel data and disbursement of funds. The FS also takes into account the internal management controls needed and to be considered for building into iMARC.

The goal of the limited (90-day) FS is to identify options offering leadership the best possible recommendations for systems and processes to support management's decisions on both present and future strategies and services while maintaining efficient operations with respect to the current process. The FS assesses various actions performed by users of iMARC, taking into account the potential impacts of past practices and future remedies required both within and outside iMARC.

The iMARC application has been in existence in various forms since 2002. Prior to 2002 the system was called BART (Benefit Administrative Reporting and Tracking), and has been integrated with the Reserve Component Manpower System (RCMS). The system, when originally built, was adequate and capable of handling requirements for benefits. However, as the Bonus and Incentives program grew, so did the need for expanding the system. ARNG

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automation requirements grew over time as the size of the program grew exponentially resulting in a need to automate additional components into iMARC that were not logically connected. iMARC was being used by various GSE branches to conduct business and read data for strategic needs. Incompletely documented requirements evolved into actual functionality within iMARC as demands from the client transformed into critical needs for instantaneous automation. This practice resulted in uncontrolled and untraceable development. The vendor developing iMARC did not anticipate this growth and requirements were added as needed without consensus or logical correlation.

The main objectives of the FS as defined and identified through meetings with, Program Managers and Division Leadership are:

- Analysis of iMARC capabilities to validate data and accurately calculate, track and manage federal funds and the flexibility to carry out standard business operations.
- Real-time management controls and other issues relating to best practices as required by vendors on IT systems development.

The capabilities of iMARC or its management, from an IT architecture and DoD policy perspective were never evaluated as the system evolved and grew. The ability to provide accurate outputs to allow strategic managers to synchronize data provided to mission goals has been a material weakness of the system

### *FS Approach and Results*

The rigorous efforts and attempts to draw facts to determine the strengths and weaknesses of iMARC have resulted in interesting facts and conclusions. The exercises performed to achieve these results for the 90-day restricted study, are as follows:

- Develop and launch an **online survey** (iMARC – Systems Improvement Survey) taking into consideration the various user frustrations and data gaps as observed.
- **Review of regulations** and policies that are being handled as business rules within iMARC or as being perceived as functionality to be developed.
- **Periodic interviews** with personnel involved in the day-to-day operations of iMARC, both within and outside the Division.

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In its current state, iMARC has several weaknesses that make the system inflexible and incapable for future expansion needs. Components of iMARC that have been built in the current .NET technology have resulted in better outputs than the logic that exists in the legacy component of the system. The major pitfall of iMARC is its inability to manage and track payments. iMARC is inadequately supported to handle DFAS payments, as desired by leadership. The system has to evolve into a certified and auditable product to manage DFAS transactions directly.

To meet leadership's requirements, iMARC needs a thorough verification in terms of management controls and internal controls as per regulations. In performing a high level review of applicable regulations to address the need for management of federal funds using iMARC, the following weaknesses and deficiencies were identified:

- Lack of understanding of business process prior to requesting a system change.
- Internal management control deficiencies within the process and the automation tool.
- Lack of proper requirements gathering or documenting.
- Handling of "Exceptions to Policy" or other financial transactions outside the system tool.
- Data integrity that is compromised due to lack of data interfaces and system tools that support report generation.
- Lack of automation on reports or standardization of reports.
- Poor communication and lack of a point source for communicating needs relating to enhancements to the tool.
- Management deficiencies in prioritization of system development and maintenance activities.
- Lack of understanding or experience in managing needs, resource allocation, resource prioritization and the ranking of priorities in automation tasks.
- Ability to audit requests.
- Lack of financial reconciliation capability within the system.

Furthermore, from a management practices perspective, iMARC lacks traceability on application testing, documentation, configuration management, and requirements development and capture, peer reviews, quality and defects management, and industry standard measurable success



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through the CMMi (Capability Maturity Model) on many software development aspects of the program.

Observations on iMARC's current IT development practices revealed efforts were deficient in the following:

- Inadequate prioritization of upgrades and enhancements i.e. system change requests;
- Lack of planning and adherence to IT best practices;
- Improper communication with client points-of-contact (POCs);
- Managing client expectations (handling client requests on system enhancements and system fixes);
- Delivery of product components or enhancements in a timely manner, as per contractual requirements.

**Section 5** of this FS report addresses the standard IT procedures and practices to be implemented for purposes of auditability and traceability.

There are many manual processes that continue to feed into iMARC that need to be automated. Specific functionality within iMARC remains manual for various reasons, particularly on Student Loan Repayment Program (SLRP), Chaplain Loan Repayment Program (CHLRP), and Health Professionals Loan Repayment Program (HPLRP). Other GSE programs, with functionality within iMARC, i.e. Testing, Licensing and Certification (TLC) Center needs data uploaded to iMARC, rather than manually entering test score data into iMARC. Manual processes are potentially areas for input errors. Manual processes may be a temporary solution in handling "requests", but the disadvantage of a manual process leaves certain elements to the discretion of the local Incentive Manager (IM). Manual processes also increase the propensity for introducing error and undesired outcomes. Standardization and adherence to regulatory and policy requirements is mandatory and decision makers seeking exceptions must follow proper procedures and protocols.

It is a well known fact manual processes for large operations, such as those mentioned above, work effectively when processes are standardized. Standardization is seriously lacking in the current decision-making operations as users depend partly on iMARC's partial automation resulting in deficiencies in accountability and/or traceability of actions or decisions. Furthermore, inadequate documentation (lack of support evidence for decisions made outside iMARC), on meeting policy changes and mission directives resulted in increasing material and operational weaknesses.

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Scenarios (or alternatives) considered for the next steps included the following based on direction provided by the Resource Branch in GSE. Alternatives to be considered to move towards a cost effective solution include the following:

- **Alternative 1** – No Action (leave process as is).
- **Alternative 2** – Enhancements to Current System (burning the candle on both ends).
- **Alternative 3** – Migrate to a new system (effectiveness of building a new system, salvaging the existing useable functionality, and implementing on a robust platform).
- **Alternative 4** – Role of IPPS-A for iMARC (integrating iMARC functionality with IPPS-A).
- **Alternative 5** – Other Solutions (vendor solutions and industry recognized partners *i.e. Oracle and Sybase products* that have been successfully implemented for other government agencies capable of performing tracking and monitoring financial transactions).

A detailed analysis of alternatives is provided in Section 11.0 of this FS report.

**Excidion, Inc.**, in its efforts to exercise the selection of an alternative, taking into account the various challenges present, recommends Alternative 3 with a ~~buy~~ vs. build” approach and analysis of vendor tools that have been implemented successfully for various government agencies in meeting the objectives of GSE and ARNG Education programs.

### *Conclusions and Recommendations*

It should be noted, that **Excidion, Inc.**, conclusions and recommendations of the FS focused primarily on the version of iMARC accessible to ARNG users within the 50 States, 3 Territories and the District of Columbia. The tool did not account for recent iMARC developments and/or enhancements, to support the SRIP Fiscal Year (FY) 2010 policy.

Highlights of the conclusions and recommendations are provided below.

- iMARC needs to be evaluated and audited for the current functionality and processes within the tool. Most of the current iMARC functionality lacks documentation or backup information, a requirement based on regulatory requirements of all Federal systems.
- There are several manual processes in the Incentives Oversight Branch. These manual processes are to be automated to track and validate incentives and bonuses to Soldiers.

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Some of the processes that require improvement and functionality to be built include the following:

- Exceptions to Policy: An area particularly of concern is the Exceptions to Policy (ETP) process. If ETP cases were within iMARC and managed completely within the system, tracking would be easier. However, the management of exceptions (ETPs or exceptions to policy), are managed manually outside the system tool. The functionality that exists in iMARC is non-functional and this is a ~~major~~ pitfall” for the management. *In order to enable automation to the fullest extent possible, a business requirements and specifications process must be established to ensure clarity in the current system development efforts.*
- SLRP, CHLRP and HPLRP: While the SRIP payment process received attention during the implementation of the FY 2010 policy, SRIP payment automation within iMARC for SLRP, CHLRP and the HCLRP still remain manual. *Replicating the SRIP logic and process flows for SLRP, CHLRP, and HCLRP is not advisable, as the process of handling loans is different from incentive payments and needs to be documented clearly with business requirements before the process is automated.*
- Findings of the FS revealed greater inefficiency in the management of the website (i.e. design development, version control management, and testing). *Documentation on iMARC has been poor, which is a material weakness and poses a serious vulnerability.*
- Vendor weaknesses include lack of stakeholder milestones required during the requirements analysis, design, and user testing phases. A survey conducted on iMARC user experiences shows that users are not satisfied with the latency and time-outs of reports. *The need for implementing a project management and tracking tool with various program managers involved in tracking progress is well-timed.*
- Current infrastructure does not support the user base, which is evidenced through the network and system outages encountered. There is concern about certain manual processing within iMARC which result in the current problems encountered on payment processing. *This requires further evaluation to determine necessary actions.*
- Before the system is migrated to a new platform, as reported, it is recommended that a clear vision and plan be developed to address the technological hurdles involved, the investment commitments, and the infrastructural demands at the ~~target~~” location. This is based on a recommendation to migrate to a new platform and to a better infrastructure.



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*Leadership support is essential to ensure such an initiative will have no pitfalls, delays, or high capital investments during the migration effort.*

- iMARC is part of a suite of applications underneath the RCMS contract, funded by the ARNG G1. This not only increases the complexity of developing functionality the GSE needs when required (prioritization issues), but also burdens the IT architecture (system slow down periods and network outages). Also, since ARNG G1 is the primary stakeholder, the prioritization of work is decided by the ARNG G1, not ARNG GSE. As a result, focus on each application is only received when there's an emergency, and enhancements are made when the rest of the suite of applications are ready to adapt. Separating iMARC and the functionality within RCMS portal that iMARC depends on eliminates some of the delays and hurdles in meeting critical fixes and enhancements to iMARC. This also reduces the complexity of issues currently encountered by leadership. *Further investigation and evaluation with a focus on cost-benefits of this migration must be evaluated.*
- Generally, products developed leave a reliance on the vendor to provide further services to their clients for enhancements to existing products, and added functionality, such as reports and data analysis. iMARC, in its current form, is not capable of providing such functionality, and leaves minimal data access for NGB staff to do their own studies. The reports functionality in iMARC does not support the needs of the NGB staff in strategic analysis, as the reliability of iMARC data is highly questionable. *An exercise on "buy vs. build" must be conducted to determine the cost effectiveness of selecting an approach is recommended. This needs to be investigated further.*

### *Next Steps*

In order to meet GSE leadership needs for a *robust reports management tool*, the following actions are recommended:

- A reports forum (usually comprised of branch chiefs and division representatives) is to be established with key players involved in defining reports requirements and in building management reports. This forum is to meet periodically to identify report templates and updates to these templates.
- For iMARC to provide real-time reports, the following have to be evaluated.
  - iMARC's data model needs to be analyzed and audited for accuracy and timeliness.

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- Data flows (in- and out- of the system) and validation rules have to be evaluated to see if these coincide with business rules.
- Real-time reporting or near real-time solutions are possible through either an exhaustive study or scrutiny in evaluating the sources, requirements for interfaces, and existing business rules. There are several reporting tools (commercial products meeting DoD standards and requirements) that may be integrated with iMARC after evaluating the needs drawing from the various reporting requirements. While other functionality may be developed offsite, the reporting tool providing real-time information should be a dedicated vendor interfacing with the data sources and data warehouse feeding iMARC. This is recommended not only for the purposes of reporting data, but for validating and traceability purposes.
- The FS is representative of the current iMARC version in use, but does not take into account all improvements made to date. *It is recommended iMARC be evaluated further to address the concerns of scalability, reporting, and usability. This is required as there are multiple databases and data interfaces required to integrate and interface to support leadership needs.*
- Enhancements required within iMARC have to be requested on a selective basis, as the scalability, reporting and usability of the product are questionable. Another restraint is the production environment is hosted by AIS and only receives resources as AIS deems appropriate. *Restraints such as this are to be identified and eliminated based on customer needs and to realize overall cost savings.*
- Requirements analysis and design reviews, with stakeholder buy-in prior to coding (Development – Prior to Coding), is the weakest attribute of the vendor. On discussions with representatives of the project, it was indicated that the vendor is at the mercy of many stakeholder demands and limited time constraints. *Requirements analysis should be independent of any relationship, current or prior, to the vendor. Control of the project within GSE leadership and ARNG Program Managers is to be gained, with proper approval steps, traceability of costs, and stringent program management and monitoring through dedicated staff are highly recommended.*

Based on current issues as seen on the inconsistencies and potential system and management data gaps that may result in *Fraud, Waste and Abuse* relating to bonus and incentives funds, the following steps are recommended for development of a robust application tool to replace the existing version of iMARC.

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- Current development and enhancements are “code builds” on the existing version that resides on the production servers. It is reported iMARC is to move to a robust platform. This clearly indicates the current platform is not feasible or flexible to support further refinement to iMARC.
- For GSE to gain control of the design and development of a robust tool, it is important for GSE to take ownership and control over managing iMARC’s automation processes for now and the future. It is recommended GSE assume control of iMARC (and its funding) from RCMS before iMARC is migrated to a new platform.
- Applications that belong to GSE have to be separated from RCMS as there is no clear indication or justification on why these are on RCMS. The complexities involved in upgrading, enhancing and developing a better tool are clearly manageable and accountable, if iMARC is isolated from RCMS.
- In order to proceed further and to justify the needs of the GSE division, a detailed “As Is” analysis of iMARC is required. This enables establishing a clear baseline, to be followed by a detailed business process redesign, requirements analysis and mapping of interfaces.

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### 1.0 Purpose

The Army National Guard (ARNG) has launched this Feasibility Study (FS) on the capabilities and adaptability of the iMARC (Information Management and Reporting Center) application, henceforth referred to as iMARC, which is used to process bonus and incentive payment requests. The high expectations of the FS for the ARNG as a whole, the Guard Strength Directorate (GSD), and Education, Incentives, and Employment Division (GSE) are to provide leadership with a comprehensive review of the existing processing system for the Bonus and Incentives program.

This study provides:

- Program managers and supervisors the opportunity for their input regarding consideration for adequate resources and personnel.
- Stakeholders, whose capital, personnel and reputation are on the line, will have the opportunity to use the results to help them decide whether or not to back the project.
- Owners want a study that has taken an objective look at the project.

To reduce bias by business or Directorate personnel, outside consultants (impartial third parties) are often hired to conduct the analysis and write the study.

This FS analyzes the current processes in iMARC and the key issues surrounding the integration with other personnel and finance systems that validate personnel data and disbursement of funds. The FS also takes into account the internal management controls needed and to be considered for building into iMARC. Key advantages to conducting a FS include:

- Understanding whether the project (product or service) is actually in demand.
- Generating a current catalog of business resources.
- Assessing whether the existing product or service should be enhanced.
- Creating a prospective timeline for ensuring timely delivery of products or enhancements.
- Assessing division and ARNG support for the project.



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The goal of the limited (90-day) FS is to identify the options offering leadership the best possible recommendations for systems and processes to support management's decisions on both present and future strategies and services while maintaining efficient operations with respect to the current process. The FS assesses various actions performed by users of iMARC, taking into account the potential impacts of past practices and future remedies required both within and outside iMARC.

## 1.1 Assumptions

The FS was a review of systems application as it relates to the incentive programs. While the study was conducted, the ARNG-GSE-I implemented some system changes to help reduce the authorization of incentive control numbers without meeting the eligibility criteria set forth by the Selected Reserve Incentive Programs (SRIP) policy. In addition, budget enhancements prevent the authorization of incentives based on current and out year funding availability corresponding to the payment program the incentive is requested against. Any line of accounting funding shortage may be increased or decreased accordingly only at GSE Resource Management level.

The following assumptions were made prior to conducting the FS:

- The FS was a fast track approach for a fact finding mission on the background, current status, and issues associated with iMARC. This fact finding mission took into consideration the version of iMARC currently on the production servers.
- The scope of work did not identify the advancements and developments currently in progress. The current issues within the States involving bonus payments were not examined, as these were considered outside the scope of work.

## 2.0 Organization of the Study

This FS is organized to facilitate identification of the issues, formulation of alternatives, and discussion of findings and conclusions. In general, the first section, titled ~~“Background”~~ presents the historical information relating to process automation practices, the potential impacts and issues, as identified in the Statement of Work and the efforts involved. Following the ~~“Background”~~ section, the various options are discussed, including Status Quo, Partial Assumption, and Assumptions. Each section provides a discussion of iMARC, operational and financial compliance issues associated with current practices, workarounds and ~~“manual operations”~~ reinforced with opinions from users that performed a survey. The final section discusses the consistency of the assumption option with statutes, procedures, policies, and current planning steps.

The results of the survey, used to support our basis are provided in Appendix A.

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**3.0 Background**

GSE, Incentives Branch sought an outside objective vendor to identify and evaluate iMARC's (Information Management and Reporting Center) strengths, weaknesses and deficiencies, and to recommend possible solutions, timelines and technical requirements needed to increase management controls over personnel data and disbursement of appropriated funds. This FS was performed by **Excidion, Inc.**, under the contract number W9133L-10-P-0173, issued by NGB-ZC-AQ W9133L, 1411 Jefferson Davis Highway, Arlington, VA 22202-3231.

Other considerations regarding how incentives and bonuses have been or are now being managed include:

- a. Currently the ARNG utilizes a system known as iMARC integrated in the RCMS (Reserve Component Manpower System) intended for use as a management control tool over education incentives (Federal Tuition Assistance, Montgomery GI Bill, Student Loan Repayment, Health Professional Loan Repayment) and incentive programs (Selected Reserve Incentive Programs). This system has been in existence in various forms since 2002. Prior to 2002 the system was called BART (Benefit Administration Reporting and Tracking).
- b. When the system was originally designed, the scope and size of each program within *NGB's Education, Incentives and Employment Division* were smaller in size and as such easier to manage. Based on recruiting and retention success, end strength increases, and marketing of these programs, the size and scope of each program has grown exponentially.
- c. The GSE leadership deems stewardship of the limited resources to be absolutely essential with program funds utilized to the greatest extent, minimizing the risk of fraud, waste and abuse. Based on preliminary discussions with decision makers, program managers and personnel who are using iMARC on a daily basis, there are questions to the adequate level of management controls to mitigate/minimize risk from misuse of appropriated funds.
- d. The increase in size and scope of the programs mentioned, concerns regarding the adequate level of management controls, and feedback from end users regarding ease of use, reporting functions and general confidence in data derived from the system, necessitated the FS to determine needed changes to bring iMARC in line with current law, regulations, and directives. Based on the results of the FS, a concise plan is needed to either overhaul the current iMARC system or seek other alternative systems to meet the ARNG's needs.

## 4.0 Goals of the Study

The two main goals of the FS as defined and identified through meetings with GSE Program Managers and Division Leadership are:

1. Analysis of iMARC's capability to validate data; and accurately calculate, track and manage federal funds and the flexibility to carry out standard business operations.
2. Real-time management controls and other issues relating to best practices as required by vendors on IT systems development.

### 4.1 iMARC on Management and Audit Capability of Federal Funds

While examining iMARC for integrity in handling requests within the system, it was found that manual requests for bonus and incentive payments were not captured in iMARC creating the inability to accurately manage funding for each program. This is generally a case where "exceptions to policy" (ETP's) are added to or are created outside the tool to meet mission goals and objectives. When such exceptions are added to the automation process, or tracked manually outside the automation process, it is hard to reconcile the data. Variances in data reports within any system tool and data generated outside the tool are enormous at times, thereby compromising accuracy and integrity of the data. iMARC contains a section for reports and several reports are posted under Reports Management module. However, based on the results of the survey and comments received from users, the reports module is unreliable and does not cater to customer needs.

*System weaknesses* – iMARC needs a thorough verification of management controls and internal controls as per regulations. A high level review of the following regulations was performed to address the management of Federal funds using iMARC.

- DoD regulations:
  - Army Regulation 11-1 - Command Logistics Review Program (CLRP)*
  - Army Regulation 11-2 – Managers' Internal Control Program*
  - Army Regulation 11-1 – Program, Planning, Budgeting and Execution System*
  - Army Regulation 11-37 – Army Finance and Quality Assurance Program*
- Other references:
  - 31 U.S.C. section 3512, Federal Manager Financial Integrity Act 1982 (FMFIA)*
  - OMB Circular A-123, tabs A-1 through A-3*
  - GAO/AIMD-00-21.3.1 (GAO Standards of Internal Controls) Nov 99*

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Common problems encountered in managing most financial transactional tools, such as iMARC, are:

- Lack of understanding on business process prior to requesting a system change.
- Internal management control deficiencies within the process and the automation tool.
- Lack of proper requirements gathering or documenting.
- Handling of “Exceptions to Policy” or other financial transactions outside the system tool.
- Data integrity is compromised due to lack of data interfaces and system tools that support report generation.
- Lack of automation on reports or standardization of reports.
- Poor communication and lack of a point source for communicating needs relating to enhancements to the tool.
- Management deficiencies in prioritization of system development and maintenance activities.
- Lack of understanding or experience in managing needs, resource allocation, resource prioritization and the ranking of priorities in automation tasks.
- Ability to audit requests.
- Lack of financial reconciliation capability within the system.

#### **4.2 Real-time Management Controls**

Real-time data management requires coordination and synchronization of data between several systems. Real-time data flow within an enterprise system requires the distribution, integration and management of real-time information.

The desired requirement is to provide real-time data or near real-time data to decision makers to minimize or eliminate payment errors and to provide near real-time data feeds to the 54 States and Territories. In order to produce a real-time data solution, a centralized data management and administration tool is mandatory in such a system.

Several technologies and products are available in the market to meet such needs. Since this data transfer deals with qualifying personnel data used to request financial payment, there are several



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functionalities that need to be implemented, tested and certified prior to implementing a real-time data solution and to select a robust technology that meets these needs.

Commercial tools that perform such real-time or near real-time transactions require robust tools on existing platforms, with a capability to deliver vastly improved performance, resiliency and fault tolerant capabilities. Such tools have capabilities such as workflows, filters, and capabilities supporting huge volumes of data, with minimal server footprint.

As GSE and other GSD divisions grow, the amount of information available to large-scale enterprises is growing significantly. New information is being generated continuously by operational sources such as order processing, inventory control, and customer service systems. In order to support efficient analysis and mining of such diverse, distributed information, a data warehouse (DWH) is used to collect data from multiple, heterogeneous sources and store integrated information in a central repository. The ARNG's DWH needs to be compared and updated periodically to reflect source data updates.

#### **4.3 Intersystem Update Frequency (TAPDBG, SIDPERS, ATTRS, etc.)**

In order to review inter-system update frequency, the current update process and patterns (daily, weekly, etc.) for the ARNG DWH and the data integration process resulting in increased propagation delays needs to be examined. With this in mind, the synchronization of ARNG systems (such as TAPDBG, ATTRS, SIDPERS, etc.) need to be evaluated based on management control requirements.

While operational systems are designed to meet well-specified (short) response time requirements, the focus of data warehouses are the strategic analysis of data integrated from heterogeneous systems.

Traditionally, there is no real-time connection between a DWH and its data sources, because the write-once read-many decision support characteristics would conflict with the continuous update workload of operational systems and result in poor response times.

Separated from operational systems, data warehouse and business intelligence applications are used for strategic planning and decision-making. As these applications have matured, it has become apparent that the information and analyses they provide are vital to tactical day-to-day decision-making, and many organizations can no longer operate their businesses effectively without them. Consequently, there is a trend towards integrating decision processing into the overall business process.

While the advent of e-business platforms demand integration because organizations need to react much faster to changing business conditions, based on the operations and processes involved at GSE and leadership decision making efforts, the goal of a near real-time data warehouse

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(RTDWH, part of a so called zero latency DWH environment) is to allow ARNG organizations to deliver relevant information as fast as possible to the various States and Territories, and the personnel involved in managing this information.

With the demand for real-time or near real-time data management, it is important to take into consideration the need for the following mandatory elements:

- Consistent and rigorous maintenance of data – part of the critical systems effort.
- Data scrubbing and data cleansing exercises, also a part of the critical systems management efforts.
- Continuous support by management/leadership on hardware and software upgradability.
- Training of users at various levels.

#### **4.4 iMARC Real-time Reports Distribution of Incentive Funds**

This section discusses iMARC's capacity and ability for real-time reports distribution of Incentive Funds. There are several issues iMARC encounters on this subject. These pertain to the following:

- User authentication and privileges.
- Data integrity and data validation from external and internal databases.
- Refresh rates between systems interfacing with iMARC.

A wide range of standards-based Commercial Off-The-Shelf (COTS) products are available for the configuration of today's increasingly distributed embedded software applications. These communicate real-time data between many computing nodes at high speed. The design of larger, more complex distributed applications still presents a challenge. The main issue is efficient handling of real-time data is not always as simple as it looks. An embedded network must find and disseminate information quickly to many nodes. The application needs to find the right data, know where to send it, and ensure delivery to the right place at the right time.

Several types of software technologies, commonly known as middleware, have emerged to meet the needs of these complex distributed applications. They fall into three broad classes: client-server, message passing, and publish-subscribe. The architecture currently used for distributed

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applications consists of client server systems with a centralized repository. The intermediates and connections involved are synchronized to enable iMARC's ability to generate real-time reports. A cost-benefit analysis exercise needs to be performed prior to making a decision on whether to continue development on iMARC, to create functionality to develop real-time reports or to integrate a product that provides the required functionality. It is recommended a product outside iMARC should be used to generate reports, for the following reasons:

- Using a vendor product meeting these needs will allow for simultaneously generation of reports and data validation exercises, which is not the case in iMARC.
- iMARC's functionality disconnects are the reason for the poor reporting component that exists. Trying to remedy iMARC's code and disconnects are not only challenging, but also poses risks on timely delivery, as these disconnects are due to the complexity of the current operational processes or business rules and the lack of synchronization and flexibility for iMARC to manage changes required by operations and leadership.

*iMARC Capability to Produce Real-Time Reports:* The reporting component, "Information Center" within iMARC is very weak. Reports provide data, but data extracted lacks timeliness, and consistency. Data export functionality within iMARC is sub-standard and require considerable time for enhancement. Data accessibility on iMARC is almost negligible and report templates have been poorly maintained.

**Recommendation:** It is recommended that an assessment of the reports component and the data sources iMARC receives be examined prior to extending the services on report generation in iMARC. Once the data sources are identified and clearly defined, it is easy to work with a COTS product, approved by DoD, to integrate with the pertinent data sources vs. developing these capabilities within iMARC.

#### **4.5 iMARC Ability to Present Real-time Flow of Funds**

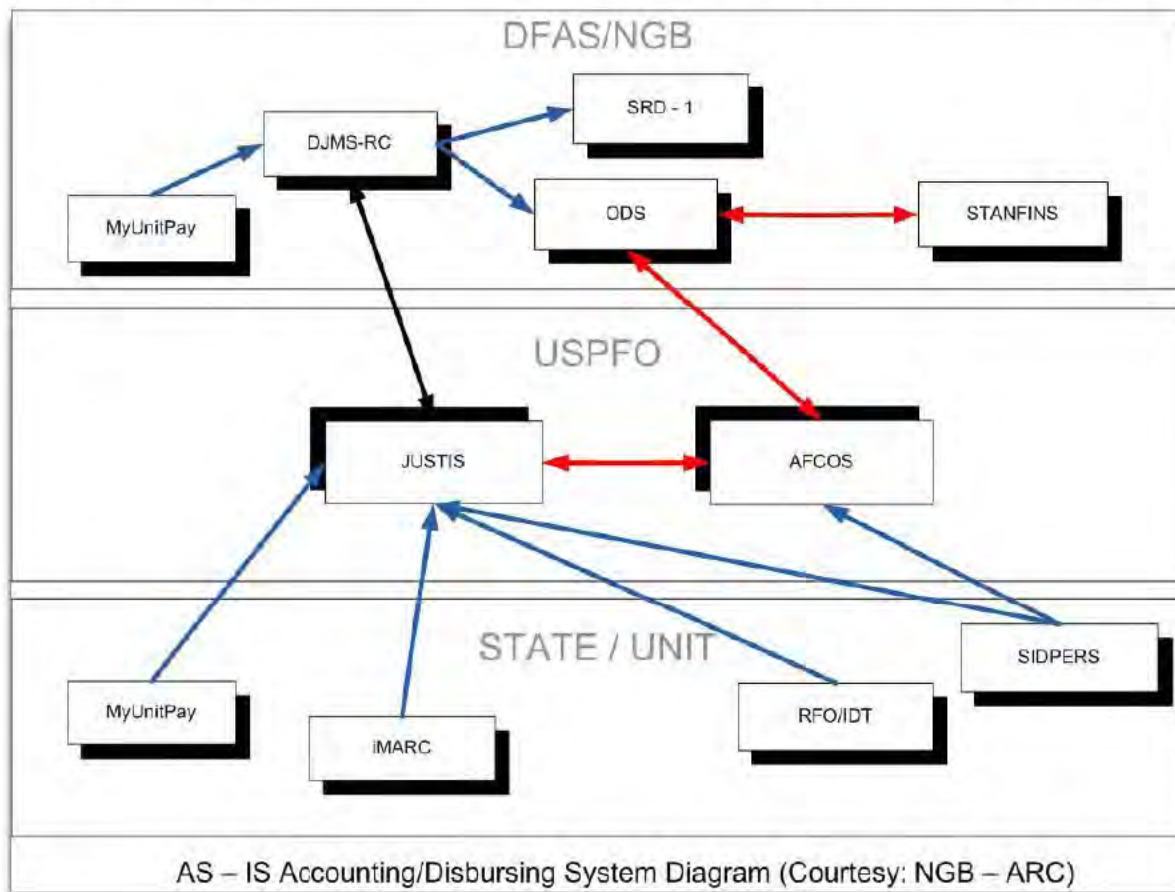
This section provides a response to how item 2a affects iMARC's ability to present real-time flow of funds (committed, obligated, disbursed, balance, etc.).

Since the reports section is ranked as weak, it may be concluded some of this may be due to data behind these reports being incompatible. There are several possible areas that need to be reviewed and investigated pertinent to fund transactions and validation of packets.

iMARC is a non-transactional system and is built around the preparation of "requests". The inter-dependency of systems and iMARC is a challenging situation at this time.

The ability for iMARC to present real-time data has a serious bearing on several interface systems.

**Figure 1** provides a view of the systems that *directly* or *indirectly* interface with iMARC.



**Figure 1 – Database Interfaces and Data Dependencies**

#### 4.6 iMARC Efficiency in Managing Funds

In order for a system, such as iMARC, to manage funds, it should comply with the certification requirements of a Federal funds transfer system. iMARC is a –so called” portal tool. The framework in which this portal tool was developed was done outside the stringent requirements of a financial system. Documentation relating to the system is not adequate to fulfill the requirements of financial rules for managing funds. iMARC needs to be thoroughly examined for quality and integrity maintained as required in financial systems. Back doors to the application tool need to be examined with potential weaknesses clearly identified for remediation. Audit functionality and features need to be carefully examined and deficiencies in system audits and issues –captured” and –not captured” by the system need to be highlighted.



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In order to interface with financial systems, a system should meet IT standards and the vendor supporting the development of this system, must be CMMi Level 3 certified organization. It is not clear if the current vendor satisfies this requirement. On verifying iMARC for funds transfer, the tool was examined for transactional capabilities and functionality. Even though there are controls within the application tool in place, certain aspects of the program were not operating at optimal levels. The bonus payments process at the State or Territory level has several manual processes outside iMARC. Furthermore, the level of work in reviewing bonus information by the Incentives and Operations Team at Professional Education Center (PEC) is rapidly growing, leading evaluators to build temporary work around solutions to manage the backlog of requests and to assign “bonus control” numbers. The bonus payment process module was revised to accommodate new policy changes and rules, within iMARC. The timeliness of bonus payments may have improved over the years, but continues to remain a weak area. Functionality is not flexible and changes during the fiscal year result in a “revamping exercise”. Lack of supporting documentation and evidence on a package adds to the data gaps within the system.

Variances in data reports within the system tool and data generated outside the tool are enormous at times, thereby compromising accuracy and integrity of the data. The probability of errors is higher in any automation tool that ends up in manual processes without standard operating procedures established for these manual processes.

iMARC needs a thorough audit and evaluation in all areas of its functionality. It is recommended that funds management and tracking be one of the major areas requiring this change. If ETP cases were within iMARC and managed within the system, tracking would be easier. However, the management of exceptions (ETPs or exceptions to policy), are managed manually outside the system tool. This is a “major pitfall” in iMARC. Anything handled outside the tool generally will be managed in a disorganized manner. Generally, the nature of exceptions is negative – even though they are sometimes claimed to have positive impacts. Most organizations are built to perform in a planned and ordered manner around their core processes and main functions. Exceptions are not a part of those plans and require additional attention and work causing processing delays and additional costs. The costs can be significant even with presumably routine processes. Even though all exceptions share this negative virtue, they are different in many other ways. Various studies have discerned three elements of exceptionality: acceptability, frequency and degree of difference.

The taxonomy of exceptions takes into consideration the following elements:

- Exceptionality: The difference between an exception and a normal event based on rules.
- Handling delay: The time between the appearance of an exception and when it can be handled.

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- Amount of work: The amount of extra work caused by an exception when compared to a normal event.
- Organizational influence: The number of people the exception involves.
- Cause: The reason for an exception.
- Rule impact: The change an exception causes to an organization's rules.

### 4.7 Survey Results

In order to understand user needs and obtain an opinion on user experiences, **Excidion, Inc.**, conducted a user survey to gain some answers on user perspectives. The survey had eight sections comprising of the following:

1. NGB and You.
2. iMARC User Experience.
3. Online Custom and Ad Hoc Reports.
4. Outages, Slowdown Periods and Maintenance.
5. Trouble / Help Desk Tickets.
6. System Enhancements (i.e. System Change Requests SCRs).
7. System Documentation.
8. iMARC Training.
9. Automated Systems Experience.
10. Government Application Systems – Prior Experience.
11. Exceptions to Policy.

Responses and results of the survey are provided in Appendix A.

#### **4.8 Current Funds Tracking Strengths and Weaknesses**

For iMARC to provide real-time reports, the following have to be evaluated. iMARC's data model needs to be reviewed and audited for accuracy and timeliness. Data flows in and out of the system have to be evaluated. Real-time reporting or near real-time solutions are possible through either an exhaustive study or scrutiny in evaluating the sources, requirements for interfaces and existing business rules. There are several reporting tools (commercial products that meet DoD standards and requirements) that may be integrated with iMARC after evaluating the needs and drawing various reporting requirements. While other functionality may be developed offsite, the reporting tool providing real-time information should be a dedicated vendor interfacing with the data sources and data warehouse that feeds iMARC. This is recommended not only for the purposes of reporting data, but for validating and traceability purposes.

#### **5.0 System Capabilities, Limitations and Upgradability**

Several factors play into the aspect of system capabilities, limitations of an IT system, and upgradability. iMARC is being developed in a .NET architecture and SQL Server platform. Parts of the code are in ASP (Active Server Pages) while the remainder is in ASP.NET, a newer technology. The database repository runs on a SQL Server database engine that is easily upgradable. However, to make a full assessment of what exists within iMARC, a thorough review of the database, the current data model and data flows have to be examined. Further, it is important to test and review all functionality built in ASP and ASP.NET to ensure that the system complies with all coding standards and requirements. *The development efforts and environment that currently prevails, in the development of iMARC, do not follow IT systems development best practices.*

iMARC's development life-cycle may incorporate some of these practices however; there is no traceability on the many aspects of the project. In order for iMARC to be able to interface with the DFAS payment system, iMARC needs to meet the best practices requirements on application testing, documentation, configuration management, requirements development and capture, peer reviews, quality and defects management. These are common to most software development environments with distinct life-cycle phases and are considered industry standards for measuring success as required by the CMMi (Capability Maturity Model). The following sections present the various phases iMARC is required to follow per IT and government software compliance standards under the software development methodology. A point to be noted is there are various types of development methodologies that may be adopted. However, it is not clear which standard and acceptable model iMARC development follows.

## 5.1 iMARC System Capabilities and Strengths

iMARC has a wide user base and has been built as a system to handle bonus and incentives for the National Guard. iMARC is used by all 54 States and Territories. While iMARC has specific functionality to manage and track Soldier information and bonus and incentives eligibility, it has expanded from its original size and shape into catering to the GI Bill program, Federal Tuition Assistance, GED Plus, and Bonus and Incentives programs. The National Guard has used this program for nearly 8 years and depends on this product to conduct their business. The additional features and functionality within iMARC add value to a limited capacity for tracking Soldier incentives and benefits, but the tool has not been designed as an intelligent application capable of validating user actions. The tool has data gaps that have been unmanageable over time. Although client requirements were easily managed in the earlier versions of iMARC, it has become challenging with the growth patterns in ARNG GSE to manage user expectations and meet requirements. It appears over time, the iMARC development process has lost vigor and momentum – it lacks a methodical development approach and clear specification development. Personnel that track enhancements and bug fixes within the tool find it challenging as there are no distinct life-cycle development components for tracking and monitoring progress. The SCR management lacks periodic maintenance on the SCR tracking process and issues with any of the SCRs are not formally addressed in weekly meetings. Further, staff resources assigned to manage SCRs lack the experience to monitor or track issues and address them effectively. By the time ARNG resources gain experience in tracking the system, they are relocated to another assignment or are given new duties. In short, iMARC's management and development efforts are weak on specific components of the software development life-cycle (SDLC) methodology or lack the critical components of the SDLC standard conventions. The methodology also lacks the competitiveness and cross validations (through proper contract vehicles) required in an environment that caters to the dynamic changes and demands of the ARNG.

The database interfaces to iMARC are adequate for users to progress, however, data flows are not intelligently managed within the tool as there are no *requirements or vision* that supports the introduction of intelligent or smart functionality into the current version of iMARC. Proper direction and tasking to improve the application is an ARNG responsibility, and is lacking. Components that are critical to bonus and incentives payments have seen a certain level of attention, but for a great majority, development efforts are steered by the vendor who receives minimal or sometimes no requirements and are expected to develop functionality without proper specifications or requirements.

Recent enhancements to the bonus and incentives component of iMARC are a *milestone achievement*. Incentives Oversight Branch requested the implementation of system changes to help reduce the authorization of incentive control numbers without meeting the eligibility criteria set forth by the Selected Reserve Incentive Programs (SRIP) policy. Relieving the initial



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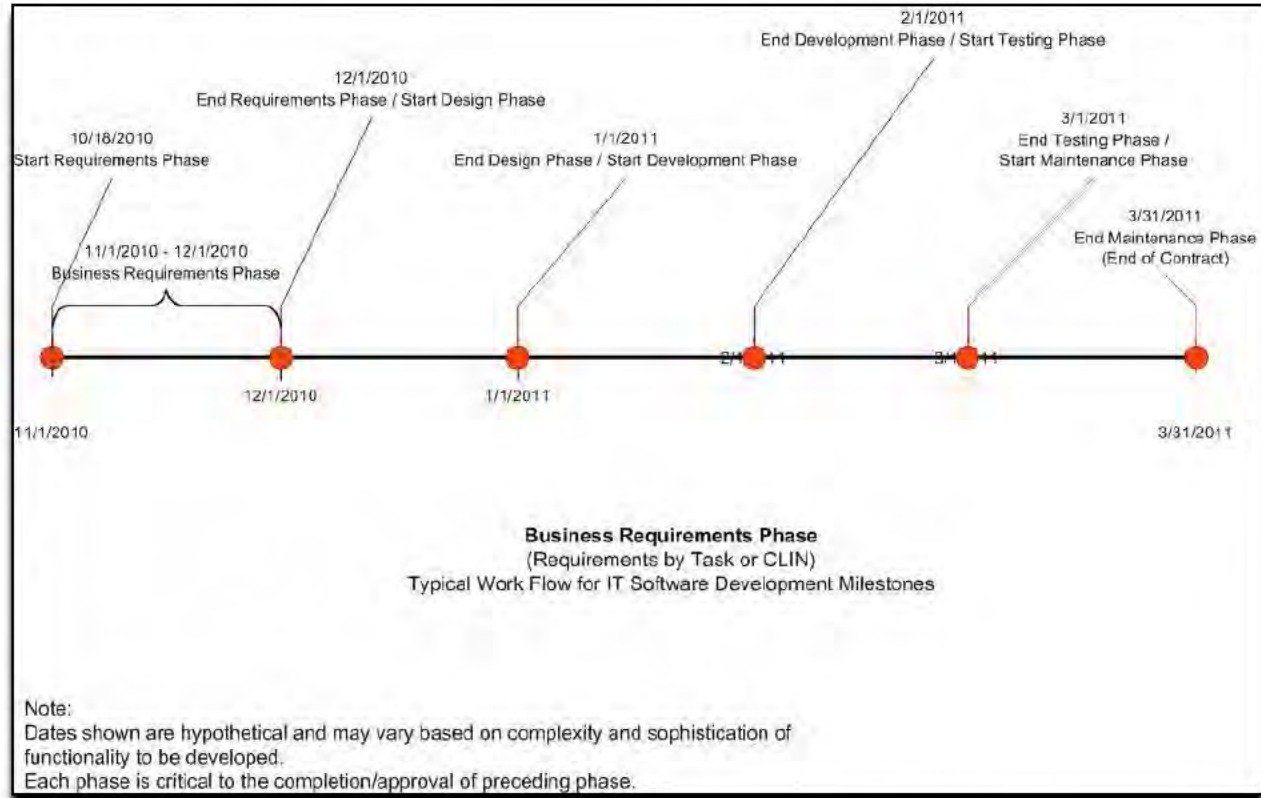
verification from the Incentive Manager, while requiring the Incentive Manager to validate eligibility prior to authorizing the request is new functionality added to iMARC. While this enhancement is a value added feature within iMARC, the authenticity of the user validating the verification is to be examined. In addition, budget enhancements prevent the authorization of incentives based current and out year funding availability that corresponds to the payment program for the incentive. Any line of accounting funding shortage may be increased or decreased accordingly only at GSE Resource Management level.

The following section highlights some of the data gaps identified in the development life-cycle efforts of iMARC application tool. Typically IT projects follow the life-cycle methodology with constant interaction between the client and vendor, throughout the entire life cycle of the project. The sections below discuss the various phases involved in a typical life-cycle methodology and the lack of compliance thereof on iMARC

## 5.2 Requirements Phase

*Requirements Phase* – A Software Requirements Specification (SRS) is a complete description of the behavior of the system to be developed. It includes a set of use cases that describe all the interactions the users will have with the software. Use cases are also known as functional requirements. In addition to use cases, the SRS also contains non-functional (or supplementary) requirements. Non-functional requirements are requirements which impose constraints on the design or implementation (such as performance engineering requirements, quality standards, or design constraints).

In a typical IT methodology, the requirements phase is the first step. **Figure 2** for details the various milestones and the duration of the requirements phase.



**Figure 2 – Typical Work Flow – Business Requirements Phase**

### 5.3 iMARC Weaknesses – Requirements Phase

- 1) *No clarity in planning and prioritizing in the requirements phase* – The SCRs are the root for requirements in this phase. Documenting SCRs and describing clearly what the specification is for in the SCR is the key for this phase. Various SCRs have been added to the Vendor QA Management Tool (a hybrid Intuit application). The following two causes are the problem in gathering requirements.
  - a. Users (at ARNG) request functionality changes or automation without always going through the SCR tool or even the IT contact at GSE.
  - b. Requests are recorded in the SCR tool developed by the vendor.
    1. *Gap(s): The one stop for all SCR approvals is the GSE IT contacts. SCR submission should be streamlined and all SCRs should be reviewed by IT contacts and request sponsors.*
    2. *Gap(s): Currently vendor will not record any SCR without proper form attached by GSE- IT contacts, which may be a good practice, however, the client manager or user/requestor is not notified of the*

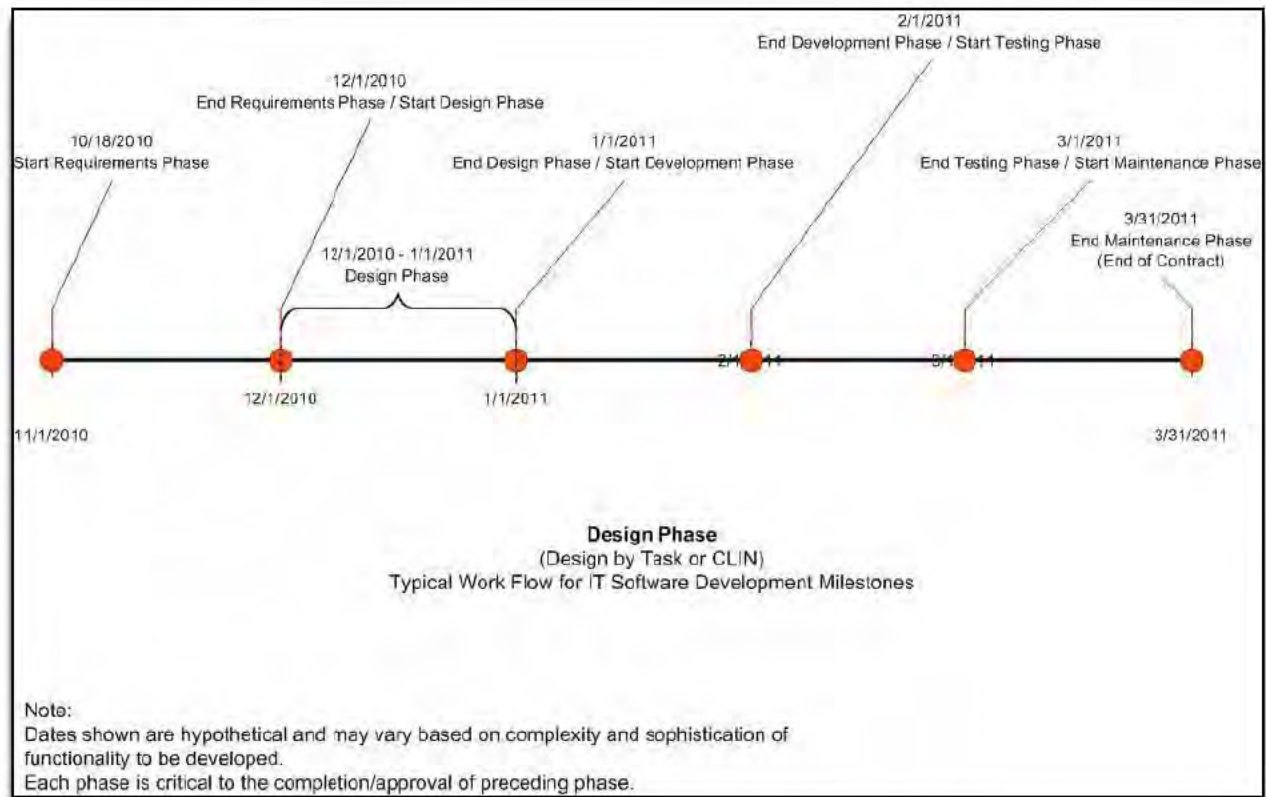
*status of the SCR, on vendor acceptance, and the development status of the SCR.*

3. *Fix: Controls for SCR tool should be at GSE and no back doors or permissions to circumvent the process.*
  4. *Gap(s): In the near future SCR tool built must be modified or replaced as the current tool has too many back doors.*
  5. *Gap(s): The SCR tool is not an effective forecasting tool at this time, as it is not updated by vendor developers in a timely manner.*
- c. Requirements and SCR requests shall include detailed specifications of the functionality required with a wire diagram on the functionality desired.
1. *Gap(s): The current process lacks documentation for each SCR and functionality to be built. A part of the SCR creation is to develop screenshots of functionality required. Wire frames are required and highly recommended.*
  2. *Gap(s): Curb scope creep – Functionality continues to be added to existing SCRs when in progress by making direct requests to developers. This is to be stopped and any unofficially recorded functionality will not be accounted for payment.*
  3. *Gap(s): New SCRs have to be created when functionality changes and requirements are to be frozen, curbing scope creep.*
- d. SCR tool is managed by the vendor and is not updated regularly – this control is to be moved to GSE. Requestors should be able to submit SCRs online; with the prioritization assigned at the sponsor level and an approval from GSE-IT team before work starts.
- 2) SCR management tool has to be updated. Multiple SCRs are in the system for projects completed and SCRs are not closed out.

## 5.4 Design Phase

Software design is a process of problem-solving and planning for a software solution. After the purpose and specifications of software are determined, software developers will design or employ designers to develop a plan for a solution. It includes low-level component and algorithm implementation issues as well as the architectural view. **Figure 3** provides details on the Design Phase in a typical IT Software Development Timescale.





**Figure 3 – Typical Work Flow – Design Phase**

## 5.5 iMARC Weaknesses – Design Phase

Clarity and communication in design should be exercised. The design phase requires GSE sponsors within the branches to be involved in exercising the appropriate flow of logic, functionality and design. In most cases, the design phase requires approval by the NGB sponsors. iMARC's design phase requires adhering to standards and is possible when clear specifications for every enhancement is provided through the client or a different entity (vendor) chosen by the client to bring refinement to the design and the subsequent development process. It is recommended the design of new functionality in iMARC be approved at GSE after carefully evaluating all scenarios and documenting processes. All design shall be approved by the GSE leadership and will involve a team of GSE stakeholders.

## 5.6 Development Phase

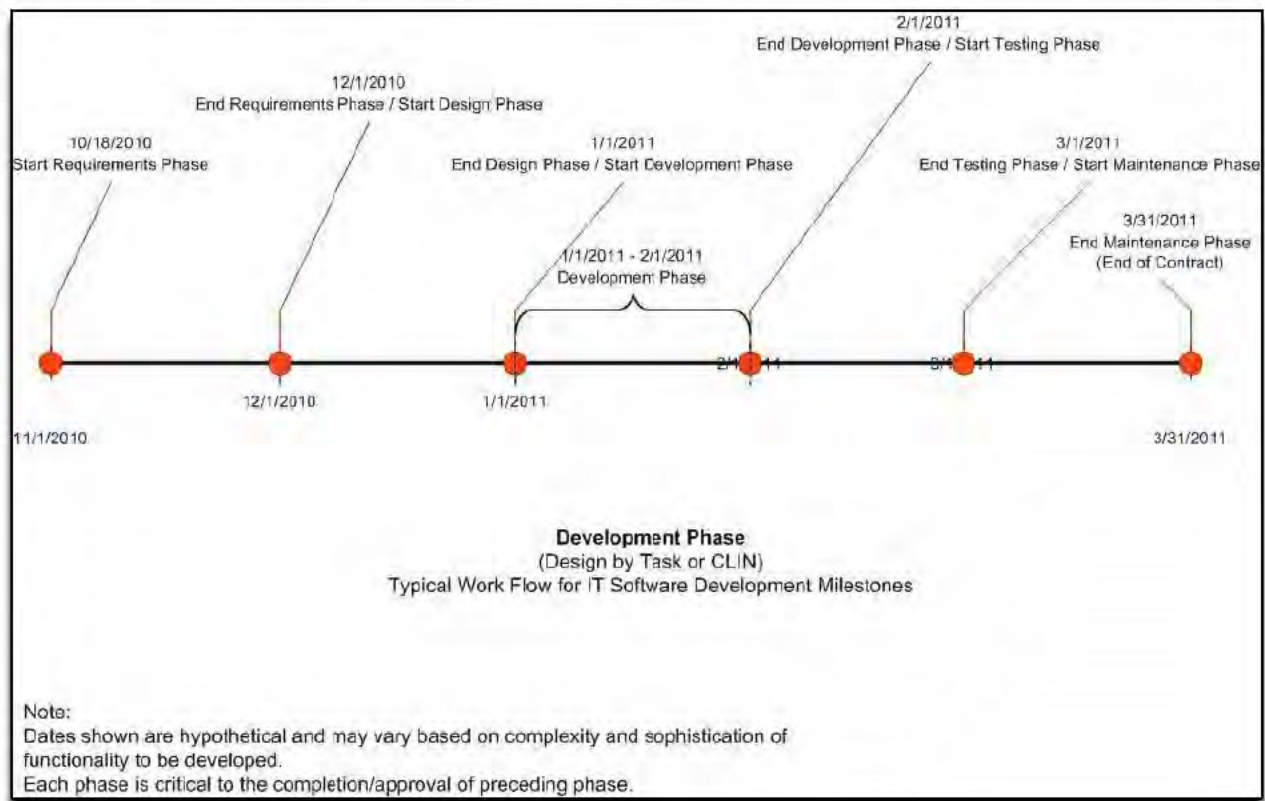
An implementation is a realization of a technical specification or algorithm as a program, software component, or other computer system. Many implementations may exist for a given specification or standard. For example, web browsers contain implementations of World Wide Web Consortium-recommended specifications, and software development tools contain implementations of programming languages. In the IT Industry, implementation refers to post-



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sales process of guiding a client from purchase to use of the software or hardware that was purchased. This includes Requirements Analysis, Scope Analysis, Customizations, Systems Integrations, User Policies, User Training and Delivery. These steps are often overseen by a Project Manager using Project Management Methodologies set forth in the Project Management Body of Knowledge. Software Implementations involve several professionals that are relatively new to the knowledge based economy such as Business Analysts, Technical Analysts, Solutions Architect, and Project Managers. **Figure 4** details a typical work flow of the development phase.



**Figure 4 – Typical Work Flow – Development Phase**

### 5.7 iMARC Weaknesses – Development

Given the current iMARC, the functionality in design and development is restricted to the current framework and architecture of the tool. Some of the functionality is in old ASP code, while new functionality is in ASP.NET. Given the current needs the tool cannot be updated to new code at this time, as it adds to confusion and is a management nightmare.

*Gap(s):* Need a configuration management tool (typically a Microsoft product i.e. Source Safe, or IBM product, PVCS) that allows for safe keeping of code, managing code promotion, and tracking code changes. Without this tool, confusion and the “mud ball” that exists in the current

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system will continue to prevail. This tool should be implemented and managed by a small team at GSE. This is a requirement in most government agencies and is highly important in protecting government code and IT software assets. It is not clear whether iMARC uses the tool and the promotion process required by IT standards.

The Development phase is solely dependent on the requirements and the design of specifications. Developers can be dedicated or shared between functionality within one or more web development environments. The development of a product or enhancement is typically to be followed by testing. Testing is performed at various levels and varies from being a quick turnaround effort to testing using multiple test teams and users (client selected staff). Section 5.8 discusses the testing phase and the various dynamics involved in a testing phase currently not a standard in iMARC's development process.

## 5.8 Testing Phase

Testing is an investigation conducted to provide stakeholders with information about the quality of the product under test. Software testing also provides an objective, independent view of the software to allow the business to appreciate and understand the risks at implementation of the software. Test techniques include, but are not limited to, the process of executing a program or application with the intent of finding software bugs. Software testing can also be stated as the process of validating and verifying that a software program/application/product:

- Meets the business and technical requirements/specifications that guided its design and development;
- Works as expected, providing the correct responses; and
- Can be implemented with the same characteristics.

Software testing, depending on the testing method employed, can be implemented at any time in the development process. However, most of the test effort occurs after the requirements have been defined and the coding process has been completed. As such, the methodology of the test is governed by the software development methodology adopted.

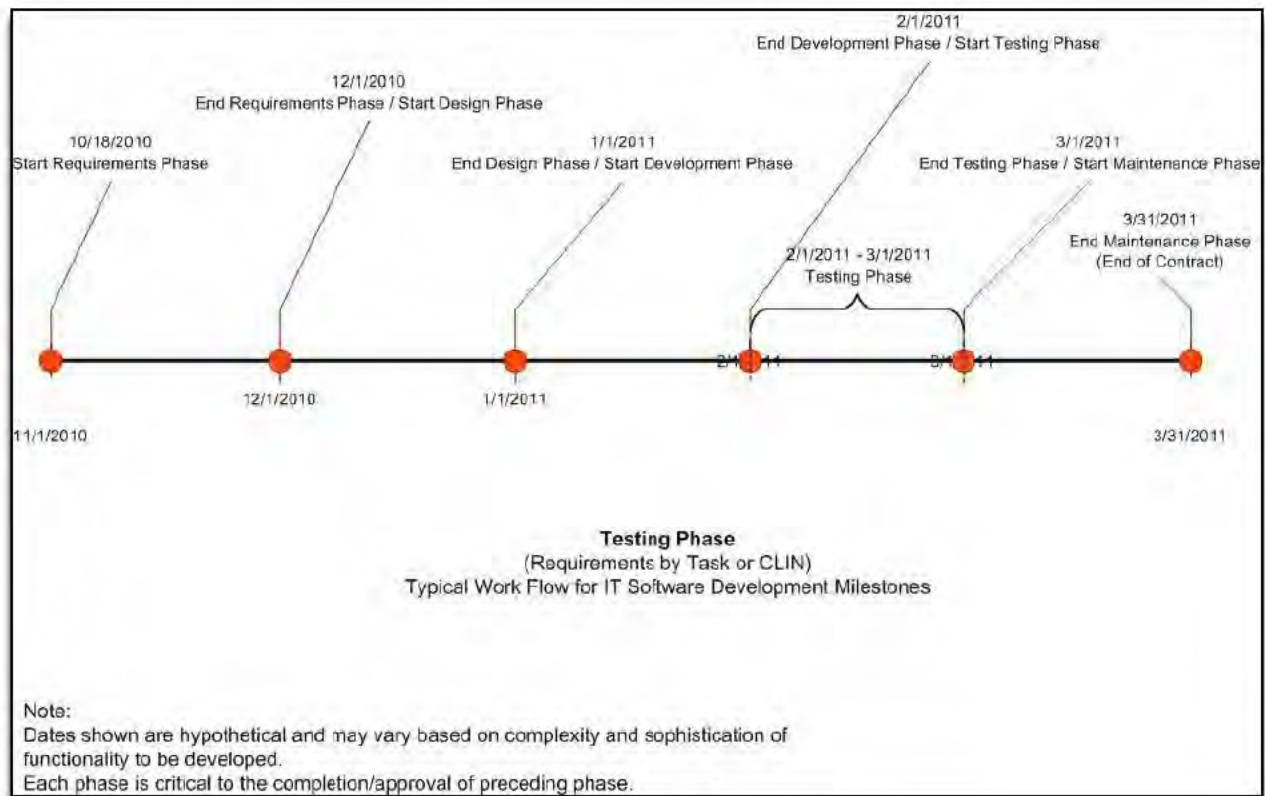
Different software development models will focus the test effort at different points in the development process. Newer development models, such as Agile, often employ test driven development and place an increased portion of the testing in the hands of the developer, before it reaches a formal team of testers. In a more traditional model, most of the test execution occurs after the requirements have been defined and the coding process has been completed. Most financial software development organizations choose either traditional models or develop in-



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house testing models that adhere to rigorous test methodologies. The data interfaces, databases, and code testing are performed in dedicated test environments. Test environments are set to reflect realistic data that are set to production or factual scenarios. It appears iMARC's testing is referenced to the "Agile" development methodology. **Figure 5** provides details on a typical testing phase.



**Figure 5 – Typical Work Flow –Testing Phase**

### 5.9 iMARC Weaknesses - Testing

iMARC's testing weaknesses based on the current development efforts are the result of several errors. Some of the typical weaknesses in a product include:

- Lack of proper and approved test procedures.
- Inadequacies in the testing efforts.
- Lack of documentation either on the requirements or testing raises questions on the level of testing and the adequacy of testing performed on the critical data elements.

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- Proper approvals and concurrence on functionality, which traces back to lack of adequate requirements.

### **5.10 Product Launch/Maintenance Phase**

Subsequent to the testing phase is the product launch and Maintenance Phase. Most contracts written for IT development emphasize all phases. Product launch involves integration of multiple resources and coordination with production server managers for launching the enhancement or product. This is all done under strict control and coordination with each of the Program Managers/Task Managers involved in the effort. The product launch phase is executed after the testing efforts are completed and approved by the stakeholder or client.

The product launch is a critical stage where testers are brought back into the team and the product is validated and approved to ensure all functionality is in proper working order. If the product is not functioning to the requirements it was tested for, the resources involved revert back to the earlier version of the product, until the launch is tested to perform the desired actions and to ensure all functionality meets client requirements.

During this phase, the product is built in quantity. Before the product is launched to the users, the team of responsible Program Managers/Sponsors must:

- Verify that the product meets all quality standards.
- Confirm that the documentation is complete and ready for duplication.
- Confirm that all sales and support programs are ready.
- Finalize product packaging.
- Execute introduction activities (this can include advertising, press releases, and other promotions).

The goal of formal development processes is to ensure the quality and comprehensiveness of the product launch. Several technical and IT resources that are needed at the time of the launch are to be synchronized. iMARC's launch efforts have not evidenced the activation or notification of such resources. Product or enhancement launches require proper testing, approval and validation prior to a launch. This includes support training documentation and launch specification documents, to be prepared and delivered before a launch. This effort focuses on product development methodologies combined with dynamic adjustments to deliver an optimized product launch. It is critical that product documentation associated with the launch is delivered for review and approval prior to product launch.



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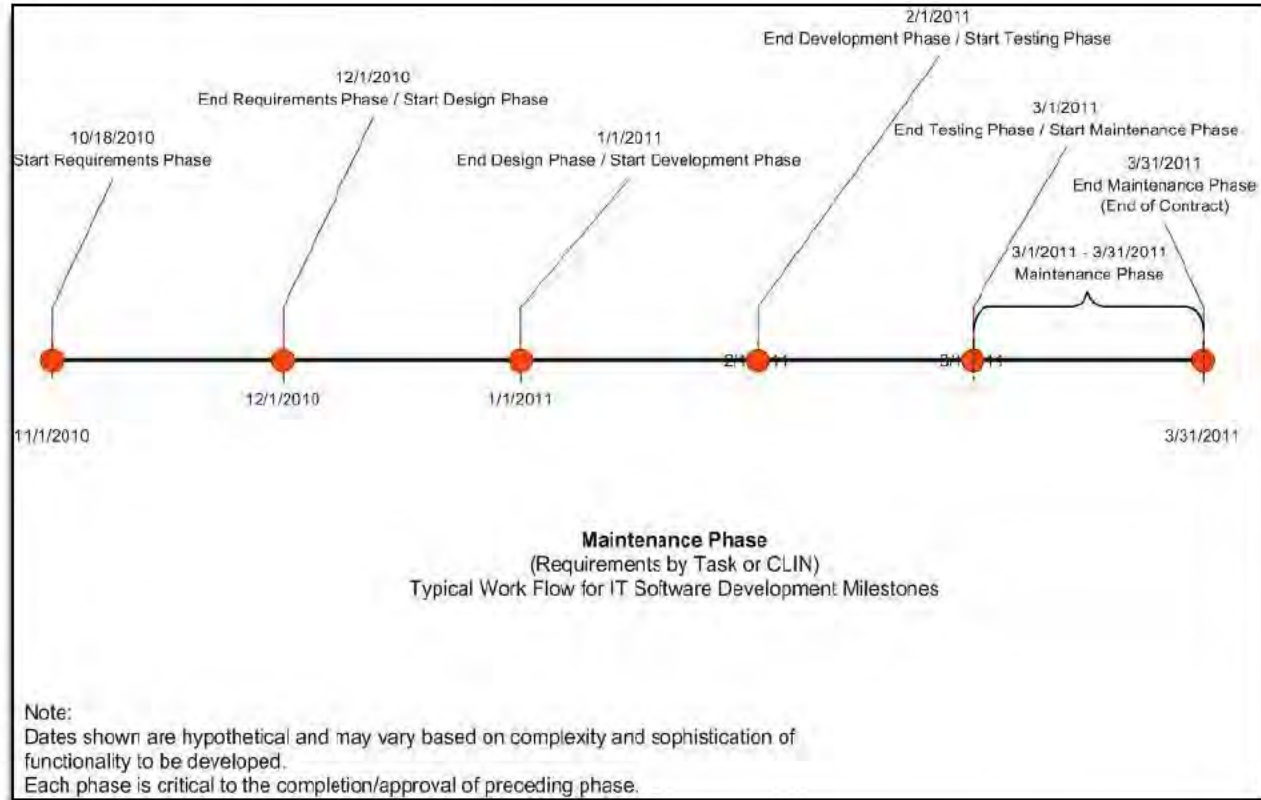
iMARC product or enhancement launch efforts are weak on documentation, testing and notifications. Coordinating with product sponsors, testers and users at various geographical locations are critical at the time of a launch. A user broadcast is to be sent at the time of the launch. This is to be coordinated with all users across the 50 States and 4 Territories.

**Figure 6** provides details of the product/enhancement launch and subsequent maintenance phases.

### 5.11 iMARC Weaknesses – Launch/Maintenance

There are no obvious iMARC weaknesses' in the actual launch phase. Maintenance following the launch of a functionality or enhancement is not adequately documented. Users have expressed errors in functionality even after a launch, which required a pullback and re-launch of the functionality after additional development and testing, particularly on the bonus control number enhancements.

Another maintenance weakness is the traceability of errors following user complaints on the functionality. It may be concluded that user complaints are not adequately recorded or analyzed for improvements. This segment needs enhancement and should be managed and controlled by GSD and GSE.



**Figure 6 – Typical Work Flow – Launch and Maintenance Phase**

## 6.0 Current Internal Management Controls

In order to look into the management controls within iMARC, several regulations have to be cited against the system and the tool has to be brought into compliance. While certain functions existing within iMARC satisfy functional requirements at State or Territory –Request” creation levels, there are numerous –data gaps” that need to be addressed. Existing processes fall short of the validation steps required to fulfill the needs of an interface between iMARC and a financial system. A case in point is the various manual processes outside iMARC with no supporting documents that pose a –risk” to other interface systems.

The current process in iMARC and the validity of DFAS payments, when executing a –request”, remains manual at this time and has not been automated to easily administer changes. For iMARC to be able to commit Federal funds and avoid potential errors in payment, the system needs to meet Federal guidelines and regulations.

The packet information prior to submitting a request for funding should undergo of the following:

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1. Quality verification.
2. Validation at various approval levels of packets.
3. Verification of finances.

Furthermore, contracts are verified and certified in iMARC. iMARC needs functionality that monitors and validates information on the status of a Soldier qualified for bonus with the States or Territories. Clarity is required in the system to track packets, durations, etc. throughout the entire life-cycle of the packet. All case scenarios have to be considered and manual processes eliminated to satisfy the requirements of management controls and internal controls. iMARC lacks functionality on policy issues and data gaps. Policy changes and management controls are not a part of the functionality within the tool.

## **7.0 iMARC Programs Operations and Management of Federal Funds Execution (DFAS)**

The discussion here focuses on the ability of the current iMARC system to support incentive program operations and the requests for outlay of Federal funds through DFAS. While examining iMARC for its integrity in handling the ARNG's incentives and bonuses requests within the system, it is important to know every system has manual processes added or loaded into financial transaction tools.

This is generally a case where “exceptions to policy” are added to a tool or are created outside the tool to meet mission goals and objectives. When such exceptions are added to the automation process, or tracked manually outside the automation process, it is hard to reconcile the data. Variances in data reports within the system tool and data generated outside the tool are enormous at times, thereby compromising accuracy and integrity of the data.

## **8.0 Process Limitations Caused by Human Input**

There are many manual processes that need to be automated in iMARC. Specific functionality within iMARC remains manual for various reasons, particularly on SLRP, CHLRP, and HPLRP.

Specific functionality within iMARC abruptly ends in manual processes. Such situations are most likely to generate errors relating to process inconsistencies, unless standards are established for all users to maintain consistency in data inputs. There are various ways to mitigate these errors, through standardization of processes even though they are manual. The downside to having manual processes and lack of standardization of such processes results in more paperwork without the ability to reduce errors. Most every SCR on an enhancement or functionality for automation within iMARC seems to result in developing functionality to record

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the data within iMARC, but does not take into account the need for reducing manual input or increasing process efficiency.

## **9.0 Comparison of iMARC with Current Industry Trends**

iMARC comprises legacy code components overlaid with ASP and ASP.net enhancements. There are certain components of the tool with code that may be revamped. Although this works and is not an impediment, iMARC uses both ASP and ASPX code that is currently functional, however, may be modified only for consistency. New functionality added (i.e. enhancements) to iMARC are on a .NET framework.

Although Government web application tools are compared to commercial web tools, there are several limiting factors that restrict rapid improvement of Government websites. These restrictions are mainly due to security reasons and the need to comply with DoD standards.

### **9.1 iMARC System Capability into Supporting New Requirements**

The flexibility to support new requirements for any IT application tool may be classified into the following areas:

- 1) Management and prioritization;
- 2) Change control management;
- 3) Scalability and flexibility; and
- 4) Rapid development and delivery.

The dynamics of ARNG's Bonus and Incentives Program demand more of an "agile development" environment. For ARNG, an automated requirements environment will better support change control efforts, gain testing efficiencies and potentially reduce its future maintenance burdens. This is suggested based on the current process with high level requirements being documented and submitted as system change requests (SCRs) that are then conveyed to the contractor.

The current SCR capture tool being used for queuing system change requests (SCRs) does not account for the priority of each of the tasks that are requested. The following are deficiencies that are noticed within the system change request process.

- The SCR prioritization process is not a disciplined and rigorous process. This is to be established within ARNG GSE for establishing priorities.



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- Monitoring of the SCRs requested is slow as no end dates for completion are normally established in the system to track the SCRs.
- Notifications are generally to be sent out to the sponsor or point of contact (POC) of an SCR – the SCR management tool is not equipped with an automatic notification process.
- Progress on a specific SCR that is not complete is not displayed. This leaves the POC or SCR sponsor or the Branch Chief not fully aware of the progress on the SCRs with no notification unless verified through the developer.
- SCR priorities are “swayed” (distorting the requirements) / downgraded or the SCR eliminated – based on reprioritization of SCRs.

The process of prioritizing SCRs should be managed effectively through periodic monitoring and in directing resources assigned to the right sources. SCR’s for iMARC should be given top priority when submitted with a determined time for completion as agreed upon by the vendor and the customer.

## **10.0 Scalability of iMARC?**

System’s scalability is defined as the ability to handle increased workload (without adding resources) to the existing system. Also, scalability of an information automation application is the ability to handle increased workload by repeatedly applying a cost-effective strategy for extending a system’s capacity (i.e. a combination of computing hardware and software). Because the human effort to administer a system can become significant, as systems grow, we consider humans and management to be a significant part of scalability. The current outages evidenced by users indicate that iMARC needs a scalability audit.

A scalability audit will help evaluate whether iMARC’s architectural design and framework can:

1. Be easily augmented to handle a significantly higher workload over its anticipated life-time.
2. Is robust enough to accommodate any unexpected, significant increase in workload where failure to handle the increased workload would be very severe for the system.

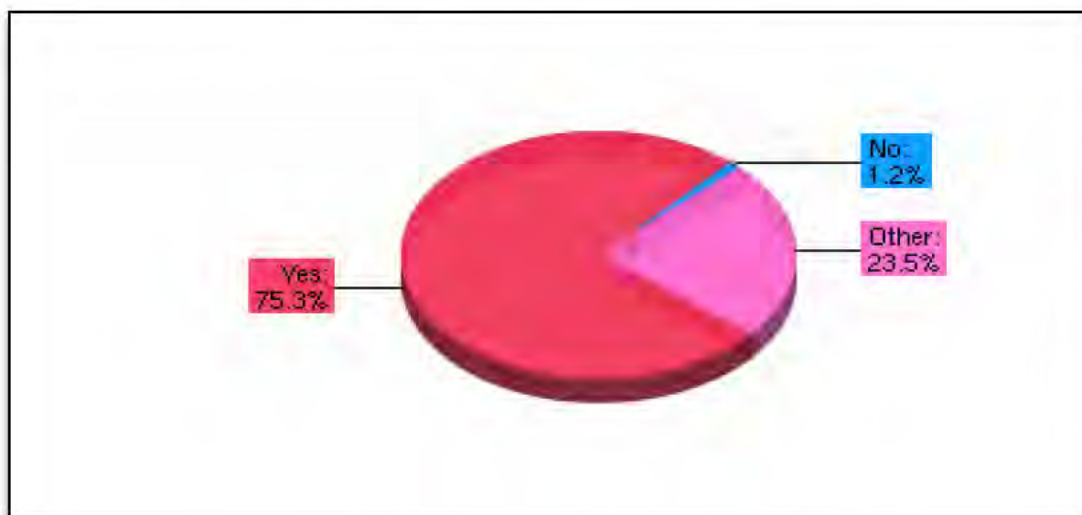
Two situations arise in which it would be useful to conduct a scalability audit.

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1. The system design is intended to accommodate a significantly increasing load over its lifetime.
2. The system is critical in some sense and its failure would be significant. In this case, you need to evaluate how likely the system is to fail when presented with unexpected load conditions.

Based on the results of the Business Process Survey on iMARC, nearly 75% of the users of iMARC witnessed system outages, with only 1% who did not witness seeing the problem, and around 23.5% of these users not answering the question. Trouble tickets for network outages recorded the amount of outages at nearly 21.3%. In either situation, a scalability audit is recommend to determine the problems causing the hardware or software issues currently causing interruptions.



**Figure 7 - Network Outages experienced on iMARC**

In order to obtain factual answers on capacities, users and network traffic, a system and network audit, should involve at a minimum, the following:

- Potential resource bottlenecks within iMARC based on the outages issue and a strategy for identifying and relieving them.
- Assumptions about a scaling strategy adopted for iMARC, and how they can be revealed.
- Highlighting scaling strategies and their strengths and or weaknesses.

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- Scalability assurance methods for monitoring confidence in a scalability strategy (Reference: 18 CMU/SEI-2006-TN-012).

### 10.1 Resource Bottlenecks

In a sense, all scalability issues revolve around identifying and mitigating bottlenecks. iMARC experiences IT resource bottlenecks as the primary cause for outages or slowdown periods. The lack of diverse networking of iMARC is what may be the cause for the resource bottlenecks. Performance tuning is typically an after-the-fact way of improving the scalability of a system. A tuning approach is perhaps most productively used once an implementation exists because without an actual workload and actual measurements, it's hard to know where to focus the tuning efforts. Nonetheless, after-the-fact tuning analysis is not our focus.

**Recommendation:** iMARC's scalability audit should include tuning analysis. It is also to be determined if RCMS and iMARC both reside on the same servers and whether this poses a bigger problem on the existing user resources.

### 10.2 Administrative Bottlenecks

An important factor to consider for iMARC's scalability is the user authentication component of the application tool. The authentication process may be adequate for now, but is inadequate in terms of validations and potential back doors to the system, with regards to AR 13-1, and needs to be adequately examined for compliance. With respect to financial systems and authentication, iMARC and RCMS have to be audited for compliance with DoD requirements for financial systems or systems interfacing with financial disbursement tools.

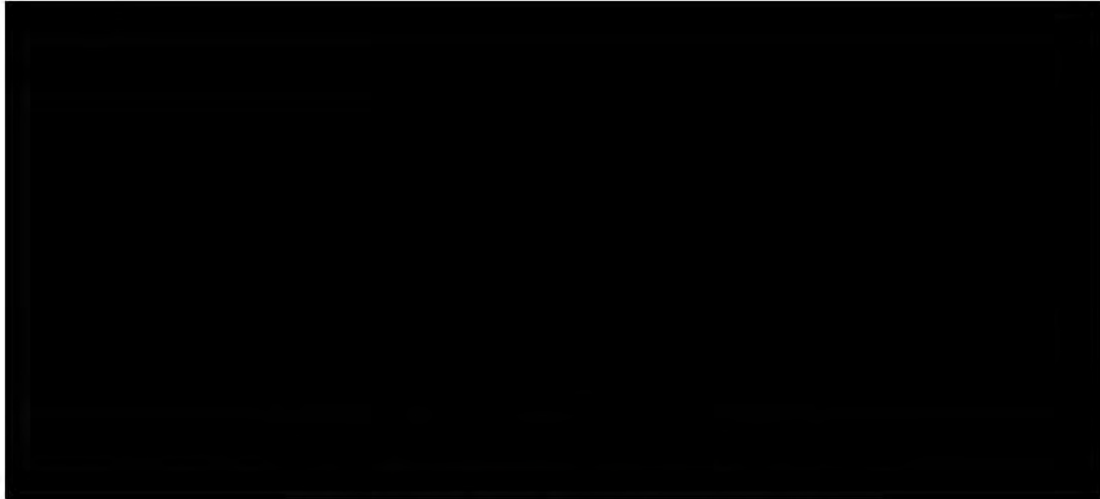
**Recommendation:** The current authentication in RCMS needs to be examined. With respect to authentication and potential administrative workload on iMARC also needs to be verified.

At this point, it is not clear how many authenticated users log into iMARC and the frequency of usage. A total of 107 users took the iMARC survey with 66% actively using iMARC. The total number of authenticated users identified by the point of contact at Incentives Oversight Branch was 584 approved users. The vendor's authenticated user list reports nearly 10,584 (approximate) users. An official number with background documentation (logs, user traffic, web metrics) are not available to determine the exact number of users registered in iMARC.

**Recommendation:** The list of iMARC users is critical to determining the scalability of the system. The number of users is usually evidenced through network logs, and other supporting evidence found on the servers (server logs, network traffic reports, etc.). These are also an excellent and authenticated source for obtaining systems problems. Hardware and software



purchases should be tracked by the client with all purchases justified by a needs analysis and cost-benefit analysis.



**Figure 8 - iMARC Authenticated Users**

*1. Capacity Limits*

Questions relating to capacities and limits were never a part of the queries or discussions on problems associated with system networks, enhancements added to iMARC, and dependent applications within the infrastructure. An iMARC network outage /slow down period investigation is required to obtain clarity.

*2. User Interface*

User interface is the view that a user and objects (data elements) available for an authenticated user. An interface varies from one user to another and is dependent on the permissions assigned. For iMARC, all user scenarios and logic associated have to be reviewed and verified, as ARNG staff has reported views and functionality available to an administrator are available to the basic user. This is a discrepancy that needs correction in the code. There may be several changes required to the existing functionality on user profiles judging from the amount of information available in iMARC and that must be presented in the future to various user (i.e. State Incentive Manager to the Administrator). There are a number of validations required from the time of the initial "request" to the approval of the payment in DFAS and making minor fixes to one area of iMARC will not solve the problem.

*3. Algorithmic Performance*

In order for iMARC to encompass the various levels of authentications, notifications and validations, there may be a need to build complex algorithms. Complex algorithms are required



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when the user performs actions based on functional requirements and results to be displayed. The performance of a system may be taxed heavily when each user performs various actions simultaneously or during the day causing the slowness or downtimes witnessed by users in various parts of the country.

Algorithmic Performance may be one of the causes for iMARC slowdown periods. There are other elements that may play into this that should be taken into account as well, i.e. system architecture, hardware and software inefficiencies based on code that is inadequately written or launched, multiple open sessions that remain open and not closed based on user actions, and database connections that are constantly transferring data to the web server.

Preliminary data collected during the survey gives NGB a perspective on how to address the various elements to fix network related issues and slow down periods. Several “external” and “internal” components associated with the network infrastructure and interfaces associated with *data validation* and *network authentication* are significant in this aspect.

**Recommendation:** Effective management through stringent project administration is essential when initiating an audit on the network infrastructure. There are multiple events that comprise an audit and each has to be carefully evaluated and addressed.

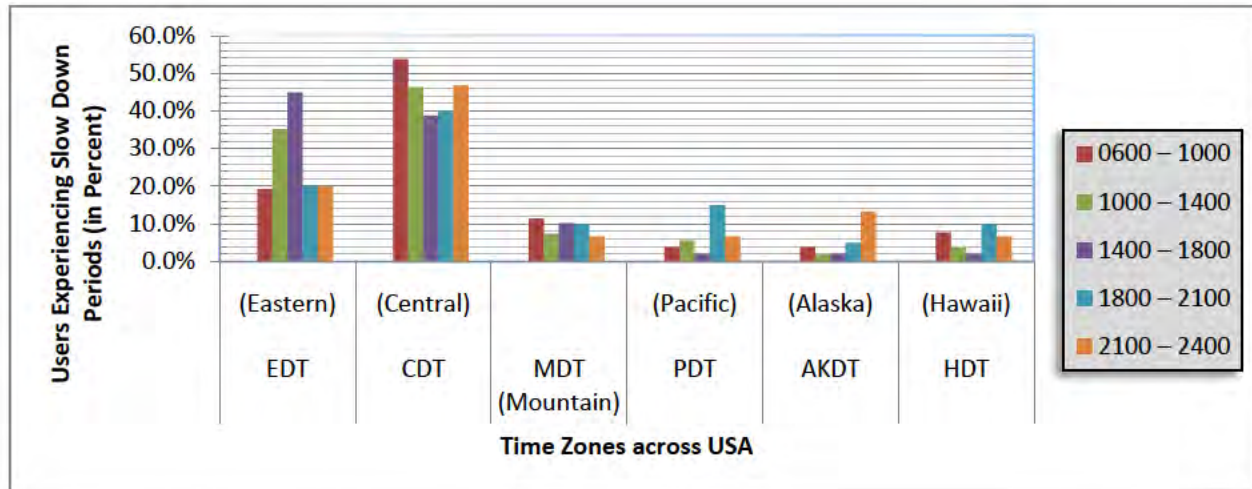
**Figure 9**, below displays details on iMARC slow down periods experienced by users, across the different time zones for a given day.

#### *4. Centralized Control*

Centralized control leads to resource bottlenecks. Allowing for decentralization helps to eliminate or reduce resource bottlenecks. With regards to iMARC and the ability to expand the tool, it is important to ensure potential bottle neck situations are not created through centralized systems.

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**Figure 8 – Network Slowdown Periods Experienced by iMARC Users by US Time Zones**

### 5. *Revealing Scaling Assumptions*

Factors easy to overlook when a system is relatively small become significant as the system grows. We are not talking here about the impact of workload growth per se on the performance of a system. These factors show how the expansion of a system can reveal new problems that need to be considered by a scaling strategy.

As a system expands, information about the system's configuration (both hardware and software) is likely to contain errors. These errors will be increasingly difficult to uncover unless an appropriate strategy is in place. If the strategy for maintaining or updating a system contains (implicit) assumptions that the configuration information is correct or that configuration skew is within certain limits (e.g., that all patches will be only one version out of date), there may be a significant problem as system growth begins to encounter these incorrect assumptions. Questions to initiate when asking vendors involved with the current network infrastructure and scaling of the IT system, involve both hardware capacities and software components that fit this architecture.

As a system expands or as workload increases, “rare” failures become more frequent because the conditions under which they occur become more frequent. Such system outages are currently being witnessed by iMARC users. Details of application slowdown periods and system outages are provided in **Appendix A**.

For example, a “rare” condition may show up only once in a million transactions. As a system's workload increases to the level of a million transactions per day, this “rare” failure will occur

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daily, on average. In particular, hardware failures will become more frequent as the amount of hardware increases simply because the failure rate is applied to a larger population.

It is important to design the system so that failure effects are localized as the system grows larger. iMARC's response time implies failure effects on delivery are based on the current software coding structure and the amount of time invested in the system. In a small system, certain types of failures may take down the entire system, but a failure should not be able to take down the entire system when it has grown. Alternatively, if a failure occurs, there should be methods in place to ensure a user does not lose a significant amount of work that has to be redone when the system comes back up.

- Has a Failure Mode, Effects, and Criticality Analysis (FMECA) been done to determine the impact of a localized failure on the overall system?
- Are there recovery strategies in place to ensure work is not lost when failure occurs? (These strategies become more important as the number of users grows, since the impact of a failure may affect a larger number of people.)

As a system expands, it can become complex and difficult to understand unless appropriate strategies are in place to reduce the number of interactions that contribute to system behavior.

- In what ways will the scaled-up system be more difficult to understand? What are the potential sources of complexity (e.g., what aspects are readily understood when a system is small that could become very complicated to understand as the system grows and interactions become more complex)?

### 10.3 Scaling Strategies

In this section we will discuss how to evaluate whether a scaling strategy has shortcomings. When a system has a long life, initial assumptions about how the system will be used will have to be changed. The scaling strategy may assume certain patterns of use will continue.

The scaling strategy may depend on users not taking advantage of knowledge about how the system is implemented (e.g., rebalancing load is much easier, if applications have made minimal assumptions about where particular code is executing). Over the life of the system, assumptions about aspects such as equipment capacity (size, speed, security, etc.) and support tools will change and need to accommodate scalability.

*In addressing scalability of iMARC*, the first and foremost exercise to consider is the user base. This is highly essential if an objective of the scaling strategy is to support a large user base. The system may need to be architected to fit a variety of user environments when used by a large user base documented by hard numbers from network traffic. System portability may also be relevant

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if the systems' software environment (operating system, middleware, and database technology) is changed.

Every system has some upper limits on specifications such as file size or number of database fields. When these limits are approached, the system may be stressed and begin to fail more often or totally. Capacity limits can be reached very quickly when all users assume the total capacity is available.

*Scalability Assurance Methods* – Scalability assurance addresses the mechanisms put in place to give greater confidence a planned scaling strategy will work or, if it won't work, to give an early warning problems are on the horizon. Problems witnessed with iMARC may be outside the system rather than within the local infrastructure.

Although, the scope of the current vendor supporting iMARC may not address all issues associated with networks, hardware and software resources, it is recommended all pertinent vendors/contractors be ~~drawn in~~ "drawn in" with relevant justifications made in a report prior to approval of funding for hardware and software purchases.

It is also important to perform a SWOT (strengths, weaknesses, opportunities and threats) analysis on the scalability strategy to be performed. A significant number of systems fail in initial use or even during integration because factors having a negligible effect when systems are lightly used have a harmful effect as the level of utility or usage increases. Based on the number of outages identified, it is clear iMARC's scalability problem (i.e., the inability of a system to accommodate an increased workload) is not new. However, the increasing size (more lines of code, greater number of users, widened scope of demands, interfaces with external or internal IT systems – such as iPERMS, SIDPERS, TAPDBG, ATTRS, etc.), and complexity of functionality added to the tool poses a problem.

**Recommendation:** NGB GSE looks into the size and capacity of the existing infrastructure before new additions are made to iMARC.

### Data gaps and Deficiencies in iMARC concerning management of funds:

- IM's do not receive information regarding the rejection of payment request by DFAS, at this time only the USP&FO's receive this report.
- **Recommendation:** The information should be accessible directly from one system by the IMs.
- iMARC utilizes multiple interfaces with others systems at this time. Dependencies on multiple systems should be avoided to reduce delays or the possibility of creating more



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errors. This repository currently used is SIDPERS and is to be replaced by IPPS-A as the system of record for verification and validation.

- Per DoD FMR – three levels of stewardship should be appointed
  - Authorizing Officer
  - Certifying Officer
  - Department Accountability Official
- Validations – Before the Incentive Operations Team was established, payment validations were done at the vendor location and subsequently converted to an electronic file for export to DFAS for payment processing. The batch files are pulled by DFAS at schedule times each week (Tuesdays and Thursdays). This process is manual and also lacked appropriate oversight.
  - Payment requests and reconciliations are currently completed outside of iMARC due to funds managed as Open Allotment.
  - **Recommendation:** Reconciliation should be completed within iMARC to ensure accurate reflection of balances of accounts at all times.

## **11.0 Potential Solutions – The Way Ahead**

This section discusses the potential way ahead for iMARC to support current and future demands. Although potential alternatives to the current iMARC system may be suggested, it is hard to estimate costs for these alternatives as costs are dependent on specific requirements and strategies to be used. It is clear the current version of iMARC is on a shared platform and is a mix of legacy code, ASP and ASP.NET. While the new enhancements are in .NET, the database and legacy code with ASP are still predominant. iMARC in the present state cannot meet the growing demands and requirements of the GSD. In determining the way ahead and iMARC's future, it is important to address the options available in maximizing investment costs and finding a recourse to improving the systems automation to serve the GSE. The FS alternatives considered in evaluating the next course of action, include a no-action alternative and four (4) other options.

### **11.1 Alternative 1 – No Action Alternative**

Do nothing or sometimes referred to a “No Action” alternative is a mandatory considerations. The dynamics of the ARNG and the need for compliance weaken a case for investing into the current version of iMARC. This “No Action” alternative for all practical purposes is not an option, if a tracking and monitoring system is needed for the GSE.

### **11.2 Alternative 2 – Enhancements to Current System**

Alternative 2 may seem a logical approach, but may not be a cost effective option. This is a conservation approach to protect the total investment contributed over the years on the existing version of iMARC. Another reason to consider this option may be the current user base and the capital investment and training provided to train on the current version. The viability of continuing to enhance iMARC further may seem practical, but the expenses and the limitations of the technology used and the platform iMARC resides on are critical to the future of iMARC. For the long term, it may be cost effective to seek a different course of action than continue development of this version, for the following reasons:

- Personnel resource limitations – as technological advances are made, it will become hard to maintain the personnel skilled in both legacy systems and the current technology. Resource hiring and replenishing within iMARC development team is challenging at this time and will continue to be more challenging in the future. Resource availability for legacy systems is rare to find and maintaining legacy code will be a challenge.
- Technology and scalability – This option does not present flexibility based on current IT infrastructure and the version of iMARC currently in use. The legacy code will eventually have to be revamped as it becomes old technology or obsolete.
- Limitations in functionality – the current design is inefficient and eventually will become more expensive to maintain.

This alternative is not recommended and is not considered cost effective.

### **11.3 Alternative 3 – Migrate to New System**

This alternative is a viable option and will mean a more efficient product that is expandable and flexible for changes. However, two tasks are critical (i.e. requirements gathering and design of the system) pre-requisites to this option. While the architecture of a new platform should be taken into account for this alternative, the design of this new system should be evaluated for efficiency and flexibility. It is reported iMARC is to move to a new platform (comprising of

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ASP.NET, SQL Server) with built-in reporting (Flex). However, there are several considerations to be taken into account when moving to this new platform. These include ensuring some of the new components built are easily migrated to the platform, the legacy code is redesigned with new requirements and specifications, and that the database design is thoroughly scrutinized.

### **11.4 Alternative 4 – Role of IPPS-A for iMARC**

One of the alternatives recommended to be evaluated was the IPPS-A development efforts. It is not clear what the agenda is for IPPS-A at this time. Attempts were made to contact the IPPS-A team, however, very little was gained from the efforts made by **Excidion, Inc.**, on investigating the IPPS-A efforts by the IPPS-A team. It is not clear whether this is a viable option or whether this alternative meets GSE-I requirements. This option needs to be investigated further, in the future depending on leadership direction.

### **11.5 Alternative 5 – Other Solutions**

The markets are saturated with several robust tools and products currently being used by government agencies, (i.e. Oracle and Sybase) that fit the role of customizing one of their products to meet iMARC requirements and functionality. This requires further research and is definitely a worthwhile exercise to clearly identify a cost-effective alternative to meet ARNG needs.

### **11.6 Considerations to Migrating to a New Platform**

It is reported that iMARC is proposing to build its new Shared Services solution on the Windows Server® operating system platform. This is supposedly to use SQL Server, Windows Server 2008 or higher and .NET architecture. It is also reported that Flex will be used to create reports. Windows Server is a market standard and is considered a reliable platform because of its powerful development framework and tool set—namely, the Microsoft® .NET Framework and the Visual Studio® development system. The opportunity to build on this new platform definitely allows for staying current on new technology, however, iMARC migration to this platform must be managed carefully with specific requirements written into the contract. It is important to take into account these steps and establish them with pre-conditions without deviations unless approved by the customer. The primary advantage to this migration is taking advantage of the centralized web based delivery model which Microsoft Web Platform offers. The new Microsoft .NET platform allows for the rapid application development that the ARNG GSD and GSE demands. Furthermore, the integration of IIS 7.0 results in a fault-tolerant process model and automatic process recycling, which make it easier to keep most Web applications up and running.

Some of the benefits of choosing the Windows Server platform would give iMARC more versatility, reliability, and ease of management. The current upgrade to Windows Server 2008

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and IIS 7.0 will yield further improvements in sharing applications and data, robustness, and ease to support. However, development should be regulated and monitored to ensure coding efforts are focused on specifications and the requirements furnished. The new servers would ensure faster deployment that accelerates installation by reducing the operating system footprint, but also minimizes the number of software updates needed in the future. Windows Server 2008 makes managing Web servers easy to configure. Furthermore the new platform allows for easier management and support, improved reliability and security, and increased performance and overall efficiency.

## 12.0 Conclusions/Recommendations

**Excidion, Inc.**, performed thorough research on the capabilities of iMARC based on a legacy version of iMARC in use at the time the FS was started. After the initiation of this FS, several enhancements were added to the SRIP component of iMARC resulting in improvements to implement the SRIP FY 2010 policy changes and payment process. These enhancements added value to iMARC and the utility of iMARC by GSE, however, there are several areas that still need attention to enable iMARC to handle more sophisticated business processes.

iMARC needs a complete evaluation and audit of current functionality and processes that are within the tool. Most of the current functionality lacks documentation or backup information required of all Federal systems.

*Manual Processes* – There are several manual processes in the Incentives Oversight Branch. These manual processes must be automated to track and validate incentives and bonuses to Soldiers. Some of the processes requiring improvement and additional functionality include the following:

- Exceptions to Policy: An area of particular concern is the Exceptions to Policy (ETP) process. . Currently the management of exceptions (ETPs or exceptions to policy) is manual processes outside the system tool. The ETP functionality in iMARC is non-functional at this time and is a ~~major~~ "pitfall" for the customer. In order to enable automation to the fullest extent possible, a business requirements and specifications process must be established to ensure clarity in the current system development efforts.
- SLRP, CHLRP and Health Care Payments: While the SRIP payment process received attention during the implementation of the FY 2010, SRIP payment policy and automation within iMARC, the SLRP, CHLRP and the HCLRP still remain manual and outside iMARC. Replicating the process flows for SLRP, CHLRP, and HCLRP using the SRIP logic is not advisable due to different



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requirements for verification, validation, and payment processing.

- *Management of Website Activities:* The FS findings revealed greater inefficiency in the management of website design, development, version control management, and testing. Documentation on iMARC has been poor, which is a serious vulnerability. Some of the vendor weaknesses include lack of stakeholder milestones during the requirements analysis, design, and user testing phases. A survey conducted on iMARC user experiences shows that users are not satisfied with the latency and time-outs of reports.
- Current infrastructure does not support the user base, which is evidenced through the network and system outages encountered. There is concern about certain manual processing that takes place within iMARC are a result of the current problems encountered on payment processing.
- Before the system is migrated to a new platform, as reported, it is recommended a clear vision and plan be developed to address the technological hurdles involved, the investment commitments, and the infrastructural demands at the ~~target~~ location. This is based on a recommendation to migrate to a new platform and to better infrastructure.
- iMARC is part of a suite of applications underneath the RCMS Guard contract with funding by the ARNG G1. This approach not only increases the complexity of developing functionality the GSE needs when required (prioritization issues), but also burdens the IT architecture (system slow down periods and network outages). Also, since ARNG G1 is the primary stakeholder, the prioritization of work is decided by the ARNG G1, not ARNG GSE. As a result, focus on each application is only received when there's an emergency, and enhancements are made when the rest of the suite of applications are ready to adapt.
- Generally, products developed leave a reliance on the vendor to provide further services to their clients to allow for enhancements to existing products, and added functionality, such as reports and data analysis functionality. iMARC, in its current form is not capable of providing such functionality, and leaves minimal data access and capability for NGB staff to do their own studies. The reports functionality in iMARC does not support the needs of the NGB staff in strategic analysis, as the reliability of iMARC data is highly questionable.

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- The FS addresses the current iMARC version that is in use, but does not take into account all improvements made to date. It is recommended iMARC be evaluated further to address the concerns of scalability, reporting, and usability. This is required because multiple databases and data interfaces are required to integrate and interface to support leadership needs. Enhancements required within iMARC have to be requested on a selective basis, as the scalability, reporting and usability of the product continue to be questionable. Another reported restraint to iMARC's scalability is related to the production environment, which is hosted by AIS and only receives resources as AIS deems necessary.
- Requirements Analysis and Design Reviews, with stakeholder buy-in prior to coding (development – Prior to Coding), is the weakest attribute of the vendor. On discussions with representatives of the project, it was indicated the vendor is at the mercy of many stake holder demands with limited time constraints.

Based on current issues as seen on the inconsistencies and potential system and management data gaps that may result in *Fraud, Waste and Abuse* relating to bonus and incentives funds, the following steps are recommended for developing a robust application tool to replace the existing version of iMARC.

- Current development and enhancements are “code builds” on the existing version residing on the production servers. It is reported iMARC is to move to a robust platform. This clearly indicates the current platform is not feasible or flexible to continue further to refine iMARC.
- For GSE to gain control on the design and development of a robust tool, it is important for GSE to take ownership and control over managing iMARC's automation processes for now and the future. It is recommended GSE assume control of iMARC (and its funding) from RCMS before it is migrated to a new platform.
- Applications that belong to GSE have to be separated from RCMS ARNG as there is no clear indication or justification on why these remain on RCMS. The complexities involved in upgrading, enhancing and developing a better tool are clearly manageable and accountable, if iMARC is isolated from RCMS.
- In order to proceed further and to justify the needs of the GSE, a detailed “As Is” analysis of iMARC is required. This establishes a clear baseline to be followed by a detailed business process redesign, requirements analysis and mapping of interfaces.

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For developing a *robust reports management tool*, to meet GSE leadership needs, the following actions are recommended:

- A reports forum is established with key players involved in defining reports requirements and in building management reports. This forum is to meet periodically, to identify report templates and updates to these templates.
- It is important to build an interface or develop a reports database that taps into the G1 Data Warehouse for reporting with augmentation by other Recruiting and Retention specific data from external data source and Data Warehouses. It is important to justify the need for developing reports from multiple data sources.
- Allocate funding and dedicated personnel to build an ~~in~~-house” systems analysis team for on site, on-demand development (for all GSD requirements, not just iMARC) and to direct business requirements efforts to the new IT migration foundation. These resources and staff should align GSD priorities and mission goals and integrate into business requirements and specifications development.
- Consolidate GSE IT initiatives and augment core development efforts to build new applications that meet common mission goals and objectives and augment core IT functions, customer relations management (CRM) and Help Desk needs through shared resources.
- Select (Buy vs. Build) a core SCR management tool that captures all GSE IT work order or change requests for better task management and cost control. This web based, net-centric tool should be accessible by all Division Directors, and Program Managers.

**APPENDIX A**

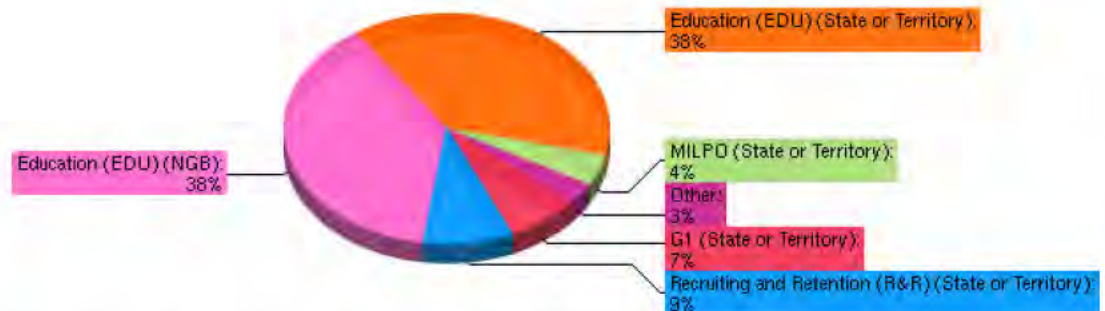
**iMARC FEASIBILITY STUDY – BUSINESS PROCESS IMPROVEMENT SURVEY**



## iMARC Feasibility Study Report - ARNG EDU

Survey Performed by Excidion, Inc.

## Which Organization do you belong to in the ARNG?



Value	Count	Percent %
G1 (State or Territory)	5	7%
Recruiting and Retention (R&R) (State or Territory)	6	8.5%
Education (EDU) (HQ)	26	36.6%
Education (EDU) (State or Territory)	26	36.6%
MILPO (State or Territory)	3	4.2%
Other	2	2.8%
<b>Statistics</b>		
Total Responses		68

## FINAL REPORT

Date: October 2010

## How long have you been working at NGB (in months)?



Value	Count	Percent %
< 3	13	18.3%
> 3 and < 6	5	7%
> 6 and < 12	13	18.3%
> 12 and < 24	11	15.5%
24+	29	40.8%

## Statistics

Total Responses	71
Sum	696.0
Average	24.0
Max	24.0

## What is your status?



Value	Count	Percent %
Military	38	53.5%
Civilian	13	18.3%
Contractor	20	28.2%
<b>Statistics</b>		
Total Responses		71

## FINAL REPORT

Date: October 2010

## What is your rank?



Value	Count	Percent %
MAJ	1	1.4%
CPT	1	1.4%
1LT	4	5.6%
WO	2	2.8%
SGT	7	9.9%
SSG	8	11.3%
SFC	8	11.3%
MSG	4	5.6%
Other	6	8.5%

## Statistics

Total Responses	41
Sum	4.0
Average	1.0
Max	1.0



## FINAL REPORT

Date: October 2010

## If Military or Civilian, what is your Grade?



Value	Count	Percent %
Officer (O1-O6)	4	5.6%
Enlisted (5, 6, 7, 8, 9)	24	33.8%
Warrant Officer (WO1-WO5)	3	4.2%
Civilian (GS 8, 9, 10, 11, 12, 13, 14)	20	28.2%
Statistics		
Total Responses		51

## What is your duty position?

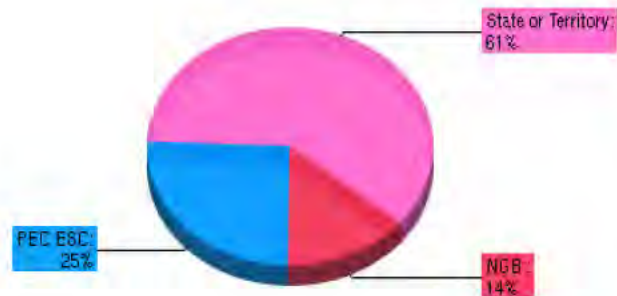


Value	Count	Percent %
State ESO	4	5.6%
EDU Incentives Manager	6	8.5%
EDU Education Manager	6	8.5%
Other	33	46.5%
State Incentive Manager	14	19.7%

Statistics

Total Responses	63
-----------------	----

## Where is your geographical location?



Value	Count	Percent %
NGB HQ	10	14.1%
PEC ESC	18	25.4%
State or Territory	43	60.6%

Statistics

Total Responses	71
-----------------	----

## Do you have an AKO email address?

Data for this question has been masked for privacy reasons. All users access the application through AKO.



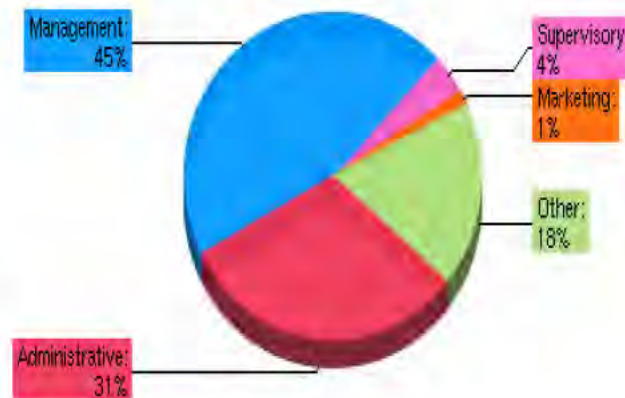
Value	Count	Percent %
Yes	71	100%
Statistics		
Total Responses		71



## FINAL REPORT

Date: October 2010

What is your primary responsibility in the organization you support?  
(Select One)



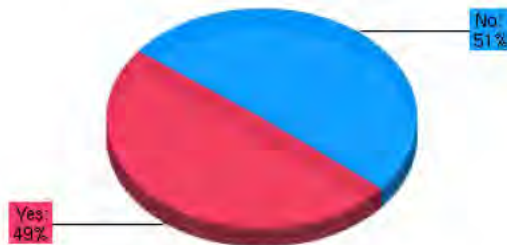
Value	Count	Percent %
Administrative	22	31%
Management	32	45.1%
Supervisory	3	4.2%
Marketing	1	1.4%
Other	13	18.3%
Statistics		
Total Responses		71

As a part of your job/responsibility, do you use iMARC?



Value	Count	Percent %
Yes	71	100%
Statistics		
Total Responses		71

If you do not use iMARC, do you rely on others to provide data from iMARC, for your work or analysis?



## FINAL REPORT

Date: October 2010

Value	Count	Percent %
Yes	35	49.3%
No	36	50.7%
Statistics		
Total Responses		71

Besides using iMARC, do you support your Division in any other way?

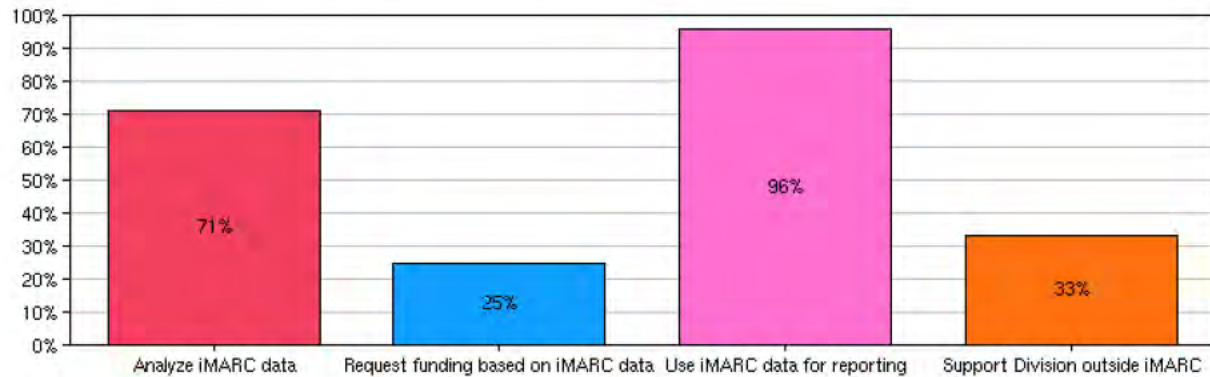


Value	Count	Percent %
Yes	45	63.4%
No	5	7%
Statistics		
Total Responses		50

## FINAL REPORT

Date: October 2010

With respect to iMARC, do you support the Division in any of the following?



Value	Count	Percent %
Analyze iMARC data	49	71%
Request funding based on iMARC data	17	24.6%
Use iMARC data for reporting	66	95.7%
Support Division outside iMARC	23	33.3%
<b>Statistics</b>		
Total Responses		69

If you do not use iMARC currently, have you used it in the past?  
(Choose "Not Applicable" if you are a current user)





## FINAL REPORT

Date: October 2010

Value	Count	Percent %
Yes	2	2.8%
Not Applicable (choice for current users)	69	97.2%
<b>Statistics</b>		
Total Responses		71

Based on your current job functions, do you require access to iMARC?



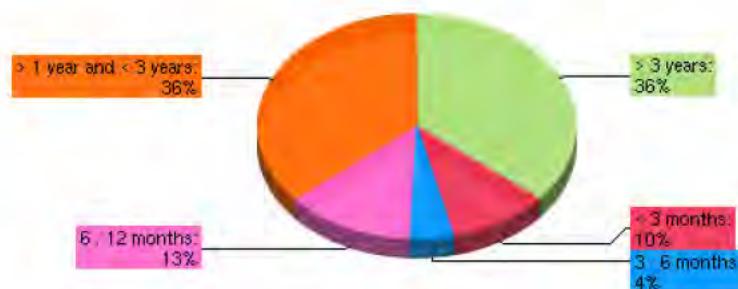
Value	Count	Percent %
Yes	49	69%
<b>Statistics</b>		
Total Responses		49

## What role would you require in iMARC?



Value	Count	Percent %
Manager	25	35.2%
Administrator	28	39.4%
Super Administrator (V + M + A)	11	15.5%
<b>Statistics</b>		
Total Responses		64

## How long have you worked with iMARC?



## FINAL REPORT

Date: October 2010

Value	Count	Percent %
< 3 months	7	9.9%
3 â€" 6 months	3	4.2%
6 â€" 12 months	9	12.7%
> 1 year and < 3 years	25	35.2%
> 3 years	25	35.2%

## Statistics

Total Responses	69
Sum	63.0
Average	5.3
StdDev	1.30
Max	6.0

What is your assigned role in the iMARC System?



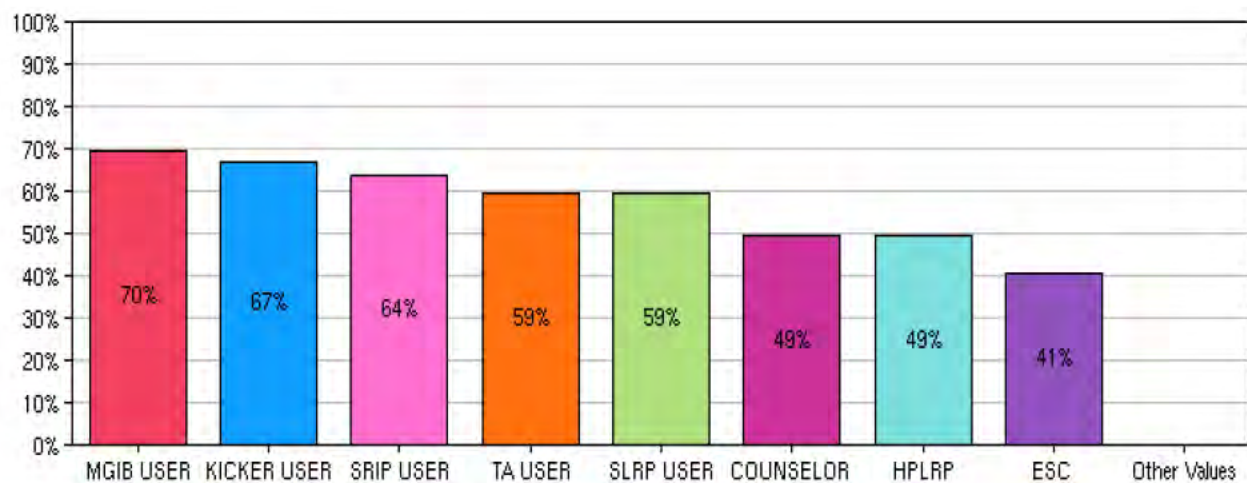
## FINAL REPORT

Date: October 2010

Value	Count	Percent %
Manager	33	46.5%
Administrator	26	36.6%
Super Administrator (V + M + A)	9	12.7%
<b>Statistics</b>		
Total Responses		68

What functional USER roles in iMARC can you access?

(Select all that apply)





## FINAL REPORT

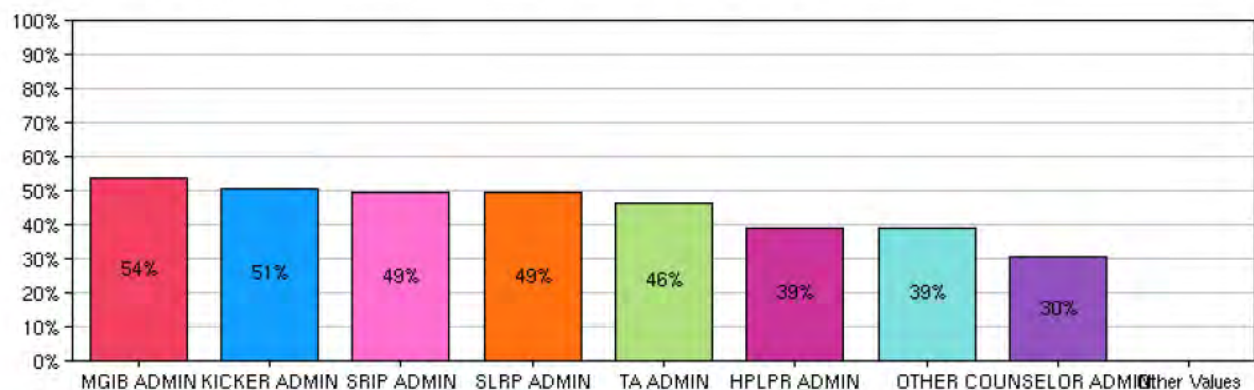
Date: October 2010

Value	Count	Percent %
COUNSELOR	34	49.3%
ESC	28	40.6%
HPLRP	34	49.3%
KICKER USER	46	66.7%
SLRP USER	41	59.4%
SRIP USER	44	63.8%
MGIB USER	48	69.6%
TA USER	41	59.4%
OTHER	23	33.3%

## Statistics

Total Responses	69
-----------------	----

If you are an **ADMINISTRATOR**, what functions in iMARC can you access? (ADMIN has more assignment functions other than those given to a USER, please select those that are appropriate).



## FINAL REPORT

Date: October 2010

Value	Count	Percent %
COUNSELOR ADMIN	21	30.4%
ESC ADMIN	18	26.1%
HPLPR ADMIN	27	39.1%
KICKER ADMIN	35	50.7%
SLRP ADMIN	34	49.3%
SRIP ADMIN	34	49.3%
MGIB ADMIN	37	53.6%
TA ADMIN	32	46.4%
OTHER	27	39.1%
<b>Statistics</b>		
Total Responses		69

Do you research and validate ELIGIBILITY of payments in iMARC?



## FINAL REPORT

Date: October 2010

Value	Count	Percent %
Yes	49	69%
No	20	28.2%
Statistics		
Total Responses		69

Do you use the budget related functionality in iMARC? (Budget related functionality in the tool are TA, GI Bill, SRIP, SLRP, HPLRP, CHLRP)



Value	Count	Percent %
Yes	34	47.9%
No	35	49.3%
Statistics		
Total Responses		69

## FINAL REPORT

Date: October 2010

Which **BUDGET** related module or component within iMARC do you use? (Select more than one, if needed)



Value	Count	Percent %
Tuition Assistance	16	22.5%
GI Bill	3	4.2%
SLRP	3	4.2%
SRIP	12	16.9%
<b>Statistics</b>		
Total Responses		34

Do you work on the **INDIRECT BUDGET** components of iMARC?  
(Indirect budget functionality in iMARC pertains to ESC-OWD, Counseling, and Testing)



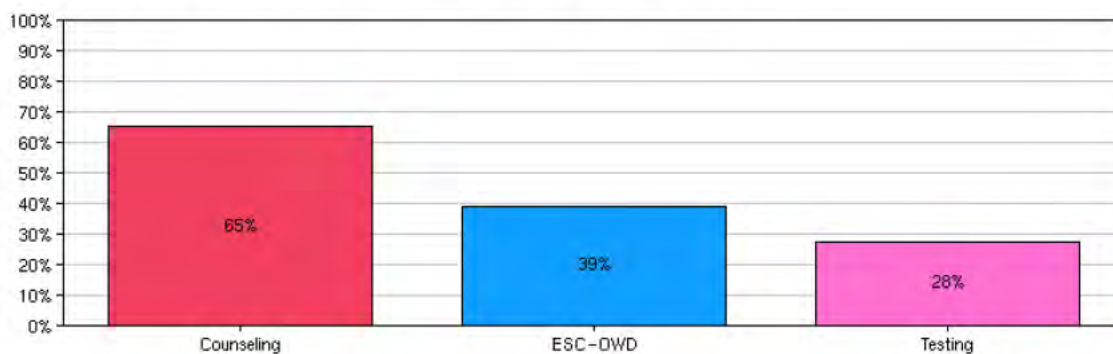


## FINAL REPORT

Date: October 2010

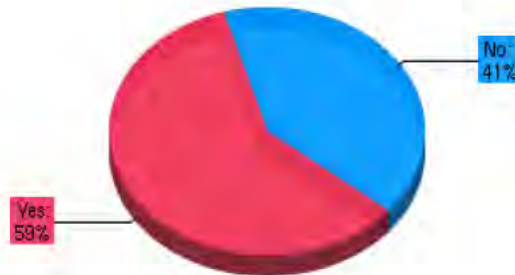
Value	Count	Percent %
Yes	3	4.2%
No	32	45.1%
<b>Statistics</b>		
Total Responses		35

Select which of the indirect budget related functions in iMARC you work with? (Select more than one, if needed)



Value	Count	Percent %
Counseling	45	65.2%
ESC-OWD	27	39.1%
Testing	19	27.5%
<b>Statistics</b>		
Total Responses		69

To fulfill your job needs, do you use **ONE** functional area in iMARC?



Value	Count	Percent %
Yes	41	57.7%
No	28	39.4%
Statistics		
Total Responses	69	

To fulfill your job needs, do you use **MULTIPLE** functional area in iMARC?



## FINAL REPORT

Date: October 2010

Value	Count	Percent %
Yes	22	31%
No	6	8.5%
Statistics		
Total Responses		28

How many hours in a week, do you work in iMARC?



## FINAL REPORT

Date: October 2010

Value	Count	Percent %
8	4	5.6%
16	7	9.9%
24	7	9.9%
32	9	12.7%
40	24	33.8%
> 40	18	25.4%

## Statistics

Total Responses	69
Sum	1,560.0
Average	30.6
StdDev	10.83
Max	40.0

Do you generate reports for your organization?





## FINAL REPORT

Date: October 2010

Value	Count	Percent %
Yes	55	77.5%
No	12	16.9%
Statistics		
Total Responses		67

If Yes, how often do you generate reports?



## FINAL REPORT

Date: October 2010

Value	Count	Percent %
Daily	10	14.1%
Weekly	20	28.2%
Bi-weekly	7	9.9%
Monthly	12	16.9%
Bi-monthly	1	1.4%
Semi-annually	4	5.6%
Annually	1	1.4%
<b>Statistics</b>		
Total Responses		55

If you use iMARC data or reports, in your opinion, what is the level of accuracy reports in the (Management Reports Center)?



## FINAL REPORT

Date: October 2010

Value	Count	Percent %
Highly accurate - requires no customization	10	18%
Moderately accurate - requires scrubbing and customization	31	56%
Moderately inaccurate - requires customization	12	22%
Highly inaccurate - cannot be relied on	2	4%
<b>Statistics</b>		
Total Responses		55

Do you create "adhoc" reports for your Organization/Division?



Value	Count	Percent %
Yes	1	100%
<b>Statistics</b>		
Total Responses		1

## Do you use the data export functionality within iMARC?



Value	Count	Percent %
Yes	1	100 %
<b>Statistics</b>		
Total Responses		1

## How do you use these data exports? (Check more than one, if applicable)



Value	Count	Percent %
Create management reports	1	100 %
<b>Statistics</b>		
Total Responses		1



What is your PERCENT dependency, on iMARC's data export functionality?



Value	Count	Percent %
50	1	1.4%
Statistics		
Total Responses		1
Sum		50.0
Average		50.0
Max		50.0

Do you prefer having these reports built in iMARC?



## FINAL REPORT

Date: October 2010

Value	Count	Percent %
Yes	1	1.4%

## Statistics

Total Responses	1
-----------------	---

What types of reports do you create? (Check ALL that apply)



Value	Count	Percent %
Management Reports	1	100%

## Statistics

Total Responses	1
-----------------	---

Have you experienced iMARC System Outages?



## FINAL REPORT

Date: October 2010

Value	Count	Percent %
Yes	66	98.6%
No	1	1.4%

## Statistics

Total Responses	67
-----------------	----

Where (location) do you experience these outages?



Value	Count	Percent %
NGB ARNG	13	18.3%
State	36	50.7%
Other Location	17	23.9%

## Statistics

Total Responses	66
-----------------	----

## FINAL REPORT

Date: October 2010

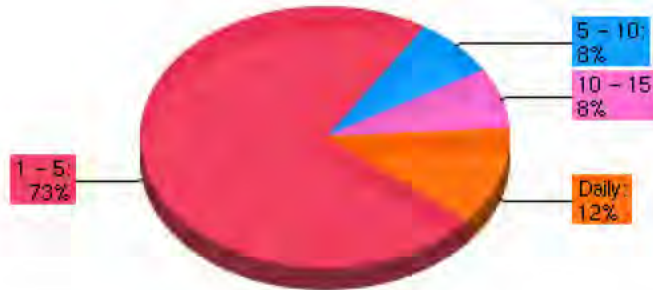
## How frequent are these outages?



Value	Count	Percent %
Once a week	14	19.7%
Several times a week	24	33.8%
Once a month	6	8.5%
Several times a month	21	29.6%
Never	1	1.4%
Statistics		
Total Responses		66

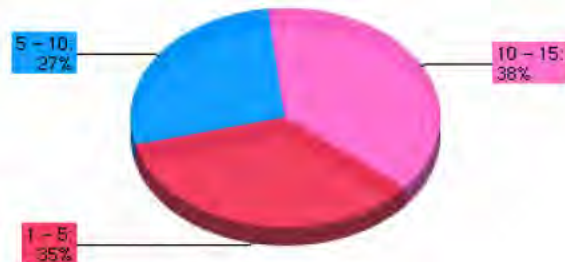


On an average, how many outages do you experience in a WEEK?



Value	Count	Percent %
1 - 5	48	67.6%
5 - 10	5	7%
10 - 15	5	7%
Daily	8	11.3%
<b>Statistics</b>		
Total Responses		66
Sum		123.0
Average		2.1
StdDev		2.67
Max		10.0

On an average, how many outages are experienced in a MONTH?



Value	Count	Percent %
1 - 5	23	32.4%
5 - 10	18	25.4%
10 - 15	25	35.2%

Statistics		
Total Responses		66
Sum		363.0
Average		5.5
StdDev		3.85
Max		10.0

## How do you report iMARC system outages?



Value	Count	Percent %
RCMS Help Desk Ticket (phone)	7	9.9%
iMARC Help Desk Ticket (phone)	11	15.5%
iMARC/EDU Liasion	7	9.9%
iMARC Point of Contact (Contractor)	18	25.4%
iMARC Point of Contact (NGB)	5	7%
Email Request to POC (Contractor)	10	14.1%
Email Request to POC (NGB)	8	11.3%
<b>Statistics</b>		
Total Responses		66

## Do you experience network slowdown periods while using iMARC?



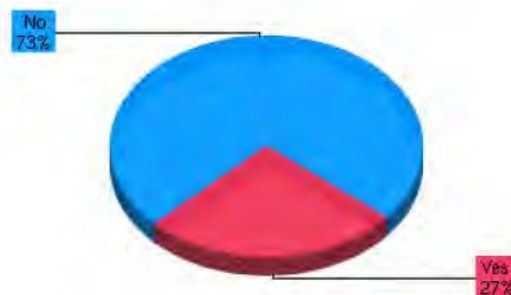
Value	Count	Percent %
Yes	64	90.1%
No	3	4.2%
Statistics		
Total Responses	67	



**What time of the day do you experience these slowdowns in iMARC  
(Select within your geographical location & time zone)?**

	EDT (Eastern)	CDT (Central)	MDT (Mountain)	PDT (Pacific)	AKDT (Alaska)	HDT (Hawaii)	Total
<b>0600 - 1000 hrs</b>	<b>19.2%</b>	<b>53.8%</b>	<b>11.5%</b>	<b>3.8%</b>	<b>3.8%</b>	<b>7.7%</b>	<b>100%</b>
	5	14	3	1	1	2	26
<b>1000 - 1400 hrs</b>	<b>35.2%</b>	<b>46.3%</b>	<b>7.4%</b>	<b>5.6%</b>	<b>1.9%</b>	<b>3.7%</b>	<b>100%</b>
	19	25	4	3	1	2	54
<b>1400 - 1800 hrs</b>	<b>44.9%</b>	<b>38.8%</b>	<b>10.2%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>100%</b>
	22	19	5	1	1	1	49
<b>1800 - 2100 hrs</b>	<b>20.0%</b>	<b>40.0%</b>	<b>10.0%</b>	<b>15.0%</b>	<b>5.0%</b>	<b>10.0%</b>	<b>100%</b>
	4	8	2	3	1	2	20
<b>2100 - 2400 hrs</b>	<b>20.0%</b>	<b>46.7%</b>	<b>6.7%</b>	<b>6.7%</b>	<b>13.3%</b>	<b>6.7%</b>	<b>100%</b>
	3	7	1	1	2	1	15

**Do you have experience placing iMARC trouble tickets?**

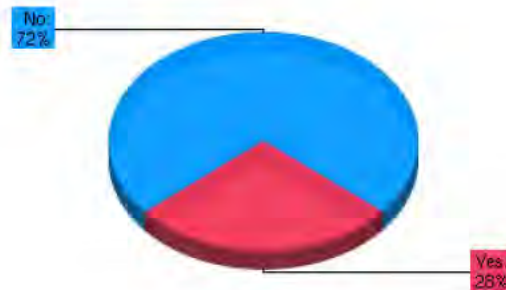


## FINAL REPORT

Date: October 2010

Value	Count	Percent %
Yes	18	25.4%
No	50	70.4%
Statistics		
Total Responses		68

Are trouble tickets placed in the iMARC system?



Value	Count	Percent %
Yes	5	7%
No	13	18.3%
Statistics		
Total Responses		18

## If No, how do you notify on system issues requiring resolution?



Value	Count	Percent %
iMARC IT Liasion	2	2.8%
iMARC Contractor POC	9	12.7%
RCMS Help Desk	3	4.2%
iMARC Help Desk	4	5.6%

Statistics

Total Responses	18
-----------------	----

## How many trouble tickets have you placed in the last 12 months?



## FINAL REPORT

Date: October 2010

Value	Count	Percent %
None	1	1.4%
< 5	13	18.3%
> 5 and < 10	3	4.2%
> 10 and < 15	1	1.4%

## Statistics

Total Responses	18
-----------------	----

How many trouble tickets have you placed in the last 12 months?





## FINAL REPORT

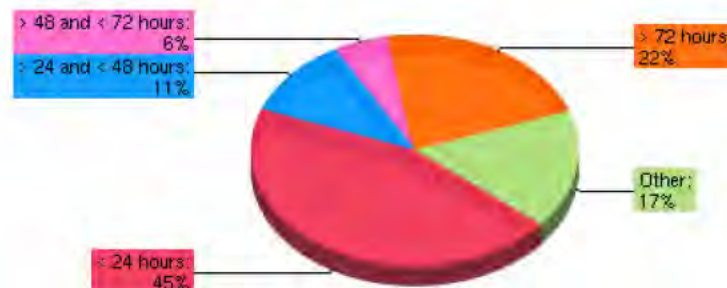
Date: October 2010

Value	Count	Percent %
None	1	1.4%
< 5	11	15.5%
> 5 and < 10	3	4.2%
> 10 and < 15	2	2.8%
> 15 and < 20	1	1.4%

## Statistics

Total Responses	18
-----------------	----

In your experience, what is the average time of resolution?



**FINAL REPORT**

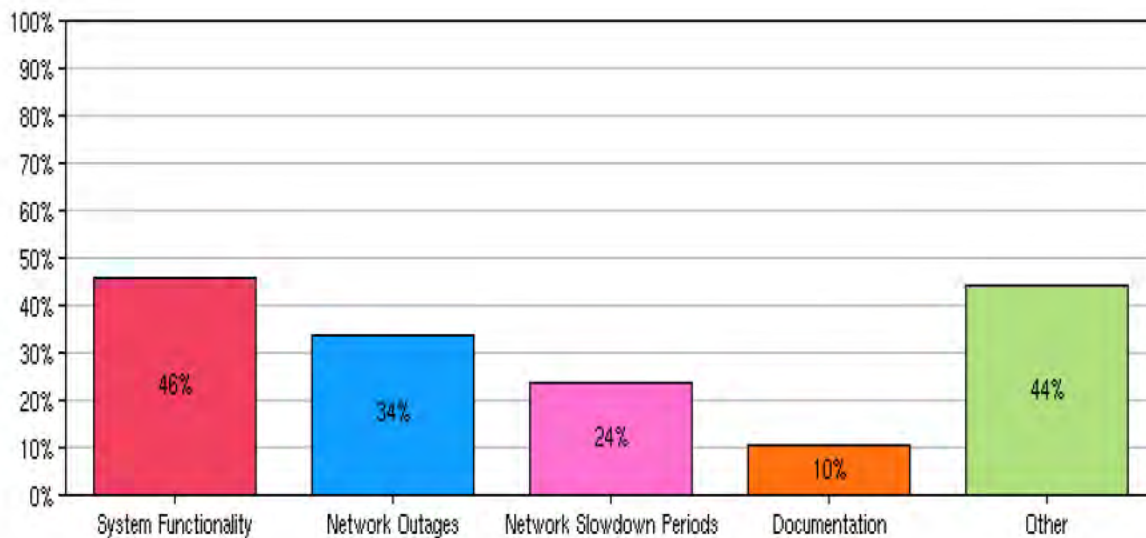
Date: October 2010

Value	Count	Percent %
< 24 hours	8	11.3%
> 24 and < 48 hours	2	2.8%
> 48 and < 72 hours	1	1.4%
> 72 hours	4	5.6%
Other	3	4.2%
<b>Statistics</b>		
Total Responses		18

## FINAL REPORT

Date: October 2010

## Select the categories of trouble tickets you have placed so far in iMARC



Value	Count	Percent %
System Functionality	31	45.6%
Network Outages	23	33.8%
Network Slowdown Periods	16	23.5%
Documentation	7	10.3%
Other	30	44.1%
Statistics		
Total Responses		68

## FINAL REPORT

Date: October 2010

Have you had experience in placing a System Change Request (SCR) in iMARC? (Not applicable to State and Territory Users - respond "No" if you are a State or Territory user)



Value	Count	Percent %
Yes	7	9.9%
No	62	87.3%

## Statistics

Total Responses	69
-----------------	----

How many SCR's did you or your Branch submit last year?





## FINAL REPORT

Date: October 2010

Value	Count	Percent %
1 - 5	2	2.8%
6 - 10	2	2.8%
11 - 15	1	1.4%
Other	2	2.8%

## Statistics

Total Responses	7
Sum	25.0
Average	5.0
StdDev	3.74
Max	11.0

How many of these SCR's were critical fixes that were required to be made in iMARC?



## FINAL REPORT

Date: October 2010

Value	Count	Percent %
All	1	1.4%
Some	4	5.6%
None	1	1.4%
Other	1	1.4%

## Statistics

Total Responses	7
-----------------	---

## Was a priority level assigned to the SCR?

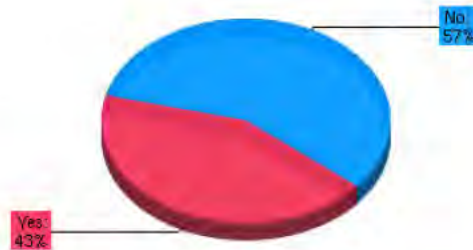


Value	Count	Percent %
Yes	5	71%
No	2	28%

## Statistics

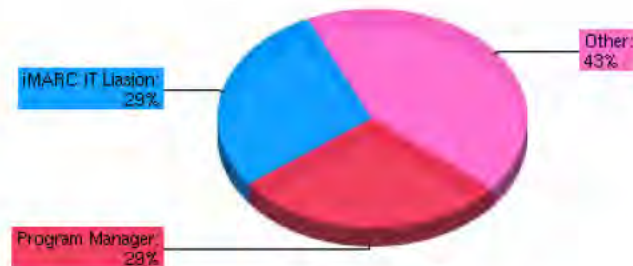
Total Responses	7
-----------------	---

## Were you involved in establishing a priority level of your SCRs?



Value	Count	Percent %
Yes	3	4.2%
No	4	5.6%
Statistics		
Total Responses	7	

## If No, who was responsible for setting the priority?



## FINAL REPORT

Date: October 2010

Value	Count	Percent %
Program Manager	2	2.8%
iMARC IT Liasion	2	2.8%
Other	3	4.2%
<b>Statistics</b>		
Total Responses		7

If No, who was responsible for setting the priority?

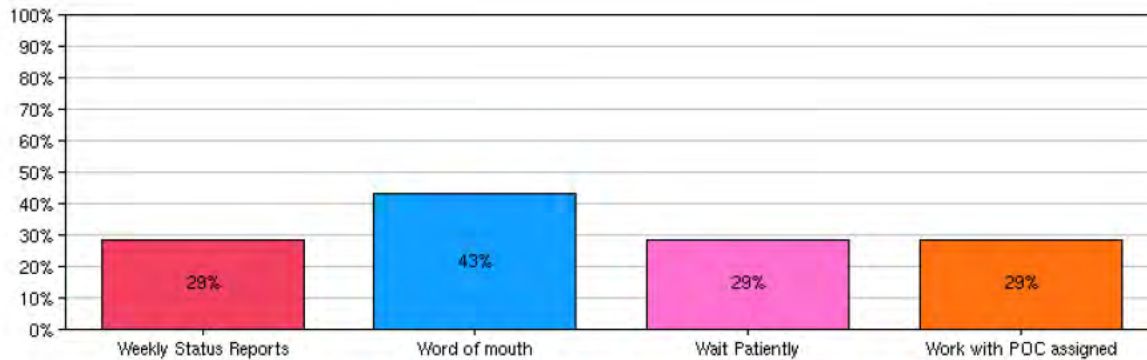


Value	Count	Percent %
Program Manager	2	2.8%
iMARC IT Liasion	2	2.8%
iMARC Functional Lead	1	1.4%
Other	2	2.8%
<b>Statistics</b>		
Total Responses		7



## FINAL REPORT

Date: October 2010

**When the priority is set for your SCR, how do you follow-up on status?**

Value	Count	Percent %
Weekly Status Reports	2	28.6%
Word of mouth	3	42.9%
Wait Patiently	2	28.6%
Work with POC assigned	2	28.6%

Statistics

Total Responses7

**Based on your experience, what is the average duration for SCR completion?**

## FINAL REPORT

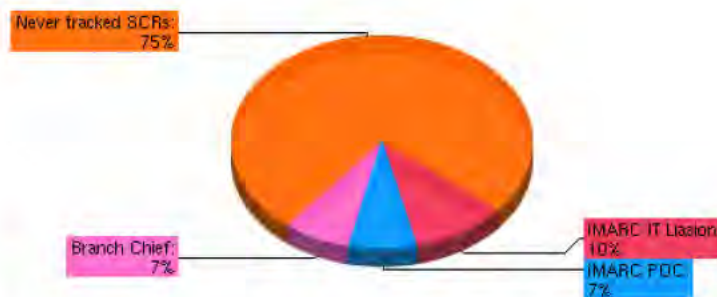
Date: October 2010

Value	Count	Percent %
4 - 8 weeks	2	2.8%
8 - 12 weeks	2	2.8%
Do not know	3	4.2%

## Statistics

Total Responses	7
Sum	24.0
Average	6.0
StdDev	2.00
Max	8.0

## Who do you go to for tracking your SCRs?



Value	Count	Percent %
iMARC IT Liasion	7	9.9%
iMARC POC	5	7%
Branch Chief	5	7%

## FINAL REPORT

Date: October 2010

Never tracked SCRs

52

73.2%

## Statistics

Total Responses

69

Were you satisfied with the work on the SCRs completed?



Value

Count

Percent %

Yes

43

60.6%

No

19

26.8%

## Statistics

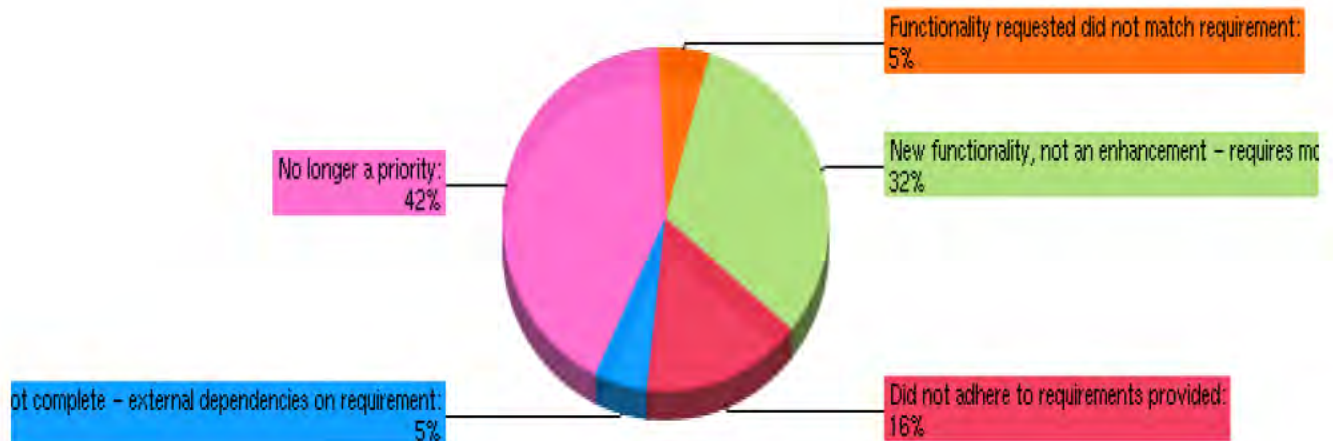
Total Responses

62

## FINAL REPORT

Date: October 2010

If No, select one of the closest choices why you were dissatisfied?



Value	Count	Percent %
Did not adhere to requirements provided	3	4.2%
Vendor could not complete - external dependencies on requirement	1	1.4%
No longer a priority	8	11.3%
Functionality requested did not match requirement	1	1.4%
New functionality, not an enhancement - requires more time	6	8.5%
<b>Statistics</b>		
Total Responses		19



## FINAL REPORT

Date: October 2010

Do you have access to iMARC documents for the functionality you need to perform your duties?



Value	Count	Percent %
Yes	58	81.7%
No	12	16.9%

## Statistics

Total Responses	70
-----------------	----

If Yes, what types of documents can you access?

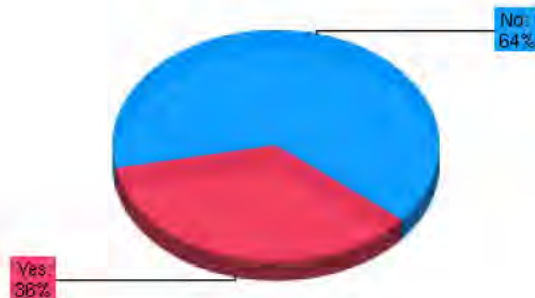


## FINAL REPORT

Date: October 2010

Value	Count	Percent %
User Guides	14	19.7%
Database	17	23.9%
Systems	4	5.6%
Training Manuals	12	16.9%
Other	14	19.7%
<b>Statistics</b>		
Total Responses		61

If No, for the system functionality that you work with, do you require documentation?



## FINAL REPORT

Date: October 2010

Value	Count	Percent %
Yes	25	35.2%
No	45	63.4%
Statistics		
Total Responses		70

Are you aware of a document center, a central repository for documents in iMARC?



Value	Count	Percent %
Yes	53	74.6%
No	17	23.9%
Statistics		
Total Responses		70

## If Yes, how often do you access this information in iMARC?

	Daily	Weekly	Bi-weekly	Monthly	Quarterly	Total
<b>User Guides</b>	<b>13.0%</b>	<b>7.2%</b>	<b>4.3%</b>	<b>27.5%</b>	<b>47.8%</b>	<b>100%</b>
	9	5	3	19	33	69
<b>Training Documentation and Notes</b>	<b>11.6%</b>	<b>11.6%</b>	<b>10.1%</b>	<b>24.6%</b>	<b>42.0%</b>	<b>100%</b>
	8	8	7	17	29	69
<b>Instructional briefs</b>	<b>8.6%</b>	<b>12.9%</b>	<b>10.0%</b>	<b>24.3%</b>	<b>44.3%</b>	<b>100%</b>
	6	9	7	17	31	70
<b>Policy information</b>	<b>38.6%</b>	<b>24.3%</b>	<b>0.0%</b>	<b>14.3%</b>	<b>22.9%</b>	<b>100%</b>
	27	17	0	10	16	70



For improving the document repository, what do you think would be desirable to enhance quality?

	Highly Critical	Critical	High Priority	Moderate Priority	Low Priority	Not required/Not Applicable	Total
<b>Organizational Structure</b>	22.5%	29.6%	4.2%	21.1%	7.0%	15.5%	100%
	16	21	3	15	5	11	71
<b>Easy access to repository</b>	27.8%	26.4%	12.5%	13.9%	4.2%	15.3%	100%
	20	19	9	10	3	11	72
<b>Updates to user guides</b>	19.4%	25.0%	19.4%	19.4%	1.4%	15.3%	100%
	14	18	14	14	1	11	72
<b>Documentation for new functionality</b>	25.4%	26.8%	18.3%	14.1%	0.0%	15.5%	100%
	18	19	13	10	0	11	71
<b>Notifications to all users on revisions to documents</b>	25.4%	28.2%	14.1%	15.5%	1.4%	15.5%	100%
	18	20	10	11	1	11	71
<b>Clarity in existing documents</b>	23.6%	29.2%	16.7%	11.1%	4.2%	15.3%	100%
	17	21	12	8	3	11	72
<b>Simple step by step instructions</b>	21.1%	31.0%	8.5%	16.9%	5.6%	16.9%	100%
	15	22	6	12	4	12	71
<b>Maintenance and Upkeeping</b>	21.1%	36.6%	12.7%	9.9%	2.8%	16.9%	100%
	15	26	9	7	2	12	71

## Are these documents you refer to current?



Value	Count	Percent %
Yes	50	70.4%
No	20	28.2%

## Statistics

Total Responses	70
-----------------	----

## Are updates to iMARC documents required because of:



## iMARC Feasibility Study

### FINAL REPORT

Date: October 2010



Value	Count	Percent %
New enhancements to system functionality	37	52.1%
Functionality does not exist	4	5.6%
Functionality changed drastically	9	12.7%
User guides do not reflect changes in iMARC	20	28.2%
<b>Statistics</b>		
Total Responses		70

Were you trained on the iMARC application tool?

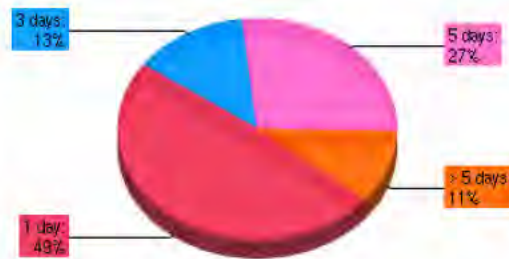


Value	Count	Percent %
Yes	37	52.1%
No	32	45.1%
<b>Statistics</b>		
Total Responses		69

## FINAL REPORT

Date: October 2010

## How long was the training?



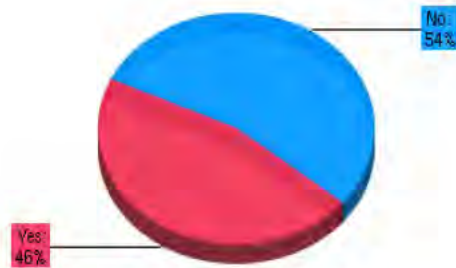
Value	Count	Percent %
1 day	18	25.4%
3 days	5	7%
5 days	10	14.1%
> 5 days	4	5.6%

## Statistics

Total Responses	37
Sum	83.0
Average	2.5
StdDev	1.78
Max	5.0



## Did your training cover ALL iMARC modules?



Value	Count	Percent %
Yes	17	23.9%
No	20	28.2%
Statistics		
Total Responses		37

## Did your training cover one module?

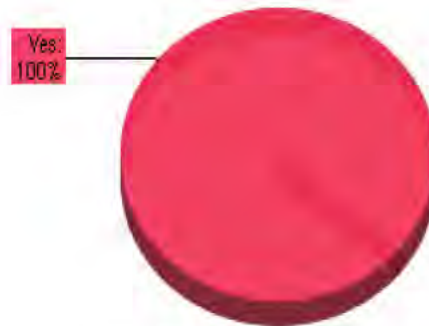


## FINAL REPORT

Date: October 2010

Value	Count	Percent %
Yes	17	23.9%
No	3	4.2%
Statistics		
Total Responses		20

In your job functions, do you use the modules you were trained in?



Value	Count	Percent %
Yes	37	52.1%
Statistics		
Total Responses		37

## FINAL REPORT

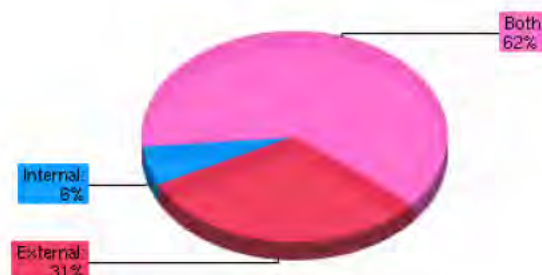
Date: October 2010

Do you use other government automated systems to fulfill your job responsibilities?



Value	Count	Percent %
Yes	63	88.7%
No	7	9.9%
Statistics		
Total Responses		70

Are these systems external or internal to NGB?



## FINAL REPORT

Date: October 2010

Value	Count	Percent %
External	20	28.2%
Internal	4	5.6%
Both	40	56.3%

## Statistics

Total Responses	64
-----------------	----

Are these systems related and are you dependant on them to satisfy your job requirements at NGB?



Value	Count	Percent %
Yes	62	87.3%
No	1	1.4%

## Statistics

Total Responses	63
-----------------	----



## FINAL REPORT

Date: October 2010

If related and dependant, do you feel that the systems could be interfaced?



Value	Count	Percent %
Yes	49	69%
No	14	19.7%
Statistics		
Total Responses		63

What type of a interface do you require?



Value	Count	Percent %
Data	37	52.1%
Reports	9	12.7%
Systems	10	14.1%
Other	7	9.9%

**Statistics**

Total Responses	63
-----------------	----

In your opinion, do you think direct data interfaces will reduce manual processes, complexity and improve performance?



Value	Count	Percent %
Yes	55	77.5%
No	8	11.3%

**Statistics**

Total Responses	63
-----------------	----

## FINAL REPORT

Date: October 2010

## When would you like to have the interface built?



Value	Count	Percent %
Immediately	27	38%
3 - 6 months	6	8.5%
6 - 12 months	9	12.7%
12 - 18 months	10	14.1%
Not in the near future	11	15.5%

## Statistics

Total Responses	63
Sum	192.0
Average	7.7
StdDev	3.71
Max	12.0

### In the past, have you worked with web based Government Applications Systems?



Value	Count	Percent %
Yes	52	73.2%
No	19	26.8%
Statistics		
Total Responses		71

### Were these budget application tools?



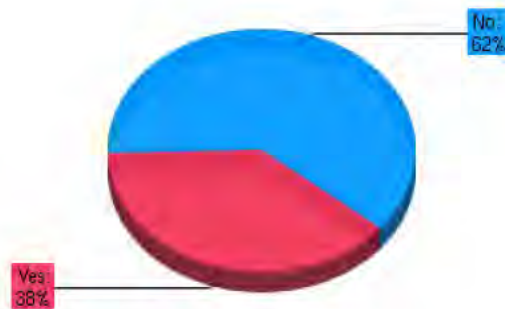


## FINAL REPORT

Date: October 2010

Value	Count	Percent %
Yes	18	25.4%
No	36	50.7%
Statistics		
Total Responses		54

Were these financial application tools dealing with benefits and incentives?



Value	Count	Percent %
Yes	20	28.2%
No	32	45.1%
Statistics		
Total Responses		52

**Do you analyze and process with Exceptions to Policy (ETPs)?**

Value	Count	Percent %
Yes	46	64.8%
No	24	33.8%
Statistics		
Total Responses		70

**If YES, do you record ETP's submitted to NGB and upload pertinent documents in iMARC?**

## FINAL REPORT

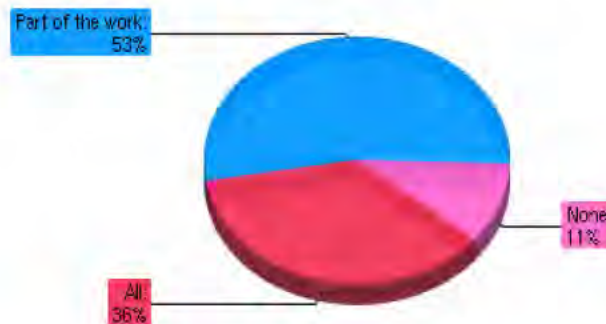
Date: October 2010

Value	Count	Percent %
Yes	37	52.1%
No	10	14.1%

## Statistics

Total Responses	47
-----------------	----

How much of your ETP work is captured within iMARC?

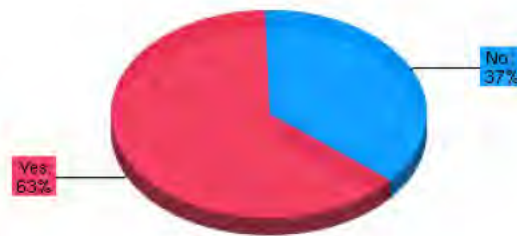


Value	Count	Percent %
All	17	23.9%
Part of the work	25	35.2%
None	5	7%

## Statistics

Total Responses	47
-----------------	----

## Would you like to assist us in ranking iMARC?



Value	Count	Percent %
Yes	45	63.4%
No	26	36.6%
<b>Statistics</b>		
Total Responses		71

## In your opinion, rank iMARC based on the following criteria?





**FINAL REPORT**

Date: October 2010

Value	Count	Percent %
Very Good	12	16.9%
Good	15	21.1%
Needs improvement	18	25.4%
Do not have an opinion	1	1.4%
<b>Statistics</b>		
Total Responses		46

**National Guard Bureau Education Division Instruction 1.1  
(NGB-EDUi 1.1)**

Army National Guard

**Chaplain, Health Professional and  
Enlisted Loan Repayment Programs  
(CHELRP)**

NGB-EDU-IN  
Arlington, VA  
1 October 2009

0

NGB-EDUi 1.1 • 1 October 2009

# ***SUMMARY of CHANGE***

NGB-EDI 1.1

Chaplain, Health Professional and Enlisted Loan Repayment Programs (CHELRP)

This newly established instruction –

- Consolidates the Chaplain, Health Professional and Student (Enlisted) Loan Repayment Program policies into one instruction, thus referred-to ARNG-CHELRP
- Accepts degrees obtained from a theological seminary accredited by any of the National Faith-Related Accrediting Organizations as listed in the CHEA Directory of Recognized Organizations to participate in the CLRP
- Authorizes Soldiers in the Enlisted Loan Repayment Program to add new loans up-to the fifth anniversary date of current six-year contract.
- Clarifies types of loans that can be paid under the ARNG-CHELRP
- Defines responsibilities by each responsible party throughout the application for repayment process.
- Establishes the acronym ELRP which represents the former Student Loan Repayment Program or SLRP within the Army National Guard, hence referred-to as Army National Guard Enlisted Loan Repayment Program or ELRP and/or ARNG-ELRP
- Establishes CHELRP payments provisions for Soldiers accepting AGR/Military Technicians tours or positions.

## Chaplain, Health Professional and Enlisted Loan Repayment Programs (CHELRP)

By Order of the Director, Army National Guard:

MICHAEL L. JONES  
Colonel, Chief, Guard Strength Enterprise  
Army National Guard

Official:

For:	POYNION, KATHLEEN MARIE 1025965961
------	------------------------------------

LTC DIANA CRAUN  
Chief, Education, Incentives, and  
Employment Division

**Applicability.** This instruction applies only to Soldiers in the Army National Guard/Army National Guard of the United States.

**Distribution.** This publication is available in electronic media only and intended for command levels in the, the Army National Guard/Army National Guard of the United States.

**Suggested improvements.** Users are invited to send comments and suggested improvements directly to National Guard Bureau, NGB-EDU, ATTN: CHERLP (NGB-EDU-IN), 111 South George Mason Drive, Arlington, VA 22204-1032

**History.** This instruction is a consolidated revision of Loan Repayment Policies within the National Guard Bureau (Army)

**Summary.** This instruction provides guidance for state's incentives managers, MILPOs/DCS, G1, RRC and Soldiers with procedures, and information to participate and execute the Army National Guard Loan Repayment Program

Point of Contact for inquiries on all programs is the Education and Incentive Support Center (ESC) at the Professional Education Center (PEC) in Little Rock, Arkansas. Hours of operation are Monday through Friday from 0600-1800(CST). Question can be directed to 1-866-628-5999 or by email address [esc@pec.ngb.army.mil](mailto:esc@pec.ngb.army.mil). Proponent for this instruction is NGB-EDU-IN, Arlington, VA 22204.

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## Introduction

### 1-1. Purpose

This instruction establishes standards, policies, and procedures for the management of the Army National Guard (ARNG) Chaplain, Health Professionals and Enlisted Student Loans Repayment Program (CHELRP). This instruction supersedes all previous policies/guidance/instructions on the processing of Education (Student) Loan Repayment Program (ELRP), Chaplain Loan Repayment Program (CLRP) or Health Professional Loan Repayment Program (HPLRP)). The purpose of CHELRP is to assist ARNG leadership and personnel managers in meeting and sustaining the readiness requirements for the ARNG. This program is used to recruit individuals with or without prior military service and to retain current members in the ARNG. This instruction establishes policy to administer the ARNG-CHELRP for the period of 01 October 2009 through 30 September 2010 unless otherwise noted, superseded or suspended. Commanders at all levels are required to ensure that this policy is managed effectively in order to preclude any occurrence of fraud, abuse, or mismanagement.

### 1-2. Policies

Related publications, directives, instructions and mandates are listed in appendix A.

### 1-3. Explanation of abbreviations and terms

Abbreviations and terms used in this regulation are explained within the context of the instruction.

### 1-4. Objectives

The objectives of this regulation are to—

- a. Create a standard for executing the ARNG-CHELRP.
- b. Provide a single source for obtaining information in relation to ARNG Student Loan Repayment Programs.

## Section II

### Requirements

#### 2-1. Chaplain Eligibility

- a. *To be eligible for the Chaplain Loan Repayment Program (CLRP) a Soldier must-*

(1) Meet all requirements set forth in DoDI 1304.28, AR 135-100, Chapter 3, Section III, and AR 165-1, Chapter 6 for accessioning and commissioning as a Chaplain in the ARNG.

(2) Hold an appointment as a Chaplain in the ARNG.

(3) Sign counseling checklist and written agreement to serve for three-years as a Chaplain in the ARNG.

(4) Possess a current ecclesiastical endorsement from an agency approved the Armed Forces Chaplains Board.

(5) Possess outstanding educational loans secured on or after October 1, 1975 IAW Section 16303, 10 USC.

These loans must have been applied towards a basic professional qualifying degree (post baccalaureate) or graduate education resulting in a Masters of Divinity Degree or equivalent (theological, chaplaincy, apologetics, religious or related studies). They cannot be based on credit standing and/or funded through private institutions. All degrees must be obtained from a theological seminary accredited by any of the National Faith-Related Accrediting Organizations as listed in the Council for Higher Education Accreditation (CHEA) Recognized Organizations' Directory. New loans incurred after signing a three-year CLRP service agreement will not be eligible for repayment until the current term of service is completed and a new three-year CLRP service agreement is initiated.

- b. Individuals enrolled in the Chaplain Candidate Program are **not** eligible to participate in the ARNG CLRP.

c. The amount of CLRP will not exceed \$20,000 for each three-year period of obligated service that the person agrees to serve. Therefore, the maximum payment given to an eligible participant under the CLRP will not exceed \$6,666.66 for each year of the incentive term. The maximum lifetime benefit will not exceed \$40,000. The payment will consist of the loan's principal, interest and related expenses.

- d. *Method of Payment:*

(1) Qualifying individuals will receive a total of three annual payments during each CLRP incentive term. Annual payments will be processed on the anniversary date of their respective service agreement and be equal to one-third of the value of the loans that were present and verified upon entry into the program. New loans incurred after signing a three-year CLRP service agreement will not be eligible for repayment until the term is complete and a new three-year CLRP service agreement is initiated.

(2) Repayment of any such loans under this program shall be made after each year of satisfactory service performed as a chaplain commissioned officer in the ARNG, beginning on the date the CLRP service agreement is signed. This program will not reimburse amounts paid by the individual or any other agency. Repayment of any loan shall not exceed the outstanding balance.

## **2-2. Healthcare Professional Eligibility**

**a.** *To be eligible for the Healthcare Professionals Loan Repayment Program (HPLRP) an officer must-*

(1) Serve in an ARNG TDA/MTOE unit (IAW the current ARNG AMEDD Incentives Policy) to receive HPLRP. For each year of satisfactory service with at least 50 good retirement points in the unit, any DOD-authorized student loan will be considered eligible for repayment that:

(a) Has an outstanding balance on the principal.

(b) Was secured for at least one year prior to the current anniversary date.

**b.** Under the HPLR Program, payment in any given year will not exceed the amount authorized for that specialty (see 1-3 below) or the remaining balance of the student loan, whichever is less. Total program repayments for all years will not exceed the maximum authorized amount for that specialty. Officers will complete both DA Form 5536-R and the Amendment to DA Form 5536-R. Selected Reserve Incentive Program (SRIP) managers will ensure that each HPLRP participant's data is entered into the Information Management and Reporting Center prior to processing.

(1) Medical and Dental Corps: \$40,000 per year, with a \$120,000 lifetime cap.

(2) Physician Assistants, Physical Therapists, Nurse Practitioners, Social Workers, and Clinical Psychologists: \$20,000 per year with a \$60,000 lifetime cap.

(3) Bachelor of Science in Nursing (BSN) Nurses: \$10,000 per year with a \$30,000 lifetime cap.

**c.** A healthcare professional that entered into a previous HPLRP agreement prior to the FY 2010-11 ARNG AMEDD Incentives Policy may reenter into an agreement to have the HPLRP pay up to the new authorized lifetime cap for their specialty. Healthcare professionals that are currently exercising a HPLRP contract are eligible to increase to the new authorized amount for their specialty. Officers will sign a statement of understanding at the time they submit their annual loan repayment paperwork either electing to receive the amount from their current contract, or the new annual amount, thus understanding that they will only receive the difference between the new lifetime cap and what they have already received. This also applies to AMEDD officers who reappoint to a specialty that is allowed a larger amount.

**d.** *The following repayment restrictions apply:*

(1) The borrower may not be reimbursed for payments already made on loans. Payments are made to educational and financial institutions, not to individuals, loans cannot be based on credit standing and/or funded through private institutions. The loans must be for the officer's qualifying degree or further education.

(2) Repayment cannot exceed the outstanding balance of the DOD-recognized loan(s).

(3) The agreement (DA Form 5536-R) does not change the officer's obligation to the lender or holder of the note(s).

(4) Loan(s) in default are not authorized for repayment.

(5) Consolidated educational loans may be eligible for repayment. The individual must provide evidence that all loans in the consolidation are for the eligible education, and provide the payment history to calculate what portion of each loan in the consolidation has been satisfied.

(6) Payments will be made until either the student loan(s) is (are) retired or the ceiling set forth in the current AMEDD Incentives policy is reached (to include any payments made under the previous programs), whichever is the lower amount. Payments will be made to the maximum annual amounts shown in paragraph 2-2b not exceed the lower of the authorized annual amount per year or the remaining balance of the student loan. If total repayments are less than the new authorized life cap, the remaining amount may be applied to future student loans that the officer

may incur, hence requiring that the officer executes a new contract. Taxes are not withheld from payments made to the institution. However, the individual incurs a tax debt, as this is considered income that must be reported.

(7) Medical Corps officers who are board-eligible or board-certified are eligible to participate in the HPLR program.

(8) Graduates of the Inter-Service Physician Assistant Program (IPAP) are not eligible to participate in this program until they satisfy their six-year contractual agreement.

(9) The STRAP may be offered in conjunction with the HPLRP provided that the eligible physician has completed at least two years of residency training and is not in the obligor phase (Phase 2) of STRAP. The physician may enroll at the beginning of the third year of residency and receive the first (anniversary) loan repayment one year later.

(a) In order to meet the HPLRP eligibility requirement, a STRAP participant must agree to extend their STRAP obligation prior to completing the STRAP stipend phase (Phase 1). When utilization of HPLRP results in an extension of the STRAP obligation, a copy of the STRAP Extension Statement will be enclosed along with DA Form 5685-R and forwarded to NGB-EDU (AMEDD Incentives) accordingly for computation of the new STRAP obligation dates. The enclosed STRAP Extension Statement may be used as a master copy. The STRAP Manager must compute all STRAP obligor extensions. EXAMPLE: An officer completes training on 30 Jun 08, however their anniversary date for HPLR is not until 12 Oct 08; in order for them to receive their anniversary payment, the officer must agree to extend their STRAP obligation 3 months and 12 days.

**c. Application for repayment of loans:**

(1) It is the individual officer's responsibility to submit to the State's CHELRP manager a Memorandum for Annual Loan Repayment each year through his or her unit of assignment.

(2) Application for repayment may be submitted no earlier than 60 days prior to the officer's anniversary date. Repayment will be paid on the anniversary date. All signatures will be accomplished within 90 days of the anniversary payment.

## **2-3. Enlisted Eligibility**

**a. To be eligible for the Enlisted Loan Repayment Program(ELRP) a Soldier must – (General Requirements)**

(1) Be a secondary school (high school) graduate.

(2) Enlist or Reenlist IAW paragraphs **b - f** below.

(3) Soldiers must have one or more qualifying, and **disbursed** loans at the time of enlistment/re-enlistment/extension.

(4) Enlisted Soldiers receiving ELRP will remain eligible while attending Officer Candidate School (OCS) or Warrant Officer Candidate School (WOCS) or after contracting into the ROTC/SMP. Soldiers will also remain eligible upon commissioning or appointment, subject to the original restriction that their ELRP will be paid within the same period established in their original enlistment documents.

(5) Any Soldier who initially contracts for the ELRP on or after 1 October 2009 may continue ELRP eligibility by extending for a period of not less than six years once they reach their 12 month extension window. Any period of extension of less than six years will terminate ELRP eligibility. These Soldiers may continue to extend in this manner until they reach the maximum dollar amount authorized on their initial ELRP contract.

(a) Any new qualifying loans that were disbursed during the current contract term may be added for repayment only up-to the fifth anniversary date. Loans disbursed after the fifth anniversary date, will require a new 6-year contract extension.

(b) Payments on loans cannot exceed the **\$50,000** amount authorized under the initial contract, with a maximum payment of 15 percent (\$7,500 cap per Soldier, per year) or \$500 per year, whichever is greater. The annual payment will include interest as long as the combined principal and interest payment does not exceed the maximum amount authorized under the law. (Refer to Table 1-1 on page 2)

**b. All NPS enlistees must meet the following eligibility requirements in addition to the general requirements:**

(1) Enlist for either a 6x2 or 8x0 enlistment option.

(2) Enlist into a CS, MTOE, AVCRAD, RTI or a Medical or Special Forces TDA Unit.

(3) Qualify as a Category I-III A enlistment (AFQT of 50 or higher).

**c.** All PS enlistees must meet the following eligibility requirements in addition to the general requirements:

(1) Enlist for six years

(2) Enlist into a CS, MTOE, AVCRAD, RTI or a Medical or Special Forces TDA Unit.

(3) Must not have ever previously received the ELRP as an enlistment, re-enlistment or extension option in the Selected Reserve.

(4) Must be DMOSQ for the position for which enlisting.

**d.** Current ARNG Soldiers must meet the following eligibility requirements in addition to the general requirements:

(1) Re-enlist/Extend for enough time to place their ETS at least six years out from the date of entry on the program. Soldiers who currently have six or more years from the date they execute a valid ELRP addendum to their current ETS may enter the program without executing an extension.

(2) Be assigned to a CS, MTOE, AVCRAD, RTI or a Medical or Special Forces TDA Unit.

(3) Must not have ever previously received the ELRP as an enlistment, re-enlistment or extension option in the Selected Reserve.

(4) Must be DMOSQ for their assigned position.

(5) Soldiers may re-enlist/extend at any time in order to gain initial entry into the program and do not have to be within their 12 month window of ETS. After that they must re-enlist/extend IAW paragraph E (3) in order to maintain eligibility beyond the initial six-year period.

**Table 1-1**  
**ELRP Requirements**

Bonus Option	Amount	Years of Service	Payment Schedule
NPS Enlistment into MTOE, <sup>1</sup> AVCRAD, RTI <sup>2</sup> , Medical and Special Forces TDA Units	Up to \$50,000	6X2 or 8X0	15 percent of loan principle (\$7,500 cap per Soldier, per year) or \$500 per year, whichever is greater. Payments are processed upon completion of each year anniversary of entrance into the program.
PS Enlistment into CUI, MTOE, AVCRAD, RTI, Medical and Special Forces TDA Units		6 Year Enlistment	
Re-enlistment/Extension in MTOE, AVCRAD, RTI, Medical and Special Forces TDA Units		6 Year Re-enlistment/Extension	

## 2-4. Establishing CHELRP anniversary date

The date the Soldier signed his/her DA Form 5261-4-R (SLRP), DA Form 5536-R (HPLRP) and/or respective agreements (found in appendix C), establishes the anniversary date (month). Refer to Section III of this regulation for initial and anniversary payments.

## 2-5. Authorized Loans

**a.** The following loans qualify for repayment under CHELRP:

(1) Stafford Loans, also known as Guaranteed Student Loans.

(2) Federally Insured Student Loans.

(3) Perkins Loan. (Formerly National Defense Student Loan/National Direct Student Loan (NDSL))

<sup>1</sup> AVCRAD – Aviation Classification Repair Activity Depot

<sup>2</sup> RTI – Regional Training Institute



- (4) Auxiliary Loans to Assist Student (ALAS).
  - (5) Supplemental Loans for Students (SLS).
  - (6) SMART Loans
  - (7) Health professions education loan made or insured under part A of title VII of the Public Health Service Act (42 U.S.C. 292 et seq.) or under part B of title VIII of such Act (42 U.S.C. 297 et seq.) (**HPLRP Only**)
  - (8) A loan made, insured, or guaranteed through a recognized financial or educational institution if loan was used to finance education of a basic professional qualifying degree, graduate education in a health profession or graduate education resulting in a Masters of Divinity Degree or equivalent (theological, chaplaincy, apologetics, religious or related studies). They cannot be based on credit standing and/or funded through private institutions. All degrees must be obtained from a theological seminary accredited by any of the National Faith-Related Accrediting Organizations as listed in the Council for Higher Education Accreditation (CHEA) Recognized Organizations' Directory, and that the Secretary of Defense determines to be critically needed in order to meet identified wartime combat skill shortages. (**HPLRP and CLRP Only**)
- b.** All eligible loans must have been taken out after 1 October 1975. State and private loans are not eligible to be repaid under the CHELRP. Non-eligible loans are credit based, such as Signature, Private, Alternative and others. Lenders can clarify if the loan is a Title IV loan or not.

## **2-6. Taxes**

It is important to note that CHELRP payments are taxable income but taxes are not deducted at the time of payment. A separate DFAS W2 will be issued to all Soldiers participating in the program.

## **Section III Responsibilities**

### **3-1. Soldier's responsibility**

He/She initiates the DD Form 2475 annually by completing sections 2 and 3; submitting it to unit of assignment or readiness NCO NLT three months prior to CHELRP anniversary date. Soldiers will be notified via an automatically generated email indicating that they are within 90-days from initial or anniversary loan repayment eligibility date.

### **3-2. Unit's responsibility**

- a.** Unit Readiness NCO or representative will:
- (1) Complete Section 1 of DD Form 2475
  - (2) Verify Soldier completed Sections 2 and 3 correctly
  - (3) Forward DD Form 2475 to State's CHELRP Manager for further processing thru loan agency and payment processing.

### **3-3. CHELRP's Manager responsibility**

- a.** The state manager will forward DD Form 2475 with cover memorandum identifying what needs to be accomplished to the loan agency listed on Section 3 of the form. A sample memorandum is at figure 1-1. It is extremely important that the manager prints and submits this cover memorandum to the loan agency to formalize the process. Upon receipt of DD Form 2475 from loan agency, verify that--
- (1) Section 4 is completed.
  - (2) For the first payment of any loan, a copy of the loan note (promissory/master/consolidated loan) was enclosed. A master promissory note must have a copy of the disbursement statement. Consolidated loans must have a copy of the disbursement statement and/or original promissory notes. For anniversary payment submissions, a copy of the promissory note is not required.
  - (3) Forward the CHELRP claim up-to 30 days prior to the Soldier's anniversary date to the servicing USPFO for payment and processing thru DFAS.
  - (4) Will obtain on a monthly-basis CHELRP payment vouchers from state USPFO via SRD, thus closing and verifying that payments were sent to lenders on behalf of the service member.

### **3-4. Loan agency's responsibility**

- a. Loan agent or representative will:
  - (1) Complete Section 4 of DD Form 2475
  - (2) Provide copies of promissory/master promissory note (s) with disbursement statement/consolidated loan note(s)
  - (3) Annotate any interest and/or capitalized interest in Block I (Loan Interest)
  - (4) Return completed DD Form 2475 and enclosure to State's CHELRP manager in a timely manner.

## **Section IV**

### **Suspension and Termination**

#### **4-1. Suspension**

a. A Soldier may be suspended from CHELRP if transferred to ING or IRR for a period not to exceed one-year. Non-availability beyond a year will terminate the CHELRP entitlement immediately.

b. If the Soldier is under a Suspension of Favorable Personnel Actions (FLAGS) for failure to pass the Army Physical Fitness Test (APFT) or for entry into Weigh Control Program. All other adverse actions FLAGS will result in termination of incentive.

#### **4-2. Termination**

- a. Receives the maximum CHELRP benefit available equating to max amount as authorized by this instruction.
- b. Moves to another MOS/AOC, or is reclassified in an MOS/AOC, other than that for which contracted. Except if the soldier is moved to another MOS/AOC in a National Guard unit—
  - (1) For normal career progression (AR 611-201); or
  - (2) When retention of CHELRP entitlement has been approved by the Chief, National Guard Bureau.
- c. Becomes an unsatisfactory participant under AR 135-91. The termination date must be the date the soldier attained his or her 9th unexcused absence (AR 135-91, para 4-11a), or the date the soldier is determined to be an unsatisfactory participant for failing to attend or complete the entire period of annual training (AT) (AR 135-91, para 4-13).
- d. Fails to extend the contracted term of service for a period of nonavailability.
- e. Separates from status in a Selected Reserve unit of the ARNGUS, except when separated for an authorized period of nonavailability. Separation includes, but is not limited to—
  - (1) Discharge, or transfer of the Individual Ready Reserve, Standby Reserve, or Retired Reserve.
  - (2) Enlistment or appointment in the Regular Army or in a Regular or Reserve Component of another branch of service.
  - (3) Voluntary entry or order to extended active duty (EAD).

#### **4-3. Recoupment**

Since CHELRP payments are made for previous satisfactory years of service, recoupment is not normally required upon termination. However, recoupment may be required if a record reviews reveals that the Soldier received payments erroneously.

#### **4-4. Active Guard Reserve (AGR) and Military Technicians (Mil-Tech)**

1. Soldiers ordered to active duty in the State (Title-32) AGR program and soldiers accepting employment in the (Title-32) Mil-Tech program will be entitled to CHELRP payments as long as they remain serving under their initial contract and/or agreement for which CHELRP was awarded. If a Soldier must extend to meet AGR tour requirements he/she will receive a prorated amount until the effective date of new extension. Under no circumstances will a Soldier ordered to Federal (Title-10) AGR program be entitled to CHELRP payments, these Soldiers will receive a prorated amount for term served prior to effective AGR tour start date.

#### **4-5. Transferability and Previous Participation**

**a.** *Soldiers who enlist into the ARNG as a result of being conditionally released from the USAR and who are under a USAR Loan Repayment Program contract will remain eligible under that contract as long as they meet the following requirements:*

- (1) Must be AOC/DMOSQ for the position for which accessed.
- (2) Must be accessed IAW Section II paragraphs 2-1 (CLRP), 2-2 (HPLRP) and 2-3 (ELRP) respectively.
- (3) Must provide proof of any and all payments made by the USAR prior to being released. If no payments were made by the USAR, must provide proof of that fact as well.
- (4) The total amount the ARNG will pay may not exceed the lesser between the original USAR contract amount or the current maximum amount under CHELRP's specific loan repayment program. Any and all previous payments made by the USAR will be calculated against the total amount authorized under the contract in order to determine the remaining amount the ARNG will pay.

**b.** Under no circumstances will a Soldier be entitled to participate in more than one ARNG loan repayment program. As an example, a Soldier that participated in the ELRP, will not be eligible to participate in the CLRP or HPLRP and vice versa.

#### **4-6. Exceptions to Policy (ETP)**

Forward all requests related to the loan repayment programs under CHELRP prior to contract execution through the State's G1/ESOs/CHELRP or Incentives manager section to the following addresses for determination:

Chaplain and Enlisted ETPs:

National Guard Bureau  
ATTN: NGB-EDU-IN (CHELRP)  
111 South George Mason Drive  
Arlington, VA 22204-1382

Health Professionals ETPs:

National Guard Bureau  
ATTN: NGB-EDU-IN (HPLRP)  
111 South George Mason Drive  
Arlington, VA 22204-1382

#### **5-1. Program Management Tools**

**a.** The following tools are provided at the end of this instruction to assist participants, ESOs and incentives managers with the proper execution of the program. They are as follows:

- (1) CLRP, HPLRP and ELRP counseling checklists.
- (2) A list of the most common asked questions.

## **Appendix A References**

### ***Related Publications***

AR 135-7, Incentive Programs, 15 April 1996.

AR 135-100, Appointment of Commissioned and Warrant Officers of the Army, 1 September 1994.

AR 165-1, Chaplain Activities in the United States Army, 25 March 2004.

### ***Related Directives***

DOD Directive (DODD) 1205.20, Reserve Component Incentive Programs, 8 January 1996.

DOD Directive (DODD) 1304.19, Appointment of Chaplains for the Military Departments, 11 June 2004.

### ***Related Instructions***

DOD Instruction (DODI) 1205.21, Reserve Component Incentive Programs Procedures, 20 September 1999.

DOD Instruction (DODI) 1304.28, Guidance for the Appointment of Chaplains for the Military Departments, Change 1, 7 August 2007.

### ***Other Related Mandates***

Chapter 1609, Title 10 USC - Education Loan Repayment Program (Student Loan Repayment Program (SLRP), Chaplain Loan Repayment Program (CLRP) or Health Professional Loan Repayment Program (HPLRP)).

10 USC 16303, Loan Repayment Program: Chaplains Serving in the Selected Reserve, 3 January 2007.

Duncan Hunter National Defense Authorization Act (NDAA) for FY 2009, 14 October 2008.

Implementation Guidance for Army National Guard (ARNG) Army Medical Department (AMEDD) Officer Incentives Programs for FY 2010-11

Memorandum, Assistant Secretary of Defense (Health Affairs), 26 March 2008, Subject: Reserve Component Wartime Healthcare Specialties with Critical Shortages

Memorandum, Office of the Secretary of Defense – Reserve Affairs (OSD-RA), 14 April 2006, Subject: Enhancements to the Reserve Component Incentive Programs.



## CHAPLAIN LOAN REPAYMENT PROGRAM COUNSELING CHECKLIST (CLRP)

- ( ) 1. Only the following loans listed below are covered under the program

***These loans must have been applied towards a basic professional qualifying degree (post baccalaureate) or Graduate education resulting in a Masters of Divinity Degree or equivalent (theological, chaplaincy, apologetics, religious or related studies). They cannot be based on credit standing and/or funded through private institutions. All degrees must be obtained from a theological seminary accredited by any of the National Faith-Related accrediting Organizations as listed in the Council for Higher Education Accreditation (CHEA) Recognized Organizations' Directory.***

- ( ) 2. You may consolidate your Student Loans but it must be consolidated as one of the loan types listed above.
- ( ) 3. The loans must be in the soldier's name
- ( ) 4. You must turn in your promissory notes to the Incentives Office to become eligible for the CLRP; Bills and payment statements are NOT promissory notes
- ( ) 5. The CLRP does not assume responsibility for your loans.
- ( ) 6. If your loan(s) become delinquent (default) you may lose your eligibility.
- ( ) 7. You are required to submit a request for payment (DD FORM 2475) within 90-days of anniversary date.
- ( ) 8. They DD Form 2475 (request for payment) must be certified by your lender.
- ( ) 9. You are eligible for one payment per year at the end of each contracted year which is paid directly to your lender.
- ( ) 10. You will not be reimbursed for payments that you make. The payments from the CLRP go directly to the lender.
- ( ) 11. The payment will be made to the maximum annual amounts not to exceed the lower of \$6,666.66 per year or the remaining balance of the student loan; refer to your CLRP annex.
- ( ) 12. You may still be required to make a monthly payment to your lender.
- ( ) 13. Your are required to report any changes in your mailing address and phone number.

I HAVE BEEN COUNSELED ON THE CHAPLAIN LOAN REPAYMENT PROGRAM

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
SSN

This CLRP Counseling Checklist is not all inclusive and is intended as an aid. It does not supersede or override Student Loan addendum or policy. This document is only to be used as a quick reference. For details concerning the programs, refer to current NGB-EDUi 1.1.

EMAIL ADDRESS: \_\_\_\_\_

FAX COMPLETED FORM TO STATE'S INCENTIVE MANAGERS AT: \_\_\_\_\_

## HEALTH PROFESSIONAL LOAN REPAYMENT PROGRAM COUNSELING CHECKLIST (HPLRP)

( ) 1. Only the following loans listed below are covered under the program:

**A loan made, insured or guaranteed under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.); or any loan under part D of such title (the William D. Ford Federal Direct Loan Program, 20 U.S.C. 1087a et seq.); or a loan made under part E of such title (20 U.S.C. 1087aa et seq.), after October 1, 1975; or a loan made, insured, or guaranteed through a recognized financial or educational institution if loan was used to finance education of a basic professional qualifying degree, or graduate education in a health profession.**

( ) 2. You may consolidate your Student Loans but it must be consolidated as one of the loan types listed above.

( ) 3. The loans must be in the officer's name.

( ) 4. You must turn in your promissory notes to the Incentives Office to become eligible for the HPLRP; Bills and payment statements are NOT promissory notes.

( ) 5. The HPLRP does not assume responsibility for your loans.

( ) 6. If your loan(s) become delinquent (default) you may lose your eligibility.

( ) 7. You are required to submit a request for payment (DD FORM 2475) within 90-days of anniversary date.

( ) 8. They DD Form 2475 (request for payment) must be certified by your lender.

( ) 9. You are eligible for one payment per year at the end of each contracted year which is paid directly to your lender.

( ) 10. You will not be reimbursed for payments that you make. The payments from the HPLRP go directly to the lender.

( ) 11. The payment will be made to the maximum annual amounts not to exceed the new authorized lifetime cap for their specialty or the remaining balance of the student loan. (See Para 2-2)

( ) 12. You may still be required to make a monthly payment to your lender.

( ) 13. Your are required to report any changes in your mailing address and phone number.

( ) 14. You must receive a minimum of 50 good retirement points per year to maintain eligibility.

I HAVE BEEN COUNSELED ON THE HEALTH PROFESSIONAL LOAN REPAYMENT PROGRAM

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
SSN

This HPLRP Counseling Checklist is not all inclusive and is intended as an aid. It does not supersede or override Student Loan addendum or policy. This document is only to be used as a quick reference. For details concerning the programs, refer to current NGB-EDUi 1.1.

EMAIL ADDRESS:

\_\_\_\_\_

FAX COMPLETED FORM TO STATE'S INCENTIVE MANAGERS AT: \_\_\_\_\_

## ENLISTED LOAN REPAYMENT PROGRAM COUNSELING CHECKLIST (ELRP)

( ) 1. Only the Following Federal loans listed below are covered under the program

**Auxiliary Loans to Assist Students (ALAS)**

**Consolidated Loan Program (CLP)**

**Perkins Loan (Formerly National Direct Student Loan)**

**Federally Insured Student Loan**

**Smart Loan**

**Stafford Loan Program (formerly Guaranteed Student Loans GSL)**

**Supplemental Loans for Students (SLS)**

**William D. Ford Federal Direct Loan Program**

- ( ) 2. You may consolidate your Student Loans but it must be consolidated as one of the loan types listed above.
- ( ) 3. The loans must be in the soldier's name.
- ( ) 4. You must turn in your promissory notes to the Incentives Office to become eligible for the ELRP; Bills and payment statements are NOT promissory notes.
- ( ) 5. The ELRP does not assume responsibility for your loans.
- ( ) 6. If your loan(s) become delinquent (default) you may lose your eligibility.
- ( ) 7. You are required to submit a request for payment (DD FORM 2475) within 90-days of anniversary date.
- ( ) 8. They DD Form 2475 (request for payment) must be certified by your lender.
- ( ) 9. You are eligible for one payment per year at the end of each contracted year which is paid directly to your lender.
- ( ) 10. You will not be reimbursed for payments that you make. The payments from the ELRP go directly to the lender.
- ( ) 11. The payment amount is calculated to be 15% (\$7500 cap per year) of the original principal; actual amount varies by contractual year. Please refer to your ELRP annex.
- ( ) 12. You may still be required to make a monthly payment to your lender.
- ( ) 13. Your are required to report any changes in your mailing address and phone number.

I HAVE BEEN COUNSELED ON THE ENLISTED LOAN REPAYMENT PROGRAM

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
SSN

This ELRP Counseling Checklist is not all inclusive and is intended as an aid. It does not supersede or override Student Loan addendum or policy. This document is only to be used as a quick reference. For details concerning the programs, refer to current NGB-EDUi 1.1.

EMAIL ADDRESS:

\_\_\_\_\_

FAX COMPLETED FORM TO STATE'S INCENTIVE MANAGERS AT: \_\_\_\_\_

Army National Guard Chaplain, Health Professional and Enlisted Loan Repayment Program

(ARNG-CHELRP)

Frequently Asked Questions

**Q1. How does the repayment cycle work and when will repayments on my loans begin?**

Before repayments under can begin, State's CHELRP managers must receive:

1. Loan verification information from the Recruit (borrower) and
2. Current loan holders.

In order to obtain this information, Recruiters/MEPS Counselors will provide the new applicants with a packet that contains a DD Form 2475. This form must be filled out in part by the applicant and then by the loan holder. The loan holder(s) must then return the completed form to the new applicant. The Recruiter and/or MEPS Counselor assisting the applicant will forward the completed application to their respective State's CHELRP managers. Only after manager has received all completed forms and verified that the loan(s) qualify for the program, will authorization for repayment be given.

After the required paperwork has been received, and the loans have been verified as eligible for program, managers will enter the new applicant into iMARC.

The first payment is eligible after the first year of service and completion of IET. The Soldier is required to submit annual DD 2475's to program managers in order to trigger the anniversary payments.

It is always the responsibility of the Soldier to ensure that managers receive the completed DD Forms 2475 from all current loan holders on all eligible loans.

**Q2. What loans qualify for repayment?**

Loans which qualify include those which are made, insured, or guaranteed under Part B (Federal Family Education Loan Program); Part D (William D. Ford Direct Loan Program); or Part E (Federal Perkins Loans) of the Higher Education Act of 1965. These loans also must have been acquired prior to entry on active duty. The types of loans that qualify for the program are:

- (1) Stafford Loans, also known as Guaranteed Student Loans.
- (2) Federally Insured Student Loans.
- (3) Perkins Loan. (Formerly National Defense Student Loan/National Direct Student Loan (NDSL))
- (4) Auxiliary Loans to Assist Student (ALAS).
- (5) Supplemental Loans for Students (SLS).
- (6) SMART Loans
- (7) A loan made, insured, or guaranteed through a recognized financial or educational institution if loan was used to finance education of a basic professional qualifying degree, graduate education in a health profession or graduate education resulting in a Masters of Divinity Degree or equivalent (theological, chaplaincy, apologetics, religious or related studies). They cannot be based on credit standing and/or funded thru private institutions. All degrees must be obtained from a theological seminary accredited by any of the National Faith-Related Accrediting Organizations as listed in the Council for Higher Education Accreditation (CHEA) Recognized Organizations' Directory, and that the Secretary of Defense determines to be critically needed in order to meet identified wartime combat skill shortages.

**(HPLRP and CLRP Only)** *(If you are unsure about the loan "type" or name, please contact your lender for clarification on loan eligibility)*



### **Q3. What are the names of nonqualifying loans?**

Non-Eligible Loans are credit based. These are Signature, Private, Alternative, or whatever. If in doubt, call the lender and ask "Is this loan a Title IV loan?"

### **Q4. What are my responsibilities?**

It is important to remember that the ARNG never assumes your loan(s) under this program. You always remain responsible for the status of your loan(s) and you must always keep your loan(s) in good standing. The ARNG will **NOT** pay on loans that are in default. You must ensure that CHELRP managers receive the completed DD Form 2475 with enclosures back from your loan holders so that repayment process can be initiated.

DD Form 2475 (Effective NOV2006) has 4 parts. Part 1 is to be filled out by the Soldier and signed by someone in the Soldier's chain of Command (Block 1 (b) (2)). The Soldier's address should be put in block 1(a). Part 2 is self explanatory. Part 3 is filled out by the Soldier. The Soldier should call the lender if there are any questions. Part 4 is filled out by the lender. The lender returns the form to the address listed in Part 1 Block 1 (a).

FORWARD completed DD 2475's and ask for email confirmation. Managers will match your Enlistment, the Statement of Understanding, the Promissory Notes with the applicants name as the borrower, and the previously completed DD 2475's before requesting a payment from DFAS Cleveland. If we don't have all these forms, we can't schedule a payment.

### **Q5. What is a loan deferment or forbearance and how do I obtain one?**

In some cases a student loan deferment will stop interest from accruing (which the ARNG will not repay under CHELRP).

Forbearance will stop payments from coming due on a student loan; however interest will continue to accrue. As of 1 Jul 95, in accordance with the Federal Register (34 CFR 682.211 (h) (ii) (B), Mandatory Forbearances), loan holders are required to forbear any and all student loans that are on student loan repayment programs administered by the Department of Defense (U.S. Code Title 10, Section 2171).

*It is, however, the borrower's responsibility to promptly contact the loan holder and apprise the agency of one's active duty status and officially initiate the request for forbearance. A deferment or forbearance will prevent a loan from going into a state of delinquency or default. If a loan holder is requiring the borrower to begin making repayments, then it is the borrower's responsibility to officially request either a deferment or forbearance.*

*Conditions under which a deferment or forbearance are obtained are handled exclusively between the borrower and the loan holder. It is always the borrower's responsibility to effect the official request and then to ensure that the deferment or forbearance has been obtained. Paperwork for deferment or forbearance must be obtained from the lender and the Recruit must ensure the paperwork is taken care of and is kept up-to-date.*

The ARNG does not assume an individual's loan. The individual remains responsible for payment and the status of the loan. Public Law 99-145, Section 671(a)(1), precludes the authorization of payments toward interest. Likewise, reimbursement of payments already made is prohibited.

### **Q6. Is the Loan Repayment Program taxable?**

Yes, payments are considered by the IRS as taxable income in the year they are paid. Service member whose lenders have received a payment will receive a W-2 from DFAS. It will not be identified on your

regular base pay W-2. It is important that you file your income taxes with this W-2. Since payments are considered as income, this withholding will avoid you facing a large tax bill at the end of the year. In general you will receive a refund from the IRS.

For example, \$2,500 will be withheld from a \$10,000 payment. Potentially you could get all that money back from the IRS and make a payment on your student loans.

A separate Statement of Amount Paid (W-2) should be provided to an individual at tax year-end by Defense Finance and Accounting Services (DFAS) - Indianapolis Center. If the W-2 has not been received, please contact DFAS at 1-888-DFAS411, and clearly explain to them that you are missing a W-2 for the Loan Repayment Program.

**Q7. Are defaulted loans eligible for payment under the Loan Repayment Program?**

The ARNG will not repay loans or portions of loans in default, delinquent payments, interest, or associated charges.

**Q8. What if I do not know where my loans are or who the current loan holder is?**

The U.S. Department of Education can help you track your student loans as well as obtain copies of your promissory notes. You can reach them at this telephone number: 1 (800) 4-FED-AID at [www.nslds.ed.gov](http://www.nslds.ed.gov)

**Q9. What else should I know as a Loan Repayment Program participant?**

If a Soldier does not fulfill his/her enlistment obligation, by separating from the service early, then he/she will forfeit/ lose his/her eligibility. There are some exceptions to this early separation rule.

**Q10. Whom do I contact if I have any questions about the Loan Repayment Program?**

Address all questions to your respective State's CHELRP manager; you can find contact information via <https://www.virtualarmory.com/education/ArngPOC/Default.aspx>



## NATIONAL GUARD BUREAU

111 SOUTH GEORGE MASON DRIVE  
ARLINGTON VA 22204-1382

NGB-EDU

20 January 2010

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### MEMORANDUM FOR SEE DISTRIBUTION

**SUBJECT:** Army National Guard (ARNG) Selected Reserve Incentive Program (SRIP) Guidance for Fiscal Year (FY) 2010, 1 October 2009 – 30 September 2010 (Policy Number 10-01)

#### 1. References

- a. AR 135-7, Army National Guard and Army Reserve Incentive Programs, 15 April 1996.
- b. NGR 600-7, Selected Reserve Incentive Programs, 26 March 1999.
- c. Department of Defense Instruction (DODI) 1205.21, Reserve Component Incentive Programs Procedures, 20 September 1999.
- d. Memorandum, NGB, ARNG-G1, 23 February 2006, subject: Army National Guard (ARNG) Fiscal Year (FY) 2006 Military Occupational Specialty (MOS) Conversion Bonus Implementation Policy.
- e. Army National Guard Enlistment Program, ARNG FY-07 Enlistment Criteria, 1 October 2006.
- f. Memorandum, NGB-ARH, 17 November 2006, subject: Army National Guard (ARNG) Overstrength Policy.
- g. Memorandum, Headquarters Department of the Army, DAPE-MPA, 17 April 2009, subject: Bonus Recoupment Policy.
- h. AR 601-210, Active and Reserve Components Enlistment Program, 7 June 2007.
- i. Public Law 110-417, Duncan Hunter National Defense Authorization Act (NDAA) for FY 2009, 14 October 2008.

**2. Applicability.** This policy applies to Army National Guard (ARNG) Soldiers in an MTOE or TDA unit serving in an M-Day status only. Active Guard and Reserve (AGR) Soldiers and Military Technicians (Mil Techs) are not covered under this policy. This policy does not govern Montgomery GI Bill-Selected Reserve (MGIB-SR) Chapter 1606, Montgomery GI Bill Kicker eligibility or Enlisted Loan Repayment Program (ELRP) eligibility.

NGB-EDU

SUBJECT: Army National Guard (ARNG) Selected Reserve Incentive Program (SRIP)  
Guidance for Fiscal Year (FY) 2010, 1 October 2009 – 30 September 2010 (Policy Number 10-01)

**3. General.** This policy prescribes procedures and standard formats for administering ARNG incentives. The implementation of the Selected Reserve Incentive Programs (SRIP) policy for fiscal year (FY) 2010 governs ARNG incentives which are contracted during the period of 16 June 2010 through 30 September 2010 unless otherwise noted, superseded, suspended or revoked. Any prior copies of the FY 10 SRIP submitted to the selected states for review are not authorized for use. For information on administering incentives agreements entered into during previous periods, reference the applicable SRIP in force during that time period. Individuals entering into an ARNG incentives agreement which reference this policy as governing the terms or conditions of the agreement, will be provided a copy of this policy and given the opportunity to review this policy before signing the agreement. Funds will not be obligated outside of this effective period of this policy without funding approval. Commanders at all levels are required to ensure that this policy is managed effectively in order to preclude any occurrence of fraud, waste, abuse, or mismanagement of government funds and resources.

**4. Purpose.** The purpose of the ARNG Incentive Program is to assist ARNG leadership and personnel managers in meeting the readiness requirements of the ARNG. It is imperative that each State utilizes the resources available within this program in order to target personnel strength and readiness issues. Critical shortages identified through Unit Status Reports (USR) and updated for output to Automated Unit Vacancy System (AUVS) in order to focus the incentive program on the States' prioritized shortages. Incentives shall be implemented in specific situations where other less costly methods have proven inadequate or ineffective and shall be used only as necessary to support unit and skill staffing requirements.

**5. Eligibility Information.**

a. Bonus addendums will contain an approved iMARC generated Bonus Control Number (BCN) from the Incentive Manager (IM). The bonus control number and signatures on the bonus addendums will be completed prior to or on the date of enlistment or reenlistment/extension for the incentive to be valid. Officer Accession addendums will comply with line 11. a (2). Bonus Control Numbers are only valid for the original request and if approved. No exceptions will be authorized.

b. Incentives are not authorized for any manually loaded vacancy. Vacancies must exist within AUVS. No Exceptions.

c. Retroactive eligibility for any incentive offered under this policy is not authorized.

d. Incentives will not be offered to any applicant when the state has obtained its end strength mission regardless of vacancies.

e. A Soldier cannot enlist or re-enlist/extend for an incentive for the purpose of qualifying for employment in the Mil Tech or AGR program.

f. Applicants enlisting under the Officer Candidate School (OCS) enlistment option or



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who are contracted in the Simultaneous Membership Program (SMP)/Reserve Officer Training Corps (ROTC) are not authorized any incentives other than the Officer Accession Bonus as long as they meet all qualifications for that incentive upon their commissioning date.

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~~g. Glossary Non-Prior Service and CAT IV applicants are not authorized any incentive.~~

h. Applicants enlisting under TSC IIIB receiving an accession override in REQUEST are not authorized any incentive. No Exceptions. If an override is not required, the applicant may be eligible for an incentive if otherwise qualified.

i. Individuals must enlist, re-enlist/extend into a valid vacant position within the units 100% fill rate. No over strength or excess is authorized.

j. Soldiers enlisting into the ARNG under the provisions of a Conditional Release (DA Form 368) from the Individual Ready Reserve (IRR) may be authorized incentives governed by this policy.

k. Soldiers enlisting into the ARNG under the provisions of a Conditional Release (DA Form 368) from any other component of the Selected Reserve are not authorized any incentives governed by this policy.

l. USAR Soldiers enlisting into the ARNG under the provisions of a Conditional Release (DA Form 368) who have existing SRIP incentives from that component are authorized to continue to receive those SRIP incentives provided they continue to meet the qualifications for those incentives in accordance with their existing contract.

m. Military Occupational Specialty (MOS) immaterial positions are only authorized incentives provided the Soldier is assigned to an RTI and is fully qualified in his/her Primary MOS and meets all other incentive requirements unless otherwise noted in this policy.

n. Soldiers coded in SIDPERS as excess to authorized strength of the unit (POSN-NBR-EXCESS-IND) (4AN) code "9993" are not authorized any incentive. Exception to those Soldiers in a deployed status only and who must return to their position for which incentive is awarded upon REFRAD.

o. Applicants processed through Recruiter Temporary Reservation System (RTRS) before the state obtaining end strength mission, and have had an approved incentive control number from iMARC may be authorized to receive an incentive if otherwise qualified. Applicant must enlist within the date of request plus seven days of the RTRS reservation. No Exceptions.

Note: If the applicant does not qualify for the RTRS reservation for any reason and has to be renegotiated to another critical skill, the incentive is no longer authorized. RRNCO must upload verification of the RTRS reservation into iMARC.

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p. Applicants not processed through RTRS and have an approved incentive control number from iMARC prior to meeting end strength mission are not authorized to receive incentives if end strength mission is achieved at time of enlistment. No Exceptions

q. Soldiers leaving the AGR or Mil Tech program and return to a traditional status and receive an incentive will not be able to return to either the AGR or Mil Tech program until a minimum of fifty percent of their incentive contractual agreement is served.

## **6. Management of Critical Skill.**

a. Critical Skill (CS) MOS' are less than 80% filled at the state level. iMARC will manage this process through use of other applications monitoring reservations, vacancies and state end strength. Upon request for a bonus control number in iMARC, all the available vacancies for CS MOS's will be shown depending on the search criteria and will be identified by the 840 management score.

b. States, Territories, and the District of Columbia have the responsibility to load new force structure to be recognized at the state level to produce its vacancies in AUVS before incentives can be authorized against those positions.

## **7. Non-Prior Service (NPS) Enlistment Bonus.**

### **a. Specific Criteria.**

(1) Soldiers must ship on or before their original ship date.

(a) If the Soldier fails to ship within the time constraints described above, the incentive will be decreased by fifty percent of the overall amount.

(b) If the Soldier fails to ship within the 365 days of their enlistment date, the incentive will be terminated without payment.

(2) The combined legal maximum amount for NPS enlistment bonuses is \$20,000.

(3) The State Military Personnel Officer (MILPO) may request an exception to policy through NGB-EDU-IN in cases where the inability to ship in the prescribed time constraints is due to no fault of the Soldier. The approved memorandum will be uploaded into Soldiers incentive record in iMARC and in GCRc for auditing purposes.

(4) Applicants must qualify as a Test Score Category (TSC) I-III B enlistment, Armed Forces Qualification Test (AFQT) of 31 or higher.

(5) High school enlistees must be awarded a high school diploma to meet the minimum eligibility for a NPS bonus. Payments will not be processed until the diploma is updated in SIDPERS. The contract will be retained in iMARC as "Invalid" for any Soldiers who fail to meet this requirement. If established in the Defense Joint Military System

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(DJMS), it will also be terminated through that system.

(6) Applicants enlisting under split training option (STO) must ship on or before both the STO1 and STO2 dates.

~~(7) Soldiers who do not complete Advanced Individual Training (AIT) and become MOS Qualified (MOSQ) within two years will not receive an incentive.~~

**b. NPS Critical Skill Bonus (\$5,000):**

(1) Eligibility criteria. In addition to the specific criteria listed in 7(a), the applicant must:

- (a) Enlist for a term no less than the 6 x 2 enlistment option.
- (b) Enlist into a valid vacancy in an MTOE or TDA.
- (c) Be a TSC I-III B.
- (d) CASP enlistees are eligible.

(2) Payment. This bonus is paid in two installments.

(a) Installment 1: fifty percent installment will be processed for payment upon successful completion of IADT and verification of MOS qualification in SIDPERS.

(b) Installment 2: fifty percent installment will be processed on the third-year anniversary of the Soldier's enlistment date.

**8. Prior Service (PS) Enlistment Bonus.**

**a. General Criteria.**

(1) Cannot have more than 16 years of total prior military service upon enlistment in the ARNG. This service is computed from the Soldier's adjusted Pay Entry Base Date (PEBD), which is effective upon enlistment.

(2) Must have received an honorable discharge upon completion of all prior periods of service. A general under honorable conditions or uncharacterized discharge does not qualify a Soldier to receive the PS enlistment bonus.

(3) Soldiers who previously received a PS bonus are not authorized another PS enlistment bonus.

(4) Reserve Component Career Counselors (RCCC) and Active Component (AC) Career Counselors are authorized to offer the PS enlistment bonus provided the Soldier is

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otherwise eligible, and the vacancy exists in RETAIN. Additionally, the RCCC should contact the state's IST/ISR representative when vacancies do not exist in RETAIN. The RCCC/AC Career Counselor must request and receive an approved automated iMARC generated bonus control number prior to executing any incentive agreement. Any incentive agreement being executed upon implementation of this SRIP policy will not be valid without an approved bonus control number corresponding to the MOS contracting. (Refer to the iMARC bonus requesting instructions separate this policy and provided to HRC).

(5) Soldiers who previously received the Selected Reserve NPS enlistment bonus, Reenlistment/Extension Bonus, or Affiliation Bonus may receive the PS enlistment bonus.

(6) Soldiers currently under contract for any PS bonus may qualify for the Reenlistment/Extension Bonus at the conclusion of their contract term (upon entering the 12-month Re-enlistment/Extension window).

(7) Soldiers whose last discharge was from the ARNG and who are within 12 months of that discharge date are not eligible for any PS incentive.

(8) Soldiers who are considered DMOSQ upon enlistment but are required to attend the Warrior Transition Course (WTC) are eligible for the PS enlistment bonus. These Soldiers may be paid their initial payments. They must graduate from WTC within 12 months of their enlistment date or their bonus will be terminated with recoupment in accordance with paragraph 13.n. of this policy.

(9) All PS enlistments conducted as either local or out of stations must be input into REQUEST and validated in iMARC within three working days of enlistment date for any incentive to be valid. **No Exceptions.**

**b. PS Duty MOSQ (DMOSQ) or Non-Duty MOSQ Critical Skill Bonus (\$5,000):**

(1) The ARNG offers a PS CS Bonus to PS enlistees who meet the following eligibility requirements:

(a) Enlist into a Critical Skill DMOSQ or Non-Duty MOSQ (Enclosure 1).

(b) Enlist into a valid vacancy in an MTOE/TDA unit.

(c) Enlist for a term of service no less than 6 years.

(2) Payment. This bonus is paid in two installments.

(a) Installment 1: fifty percent installment will be processed for payment upon reporting to unit of assignment, verification of MOS qualification and in SIDPERS.



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(b) Installment 2: fifty percent installment will be processed on the third-year anniversary of the Soldier's enlistment date.

Note: Non-Duty MOSQ Soldier's must become DMOSQ within 24 months or incentive will be terminated.

## 9. Reenlistment/Extension Bonus (REB).

a. General Criteria. Current ARNG Soldiers must be in pay grade of **E-7 and below** and within the 12 month REB eligibility window and meet the following eligibility requirements:

(1) Have not reached 90 days from current ETS. (Soldiers at 90 days or less from ETS are not authorized the REB)

(2) Meet time in service (TIS) requirement listed below.

Pay Grade	TIS Requirement	
E-1 – E-4	Under 8 years	Upon Expiration of current ETS
E-5	Under 11 years	Upon Expiration of current ETS
E-6, E-7	Under 13 years	Upon Expiration of current ETS

(3) Soldiers must hold the military grade and skill qualification commensurate with the vacancy for which re-enlisting/extending.

(4) Soldiers not DMOSQ for the sole reason of unit transition (reorganization, inactivation, or relocation) and who are otherwise fully eligible for the incentive may re-enlist/extend for the Reenlistment/Extension Bonus (REB).

(a) The initial incentive payment will not be processed until the Soldier becomes DMOSQ. The Soldier will have 24 months to become DMOSQ from date of contract, plus any time spent in a mobilized status.

(b) If the Soldier fails to become DMOSQ within the time constraints described above, the incentive will be terminated without payment. The State MILPO may request an exception to policy through NGB-EDU-IN in cases where the inability to become DMOSQ is due to no fault of the Soldier. The approved MILPO memorandum must be uploaded into the Soldiers incentive record in iMARC for auditing purposes.

(c) Soldier's must be processed in iMARC under contract type "RB NON-MOSQ due

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to transition/deployment”.

(5) Soldiers not DMOSQ or who are assigned to 00F duty positions due to being currently deployed/mobilized in any capacity and who are otherwise fully eligible for the incentive may re-enlist/extend for the Reenlistment/Extension Bonus (REB), and may have their initial bonus payments processed. They must return to a position for which they are fully DMOSQ upon Release From Active Duty (REFRAD). (Applicable to 7.c.)

(6) Soldiers deployed OCONUS under mobilization orders Title 10 USC 12301(d) or Title 10 USC 12302, who meet all other criteria for REB extension bonus are eligible to re-enlist or extend regardless of MOS. These Soldiers are also eligible for Lump Sum payment.

(7) All other REB contracts will be paid as split disbursements (50/50). For a three or six year REB, the first fifty percent installment will be processed on the effective date of the new contract (new contracts are effective the day after a Soldier's contractual ETS in effect prior to signing the new extension) or upon completion of MOSQ training, verification of MOS qualification, and recognition in SIDPERS if applicable. The second fifty percent installment will be processed on the third-year anniversary of the Soldier's date of reenlistment/extension.

(8) Must not have 1 or more unexcused absences (per AR 135-91) within the 3 months immediately preceding the effective date of the new contract. Soldiers who signed their REB contract prior to the three months preceding the effective date of the new contract (within 12 month window) and who accrue 1 or more unexcused absences within the three months immediately preceding the effective date of the contract will have their REB contracts invalidated.

b. REB Deployed OCONUS MTOE/TDA Bonus: The ARNG offers an REB deployed MTOE/TDA Bonus to Soldiers who meet the General criteria 9a. and the following eligibility requirements:

- (1) Reenlist/extend into a deployed MTOE/TDA unit.
- (2) Reenlist/extend for three year term is \$2,500.
- (3) Reenlist/extend for six year term is \$5,000.

c. REB MTOE/TDA and Deployed CONUS Bonus: The ARNG offers a REB MTOE/TDA Bonus to Soldiers who meet the General criteria 9a. and following eligibility requirements:

- (1) Reenlist/extend into a MTOE/TDA or Deployed Conus unit.
- (2) Reenlist/extend for three year term is \$2,500.
- (3) Reenlist/extend for six year term is \$5,000.

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**10. Enlisted MOS Conversion Bonus (MOSCB).** For guidance on the management of the MOSCB, refer to memorandum, ARNG G1, Army National Guard (ARNG) Fiscal Year (FY) 2006 Military Occupational Specialty (MOS) Conversion Bonus Implementation Policy, 23 February 2006, which is continued until superseded.

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**11. Officer Accession Bonus (OAB) (\$10,000).** The officer accession bonus is offered to help mitigate a current or projected significant shortage of personnel in the ARNG who are qualified in that MOS/AOC or are to be trained in that MOS/AOC. (Enclosure 2).

a. Eligibility: In addition to the general eligibility requirements in paragraph 5 of this policy, the following criteria are also required:

(1) The Soldier must have never held a commission as an officer or an appointment as a warrant officer in any of the Armed Forces of the United States, and must be in the grade of 2LT or WO1. The following exceptions are granted, only if the AOC/MOS is on the current critical skill list on date of commission:

(a) Grade is immaterial for Chaplains (56A) and JAG Officers (27A).

(b) Although Chaplain Candidates (00E) are not authorized the OAB, they may be eligible for an accession bonus at time of commissioning in the Chaplain Corps, if otherwise fully qualified regardless of previous commission as a Chaplain Candidate.

(2) The Soldier must sign the OAB addendum on the date of their appointment or commission.

(3) The Soldier must agree to serve in the Area of Concentration (AOC)/Military Occupational Specialty (MOS) for which the bonus was awarded in the ARNG for the full term of their agreement.

(4) A Soldier must be assigned to an MTOE or TDA unit.

(5) A Officer must successfully complete Basic Officer Leader Course (BOLC) III/Warrant Officer Basic Course (WOBC) in their designated AOC/MOS within 36 months of the date of commission or appointment.

(6) Soldiers must not be receiving and will not receive the following benefits during the period of service for which contracted:

(a) Health Professions Stipend Program, Title 10 U.S.C subsection 16201-16204 (2009).

(b) Education Loan Repayment Program Title 10 U.S.C subsection 16301-16303 (2009) to include the Student Loan Repayment Program (SLRP), Health Professional Loan Repayment Program (HPLRP) and Chaplain Loan Repayment Program (CLRP).

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(c) Other Educational Assistance Programs, Title 10 U.S.C subsection 16401(2009) to include the United States Marine Corps. (USMC) Platoon Leaders Class: College Tuition Assistance Program.

(d) Special Pay: Selected Reserve Health Care Professionals in Critically Short Wartime Specialties, 37 U.S.C subsection 302g (2008).

(7) A Soldier must have never received and will not receive the following benefits during the period of service for which contracted:

(a) Financial Assistance Program for Specially Selected Members, 10 U.S.C. subsection 2107 (2009). Includes the Regular Army ROTC Scholarship and Dedicated Army National Guard ROTC Scholarship.

(b) Financial Assistance Program for Specially Selected Members: Army Reserve (USAR) and Army National Guard (ARNG), 10 U.S.C. subsection 2107a (2009) to include the Guaranteed Reserve Forces Duty ROTC Scholarship.

(8) Newly commissioned officers and newly appointed warrant officers are prohibited from receiving the OAB if as a result of a commission, appointment or contracting as an ROTC/SMP Cadet their enlisted bonus was terminated without recoupment.

(9) Officers cannot receive a bonus with the intent of qualifying for employment in the AGR or Mil Tech program.

(10) Officers remain eligible to participate in the ARNG Federal Tuition Assistance Program.

(11) The bonus amount may not exceed the \$10,000 bonus amount established by law.

(12) The Officer is not being accessed for continuous active duty service.

b. Payment and Period of Obligated Service:

(1) A Soldier must agree to serve in an active drilling status (not AGR or Mil Tech) for the full length of the incentive contract term; a period of not less than six-years.

(2) An accession bonus is payable to a Soldier pursuant to a signed agreement that is completed on the date of commissioning or appointment.

(3) The Officer Accession Bonus is payable lump sum. The first and final payment will be processed upon completion of BOLC III/WOBC.

(4) Upon acceptance of a written agreement, the total amount of the bonus payable



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under the agreement becomes fixed. No exceptions.

(5) A person contracted for a bonus under this section who is called or ordered to active duty shall be paid, during that period of active duty, any amount of the bonus that becomes payable to the member during that period of active duty.

(6) A person who enters into an agreement under this section and receives all or part of the bonus under the agreement, but who does not accept a commission or an appointment as an officer or does not commence to participate or does not satisfactorily participate in the Selected Reserve for the total period of service specified in the agreement, shall be subject to the repayment provisions of DoD Financial Management Regulation, 7000.14-R, Vol 7- A, Chapter 02 (Mar 2009).

## **12. Officer Affiliation Bonus (\$10,000).**

a. Eligibility: In addition to the general eligibility requirements in paragraph 5 of this policy, the following criteria are also required:

(1) Must be in rank 1LT (O2) through MAJ (O4) or WO1 through CW3.

(2) Must be either currently serving on active duty for more than 30 days, or be a current member of the Individual Ready Reserve (IRR). Any officer who transferred into the IRR from any selected reserve component (including ARNG) must serve at least 12 months in the IRR before being considered for this incentive. Officers conditionally released from another selected reserve component for affiliation into the ARNG are not authorized this incentive.

(3) Must have received an honorable discharge from all periods of previous military service.

(4) Must have never received an Officer Affiliation Bonus for service in any Selected Reserve.

(5) Must not be entitled to retired or retainer pay.

(6) Must sign an Officer Affiliation Bonus Addendum on or before date of affiliation.

(7) Must agree to become AOC/MOS qualified within 24 months from the date of affiliation, if affiliating into an AOC/MOS other than that which is currently held.

(8) The Soldier must agree to serve in the Area of Concentration (AOC)/Military Occupational Specialty (MOS) for which the bonus was awarded in the ARNG for the full term of their agreement.

(9) The Officer is not being accessed for continuous active duty service.

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(10) Must not be receiving and will not receive the following benefits during the period of service for which contracted:

(a) Health Professions Stipend Program, 10 U.S.C subsection 16201-16204 (2009)

(b) Education Loan Repayment Program, 10U.S.C subsection 16301-16303 (2009) to include the Student Loan Repayment Program (SLRP), Health Professional Loan Repayment Program (HPLRP), and Chaplain Loan Repayment Program (CLRP) .

(c) Other Educational Assistance Programs, 10 U.S.C subsection 16401 (2009) to include United States Marine Corps. (USMC) Platoon Leaders Class: College Tuition Assistance Program.

(d) Financial Assistance Program for Specially Selected Members: 10U.S.C. subsection 2107 (2009). Includes the Regular Army ROTC Scholarship and Dedicated Army National Guard ROTC Scholarship.

(e) Financial Assistance Program for Specially Selected Members: Army Reserve and Army National Guard, 10 U.S.C. subsection 2107a (2009) to include the Guaranteed Reserve Forces Duty ROTC Scholarship.

(f) Special Pay: Selected Reserve Health Care Professionals in Critically Short Wartime Specialties, 37 U.S.C. subsection 302g (2008).

b. Payment and Period of Obligated Service: The Officer Affiliation Bonus will be paid lump sum. The first and final payment will be paid upon in-processing with ARNG unit of affiliation or completion of AOC/MOS qualification training for a critical skill, if applicable. Officers must meet the following eligibility requirements:

(1) A Soldier must agree to serve in an active drilling status for the full length of the incentive contract term; a period of not less than six-years from AOC/MOS qualification.

(2) A Soldier must be AOC/MOS qualified or agree to retrain for and serve in a Critical Skill AOC/MOS.

(3) An affiliation bonus is payable to a Soldier pursuant to a signed agreement that is completed no later than the date of affiliation. Payment accrues beginning on the date of affiliation.

(4) Upon acceptance of a written agreement, the total amount of the bonus payable under the agreement becomes fixed. No exceptions.

(5) A person entitled to a bonus under this section who is called or ordered to active duty shall be paid, during that period of active duty, any amount of the bonus that becomes payable to the member during that period of active duty.

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**13. Termination with Recoupment.** If entitlement to an incentive is terminated for any reason before the fulfillment of the service described in the member's written agreement, that member shall not be eligible to receive any further incentive payments, except for payments for service performed before the termination date.

a. Unsatisfactory participation: 9 or more unexcused absences ("U" on the DA 1379) within a 12 month period for IDT periods; or 1 or more unexcused absences during any period of active duty (annual training). Verification from the unit commander or his representative that the unexcused absences are valid is required before termination action is taken. Once the verification is received, or if no response is received from the unit within 30 days, the termination is processed and is effective upon the date of the 9<sup>th</sup> "U" code (for IDT) or 1<sup>st</sup> "U" code (for active duty/annual training). Incentive Managers are not authorized to reverse the termination with recoupment action without an approved Exception to Policy request from NGB-EDU-IN. Supporting documents and State MILPO memorandum is required for submission.

b. Separates from the ARNG for any reason not addressed in this policy.

c. If on a critical skill bonus, voluntarily transfer out of the Critical Skill for which bonus is approved.

d. Failure to return to active status within the approved time period for non-availability (paragraph 16) or to extend their enlistment to cover the period of time served in an inactive status within 90 days of return to active status. Termination will be effective the date the Soldier was ordered to the ING.

e. Separation from the ARNG due to death, injury, illness or other impairment that is the result of the Soldier's own misconduct.

f. Failure to maintain assignment in a valid, vacant position (SIDPERS EXCESS code 9993). Soldiers who are placed in over-strength status due to their unit being deployed, inactivated, relocated, reorganized or converted (unit transformation or reorganization) are entitled to continue receiving incentive payments, to include initial payments.

These Soldiers have 24 months from either the date of REFRAD for deployed Soldiers; or date of transformation/reorganization (plus any period spent in a mobilized status) to be placed in a valid position vacancy. These Soldiers should not be coded 9993 in SIDPERS.

g. Voluntary retirement.

h. Discharge while under any suspension of favorable actions (SFA) when the SFA was not lifted prior to discharge. The effective date of termination is the date the SFA is initiated (this does not apply to SFA for APFT Failure or failure to meet body fat standards).

i. Separation from the ARNG for immediate enlistment into the Active Component (AC) when the Soldier receives another bonus for the AC enlistment.

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j. Serves at least one day of an enlisted incentive contract term (contract term starts the date the initial payment of the bonus is authorized) and accepts a commission as an officer or appointment as a warrant officer and accepts an officer accession bonus. Termination is effective the date of acceptance of commission or appointment (does not apply to the Enlisted Loan Repayment Program).

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k. Receives an officer accession bonus upon commissioning after being suspended for becoming a contracted SMP/ROTC Cadet. Termination is effective the ROTC contract effective date.

l. Fails to accept a commission after being suspended for becoming a contracted SMP/ROTC Cadet. Termination is effective the ROTC contract effective date.

m. Two consecutive record APFT failures or two consecutive failures to meet body fat standards.

n. Failure to graduate successfully from WTC within 12 months of enlistment for Soldiers who were enlisted under the Prior Service Enlistment bonus and were required to attend this course.

o. Failure of a Soldier who is receiving an incentive specifically for MOS 68W to become recertified in their National Registry Emergency Medical Technician-Basic (NREMT-B) within 6 months of the bonus being suspended due to non-certification under paragraph 4-3 of AR 40-68.

p. Any other additional termination with recoupment condition that is not included in this policy can be found in the appropriate chapter of NGR 600-7 or on the appropriate incentive's addenda.

q. Failure to obtain DMOSQ within 24 months of enlistment for PS Soldiers who enlist into a CS Non DMOSQ.

r. Separation due to pregnancy.

**14. Termination without Recoupment.** The following termination reasons are the most common but may not be all inclusive. The appropriate chapter of NGR 600-7 contains the all inclusive termination rules for each respective incentive.

a. Separation due to injury or illness that is determined not to be the result of the Soldier's own misconduct and the injury or illness occurred while not assigned to a designated combat zone or combat related operation.

b. Acceptance of an immediate appointment as a commissioned officer or warrant officer in any component of the Army excluding the IRR or ING. An enlisted Soldier accepting an appointment as a commissioned officer or warrant officer is not subject to recoupment of



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any enlistment or reenlistment bonus, including lump sums; unless they receive an Officer Accession bonus.

c. SELRES members who enlist into the Active Component (AC) (Regular Army, Navy, USMC, USAF or USCG), regardless of the length of the AC contract and do not receive a bonus from the gaining component.

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d. Serves at least one day of an enlisted contract term (contract term starts the date the initial payment of the bonus is authorized) before accepting any ROTC scholarship. Termination is effective on the college class start date (does not apply to the Student Loan Repayment Program/Enlisted Loan Repayment Program).

e. Serves at least one day of an enlisted incentive contract term (contract term starts the date the initial payment of the bonus is authorized) and accepts a commission as an officer or appointment as a warrant officer and does NOT receive an officer accession bonus. Termination is effective the date of acceptance of commission or appointment (does not apply to the Student Loan Repayment Program/Enlisted Loan Repayment Program).

f. Does not receive an officer accession bonus upon commissioning after being suspended for becoming contracted SMP/ROTC Cadet. Termination is effective the ROTC contract effective date.

g. Acceptance as either an Indefinite or Permanent Mil Tech position; or a Temporary Mil Tech position for 180 consecutive days or more; or an AGR position after 25 February 2010.

h. Failure to obtain DMOSQ within 24 months after an involuntary transfer into another skill for the convenience of the government. Any periods of service spent in a deployed/mobilized status subsequent to the transfer will be added to the 24 month period. The State MILPO may request an exception to policy through NGB-EDU-IN for an extension to the authorized re-training time if the Soldier is not DMOSQ due to no fault of the Soldier. Termination will be effective the date the Soldier was transferred to the new skill. If there is insufficient time left on the Soldiers bonus contract to accomplish re-training in the new skill, the bonus will be allowed to complete without termination.

i. Involuntary retirement.

j. Separation for hardship or sole survivorship.

k. Involuntarily separation from the ARNG as a result of unit inactivation, relocation, reorganization or a DoD directed reduction in the ARNG force.

**15. Accelerated Completion of Bonus Contracts with any unpaid portion of the bonus paid out in a final payment.**

a. Separation due to death that is determined not to be the result of the Soldier's own

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misconduct.

(1) In cases where the bonus is established in the DFAS pay system at the time of death the payout of the bonus will be handled by the DFAS casualty assistance office with no action required by the IM.

(2) In cases where the bonus is NOT established in the DFAS pay system at the time of death, the IM should provide bonus establishment paperwork to the casualty assistance office within the state so that DFAS will be made aware that the bonus exists.

b. Separation due to injury or illness that is determined not to be the result of the Soldier's own misconduct and the injury or illness occurred while assigned to a designated combat zone or combat related operation.

c. These contracts will be marked as "completed" in iMARC with appropriate remarks (i.e. "Soldier was separated due to (reason) on (date)."

Note: Transfer of a Soldier from the ARNG to the USAR on a conditional release will not terminate the Soldier's bonus. It will be allowed to transfer to the USAR with that Soldier. The bonus will be marked historical in iMARC with remarks that the Soldier was conditionally released to the USAR on (date).

**16. Suspension.** A Soldier's incentives will be suspended under the following circumstances.

a. Enter a period of non-availability (placement in the Inactive National Guard (ING). Maximum periods of non-availability are:

(1) One year for personal reasons.

(2) Three years for missionary obligations or overseas employment.

b. Becomes flagged (suspension of favorable personnel action per AR 600-8-2) for an adverse action. Does not include failure to maintain body composition standards or Army Physical Fitness Test APFT failure.

c. Repeat non-consecutive record APFT failure or non-consecutive failure to meet body fat standards within a 12 month period.

d. Reinstatement of bonus eligibility is not guaranteed. Provided Soldiers meet all requirements for participation, payments will be processed effective on the date the suspension is lifted or on the adjusted anniversary date of satisfactory creditable service.

e. Soldiers serving in the MOS 68W on an incentive specific to that MOS whose NREMT-B expires will have their incentive suspended until they complete the re-certification process or 6 months, whichever comes first.

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f. Contracting as a Reserve Officer Training Corps (ROTC) Cadet in the Simultaneous Membership Program (SMP).

#### **17. Clarification for Deploying and Deployed Soldiers.**

a. All Soldiers volunteering under 10 U.S.C subsection 12301(d) or serving under Contingency Operation for Active Duty Operational Support (CO-ADOS)(formerly known as COTTAD) orders in support of a named contingency operation where Partial Mobilization has been declared are subject to the provisions of this ARNG SRIP policy.

b. Eligible Enlisted Soldiers who execute a Re-enlistment/Extension Bonus and Officers/Warrant Officers who execute a CSRB agreement will receive tax free incentives if deployed to a Combat Zone Tax Relief Area (CZTRA) as defined by Department of Defense Financial Management Regulation (DoDFMR) Volume 7A, Chapter 44 and are otherwise fully qualified. The updated DoDFMR may be found at this link: <http://www.defenselink.mil/comptroller/fmr/07a/index.html>. Tax free incentives are only applicable if the extension or re-enlistment is signed during the calendar month the Soldier is ordered to serve, and serves, outside the continental United States (OCONUS) in the CZTRA for at least one day. (Example: Soldier redeploys to CONUS from Baghdad on 2 Sep and extends enlistment on 10 Sep. The Soldier's bonus would be tax exempt).

c. Soldiers currently on a bonus who are deploying with the ARNG remain eligible to receive their incentives.

(1) Soldiers cross leveled into an MOS for which they are not qualified or who are placed into an MOS immaterial position (00F) will remain bonus eligible while deployed.

(a) Soldiers who wish to remain in the cross leveled MOS upon release from active duty (REFRAD) will have up to 24 months to become qualified in their new MOS or their bonus will be terminated with recoupment effective the units REFRAD date. Soldiers who are placed in 00F positions will have to regain a position for which the incentive was contracted within 180 days from REFRAD or their bonus will be terminated with recoupment effective on the REFRAD date.

(b) Soldiers who choose not to remain in the cross leveled MOS must be transferred to a bonus eligible position for which they are qualified within 180 days of their REFRAD or their bonus will be terminated with recoupment effective the units REFRAD date.

d. Soldiers who come into their 12 month eligibility window for the REB while not DMOSQ or who are in a 00F position for the sole reason of being cross leveled for mobilization with a deploying unit and who are otherwise fully eligible for the incentive may be re-enlisted/extended for the Reenlistment/Extension Bonus (REB). The initial bonus payment will be processed the same as if the Soldier was DMOSQ.

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(1) Soldiers who volunteer to remain in the cross-leveled MOS after REFRAD will fall under the following rules:

(a) If serving on a 3 year REB, he or she will have 12 months to become DMOSQ from date of REFRAD.

(b) If serving on a 6 year REB, he or she will have 24 months to become DMOSQ from date of REFRAD.

(c) Soldiers who are placed in 00F positions will have to regain a position for which the incentive was contracted within 180 days from REFRAD or their bonus will be terminated with recoupment effective on the REFRAD date.

(2) Soldiers volunteering to remain in the cross leveled MOS who fail to become DMOSQ within the time constraints above will have their incentive terminated with recoup effective the units REFRAD date. The state MILPO may approve exceptions in cases where the inability to become DMOSQ is due to no fault of the Soldier.

(3) Soldiers who choose not to remain in their cross leveled MOS must return to a position for which they are DMOSQ within 180 days of REFRAD or their bonus will be terminated with recoup effective on the REFRAD date.

(4) Soldiers must be processed in iMARC under contract type "RB NON-MOSQ due to transition/deployment".

e. Deployed Soldiers are eligible for the REB as long as they meet all other eligibility requirements. Soldiers will extend using DA Form 4836. Payments will not be processed until the start of the new contract (day after old ETS).

f. Soldiers may NOT be enlisted for a bonus into positions vacated by a Soldier who was cross leveled to another unit for deployment.

g. Soldiers may be enlisted into vacant positions in any derivative UIC (Rear Element) created as a result of the forward element deploying. Rear Element vacancies consist only of those positions that did not go forward with mobilized element and those Soldiers that were deemed non-deployable. Incentives are not authorized for any created vacancy in a rear element.

h. Soldiers assigned to a deploying unit that are determined to be non-deployable may be transferred to another unit or a derivative UIC for the duration of the unit's deployment and retain their bonus eligibility. Soldiers whose transfer takes them out of contract eligibility for their bonus must be transferred back to their original unit within 180 days of the unit's REFRAD. If the bonus is dependant upon a specific MOS, they must be returned to the MOS for which the bonus was awarded.



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18. The point of contact is the Incentive Manager for each respective State or Territory. The point of contact for State Incentive Managers is (b) (6) at DSN 962- 4756, 501-212-4756, or (b) (6)

(b) (6)

COL

Encl

1. Critical MOS List

COL, FI  
Chief, Education, Incentives, and  
Employment Division

**DISTRIBUTION:**

Each State DCSPER/Military Personnel Office  
Each State Incentive Manager  
Each Regional Readiness Command

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Enclosure 2

State	DMOS	Auth	Assign	PCTFill
AL	00D	1	0	0
AL	12G	9	3	33.3
AL	12K	43	23	53.5
AL	13B	152	116	76.3
AL	13D	54	28	51.9
AL	13F	26	19	73.1
AL	25M	3	2	66.7
AL	25Q	110	81	73.6
AL	25V	4	1	25
AL	35H	4	0	0
AL	68K	2	0	0
AL	89A	6	3	50
AL	89D	16	12	75
AL	91A	1	0	0
AL	91G	15	5	33.3
AL	91H	25	19	76
AL	91K	19	9	47.4
AL	94A	4	2	50
AL	94F	32	15	46.9
AL	94M	4	3	75
AR	00D	3	0	0
AR	12Q	4	0	0
AR	13F	81	47	58
AR	13M	78	55	70.5
AR	14J	5	3	60
AR	15H	5	3	60
AR	15J	5	3	60
AR	15P	37	29	78.4
AR	15Q	23	16	69.6
AR	15V	9	0	0
AR	19D	70	55	78.6
AR	25N	8	6	75
AR	25Q	20	11	55
AR	25S	6	4	66.7
AR	35P	4	2	50
AR	42F	3	2	66.7
AR	91G	4	0	0
AR	91J	27	14	51.9
AR	91K	4	3	75
AR	92F	90	65	72.2
AR	94A	2	0	0
AR	94D	3	2	66.7
AR	94E	10	5	50
AR	94F	13	10	76.9
AR	94L	2	1	50

CS MOS List is subject to change. The vacancy eligibility is monitored by the iMARC system through the bonus control number request.

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State	DMOS	Auth	Assign	PCTFill
AR	94M	7	5	71.4
AR	94P	3	2	66.7
AZ	00D	1	0	0
AZ	12G	9	5	55.6
AZ	12N	102	81	79.4
AZ	12T	1	0	0
AZ	12Y	2	0	0
AZ	14J	2	0	0
AZ	15D	5	3	60
AZ	25P	2	0	0
AZ	42R	14	7	50
AZ	46Q	5	1	20
AZ	88N	4	2	50
AZ	89D	16	9	56.2
AZ	91G	3	2	66.7
AZ	91H	9	4	44.4
AZ	91K	3	2	66.7
AZ	94F	16	11	68.8
AZ	94L	1	0	0
AZ	94M	2	0	0
AZ	94R	6	1	16.7
AZ	94Y	4	0	0
CA	12G	9	1	11.1
CA	12K	23	8	34.8
CA	12V	23	12	52.2
CA	12W	54	27	50
CA	13D	75	39	52
CA	13F	93	52	55.9
CA	13R	30	7	23.3
CA	13T	15	9	60
CA	15V	12	8	66.7
CA	25P	4	0	0
CA	25S	18	12	66.7
CA	35H	8	4	50
CA	35P	16	11	68.8
CA	88M	858	577	67.2
CA	89A	7	2	28.6
CA	91A	14	5	35.7
CA	91E	9	6	66.7
CA	91G	8	3	37.5
CA	91J	36	26	72.2
CA	91K	8	6	75
CA	91M	21	8	38.1
CA	91P	7	1	14.3
CA	92F	201	133	66.2

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State	DMOS	Auth	Assign	PCTFill
CA	94E	23	16	69.6
CA	94F	33	21	63.6
CA	94M	13	4	30.8
CO	11B	323	238	73.7
CO	11C	27	20	74.1
CO	12N	80	63	78.8
CO	13D	11	4	36.4
CO	13F	22	11	50
CO	15J	3	1	33.3
CO	25N	3	2	66.7
CO	25P	1	0	0
CO	25Q	7	5	71.4
CO	25U	43	31	72.1
CO	35H	4	3	75
CO	35P	5	3	60
CO	42F	2	1	50
CO	91C	4	3	75
CO	91G	3	2	66.7
CO	91J	10	5	50
CO	91K	3	1	33.3
CO	91W	6	3	50
CO	92F	52	33	63.5
CO	92G	57	40	70.2
CO	92W	17	8	47.1
CO	94E	5	1	20
CO	94F	5	2	40
CT	11C	27	20	74.1
CT	13F	19	12	63.2
CT	35M	2	0	0
CT	68S	2	1	50
CT	88M	127	84	66.1
CT	88N	2	0	0
CT	91C	2	1	50
CT	91E	1	0	0
CT	91J	5	3	60
CT	91L	13	7	53.8
CT	92F	26	17	65.4
CT	94E	2	1	50
CT	94F	3	1	33.3
DC	00F	10	1	10
DC	15D	2	0	0
DC	15T	15	4	26.7
DC	15V	2	1	50
DC	31B	192	84	43.8
DC	31E	62	18	29

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State	DMOS	Auth	Assign	PCTFill
DC	88M	110	48	43.6
DC	91H	4	2	50
DC	91K	6	4	66.7
DC	91L	1	0	0
DC	92F	12	5	41.7
DE	12K	7	5	71.4
DE	12N	27	15	55.6
DE	15B	1	0	0
DE	15F	4	2	50
DE	15G	3	1	33.3
DE	15M	7	0	0
DE	15N	4	3	75
DE	25M	1	0	0
DE	25N	21	2	9.5
DE	25Q	39	17	43.6
DE	31B	89	71	79.8
DE	35F	2	1	50
DE	42F	1	0	0
DE	46Q	3	2	66.7
DE	46R	2	1	50
DE	68E	1	0	0
DE	91D	12	7	58.3
DE	91G	2	0	0
DE	91H	10	7	70
DE	91J	5	2	40
DE	91K	7	4	57.1
DE	92F	16	9	56.2
DE	94E	3	2	66.7
DE	94F	2	0	0
FL	00D	3	1	33.3
FL	12K	22	3	13.6
FL	12N	102	64	62.7
FL	12R	25	12	48
FL	12V	22	3	13.6
FL	12W	53	19	35.8
FL	13M	78	41	52.6
FL	13P	47	36	76.6
FL	13R	2	1	50
FL	14S	146	114	78.1
FL	15D	9	7	77.8
FL	15J	2	1	50
FL	25F	10	7	70
FL	25L	37	20	54.1
FL	25N	8	5	62.5
FL	25P	4	3	75

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State	DMOS	Auth	Assign	PCTFill
FL	25Q	92	43	46.7
FL	25S	38	22	57.9
FL	31E	62	31	50
FL	35M	44	26	59.1
FL	35P	5	2	40
FL	42R	14	11	78.6
FL	46Q	6	3	50
FL	68J	2	0	0
FL	68S	1	0	0
FL	89A	3	1	33.3
FL	91G	3	0	0
FL	91J	27	17	63
FL	91K	3	2	66.7
FL	94A	6	2	33.3
FL	94E	22	17	77.3
FL	94F	29	16	55.2
FL	94T	12	6	50
GA	12K	21	10	47.6
GA	12M	1	0	0
GA	12V	18	5	27.8
GA	12W	53	29	54.7
GA	13B	179	137	76.5
GA	13D	84	50	59.5
GA	13T	8	5	62.5
GA	15H	4	3	75
GA	15V	4	2	50
GA	46R	5	3	60
GA	91P	11	0	0
GA	94A	10	5	50
GA	94M	6	4	66.7
IA	13D	33	25	75.8
IA	13R	2	1	50
IA	13T	5	3	60
IA	14J	2	0	0
IA	15H	4	3	75
IA	15J	5	3	60
IA	15V	3	1	33.3
IA	25P	4	0	0
IA	25Q	13	7	53.8
IA	35G	1	0	0
IA	35T	4	3	75
IA	89A	1	0	0
IA	89B	14	10	71.4
IA	91C	25	18	72
IA	91D	46	30	65.2

CS MOS List is subject to change. The vacancy eligibility is monitored by the IMARC system through the bonus control number request.

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State	DMOS	Auth	Assign	PCTFill
IA	91G	7	0	0
IA	91J	28	11	39.3
IA	92F	91	62	68.1
IA	92G	118	93	78.8
IA	94E	19	8	42.1
IA	94H	4	1	25
IA	94M	4	1	25
IA	94Y	6	3	50
ID	12K	1	0	0
ID	12W	2	1	50
ID	13R	8	3	37.5
ID	14J	2	1	50
ID	15J	5	3	60
ID	25L	3	2	66.7
ID	25N	5	3	60
ID	25Q	11	8	72.7
ID	35N	3	0	0
ID	35P	4	3	75
ID	35T	2	0	0
ID	42A	39	30	76.9
ID	42F	2	1	50
ID	46R	1	0	0
ID	89A	1	0	0
ID	91A	1	0	0
ID	91C	7	4	57.1
ID	91E	1	0	0
ID	91G	5	0	0
ID	91J	9	5	55.6
ID	91K	2	1	50
ID	91W	9	6	66.7
ID	94A	3	0	0
ID	94E	5	3	60
ID	94F	6	2	33.3
IL	12T	1	0	0
IL	12Y	4	0	0
IL	13B	227	129	56.8
IL	13D	86	29	33.7
IL	13F	74	44	59.5
IL	13R	2	0	0
IL	14J	4	3	75
IL	15D	8	4	50
IL	15Q	1	0	0
IL	25L	7	4	57.1
IL	25N	8	3	37.5
IL	25P	6	2	33.3

CS MOS List is subject to change. The vacancy eligibility is monitored by the iMARC system through the bonus control number request.

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State	DMOS	Auth	Assign	PCTFill
IL	25Q	22	12	54.5
IL	25S	8	3	37.5
IL	25U	131	78	59.5
IL	35H	4	1	25
IL	35M	34	26	76.5
IL	35P	4	2	50
IL	35T	2	1	50
IL	68X	3	2	66.7
IL	91C	22	12	54.5
IL	91D	46	36	78.3
IL	91E	15	8	53.3
IL	91G	16	8	50
IL	91H	15	11	73.3
IL	91J	33	24	72.7
IL	91K	15	4	26.7
IL	92F	96	66	68.8
IL	92W	23	12	52.2
IL	94A	2	1	50
IL	94E	27	13	48.1
IL	94F	40	14	35
IL	94M	10	1	10
IN	12K	22	11	50
IN	12Y	11	8	72.7
IN	13R	27	12	44.4
IN	13T	10	5	50
IN	15Q	24	15	62.5
IN	25F	9	6	66.7
IN	25L	17	12	70.6
IN	25N	10	6	60
IN	25P	2	0	0
IN	25Q	33	19	57.6
IN	25S	20	11	55
IN	31E	62	46	74.2
IN	35H	12	4	33.3
IN	35N	9	5	55.6
IN	35S	1	0	0
IN	35T	3	2	66.7
IN	88H	2	1	50
IN	89A	7	5	71.4
IN	91G	4	1	25
IN	92F	120	75	62.5
IN	92L	1	0	0
IN	94A	4	1	25
IN	94E	16	9	56.2
IN	94F	25	13	52

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State	DMOS	Auth	Assign	PCTFill
IN	94L	1	0	0
IN	94M	7	4	57.1
KS	11C	15	9	60
KS	12B	118	65	55.1
KS	13D	51	30	58.8
KS	13F	23	8	34.8
KS	13M	78	31	39.7
KS	13P	47	13	27.7
KS	13R	25	11	44
KS	15H	3	2	66.7
KS	19K	64	32	50
KS	25B	16	12	75
KS	25Q	2	1	50
KS	25U	53	39	73.6
KS	31B	89	64	71.9
KS	42F	3	1	33.3
KS	46Q	5	3	60
KS	46R	4	2	50
KS	88M	337	239	70.9
KS	89A	6	1	16.7
KS	91A	14	9	64.3
KS	91D	42	21	50
KS	91E	4	2	50
KS	91G	10	3	30
KS	91H	24	14	58.3
KS	91J	19	11	57.9
KS	91L	25	16	64
KS	91M	21	2	9.5
KS	91P	11	6	54.5
KS	91W	15	7	46.7
KS	92F	64	31	48.4
KS	92G	83	53	63.9
KS	92W	7	4	57.1
KS	94F	7	3	42.9
KS	94P	6	1	16.7
LA	11C	70	46	65.7
LA	12C	81	57	70.4
LA	12K	85	35	41.2
LA	12R	97	77	79.4
LA	12T	17	13	76.5
LA	12V	22	14	63.6
LA	13D	33	26	78.8
LA	13F	78	21	26.9
LA	13R	2	0	0
LA	13T	7	2	28.6

CS MOS List is subject to change. The vacancy eligibility is monitored by the iMARC system through the bonus control number request.

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State	DMOS	Auth	Assign	PCTFill
LA	15F	4	2	50
LA	15G	8	6	75
LA	15J	3	0	0
LA	15V	3	0	0
LA	15W	8	4	50
LA	25Q	40	15	37.5
LA	25S	14	6	42.9
LA	35P	5	1	20
LA	42F	4	3	75
LA	46R	5	1	20
LA	88M	568	440	77.5
LA	89B	9	4	44.4
LA	91C	19	11	57.9
LA	91D	48	37	77.1
LA	91E	3	2	66.7
LA	91H	24	13	54.2
LA	91J	24	12	50
LA	91K	3	1	33.3
LA	91L	53	38	71.7
LA	91W	18	12	66.7
LA	92F	92	61	66.3
LA	94A	6	3	50
LA	94D	3	2	66.7
LA	94F	12	5	41.7
LA	94L	2	1	50
LA	94M	2	1	50
MA	00D	1	0	0
MA	11C	50	39	78
MA	12M	13	10	76.9
MA	12T	5	3	60
MA	12V	18	4	22.2
MA	13F	41	18	43.9
MA	15Q	23	11	47.8
MA	15V	2	0	0
MA	25C	2	1	50
MA	25P	4	0	0
MA	25U	82	51	62.2
MA	25V	1	0	0
MA	46R	4	2	50
MA	88M	404	248	61.4
MA	91A	1	0	0
MA	91G	6	2	33.3
MA	91H	13	8	61.5
MA	91J	32	8	25
MA	91W	11	8	72.7

CS MOS List is subject to change. The vacancy eligibility is monitored by the iMARC system through the bonus control number request.

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State	DMOS	Auth	Assign	PCTFill
MA	92F	53	28	52.8
MA	92G	103	66	64.1
MA	92W	96	29	30.2
MA	94A	2	0	0
MA	94D	3	2	66.7
MA	94E	17	2	11.8
MA	94F	23	10	43.5
MA	94L	1	0	0
MD	00D	1	0	0
MD	11B	459	350	76.3
MD	11C	46	12	26.1
MD	12K	21	9	42.9
MD	12R	24	19	79.2
MD	12W	53	22	41.5
MD	12Y	11	7	63.6
MD	13F	54	18	33.3
MD	15F	4	2	50
MD	15J	3	1	33.3
MD	15Q	22	17	77.3
MD	15U	23	17	73.9
MD	15V	9	4	44.4
MD	15W	16	6	37.5
MD	19D	129	75	58.1
MD	25F	10	2	20
MD	25L	15	7	46.7
MD	25N	5	2	40
MD	25P	4	1	25
MD	25Q	24	12	50
MD	25S	18	8	44.4
MD	25U	97	61	62.9
MD	27D	7	5	71.4
MD	31B	326	210	64.4
MD	35G	4	0	0
MD	35H	9	2	22.2
MD	35N	8	4	50
MD	35T	5	1	20
MD	42F	3	2	66.7
MD	42R	14	11	78.6
MD	46Q	6	4	66.7
MD	46R	5	3	60
MD	68K	2	1	50
MD	68W	140	111	79.3
MD	68X	2	1	50
MD	74D	81	53	65.4
MD	88M	164	101	61.6

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Effective 16 June 2010 - 30 September 2010

State	DMOS	Auth	Assign	PCTFill
MD	91A	1	0	0
MD	91D	26	13	50
MD	91F	8	6	75
MD	91G	6	4	66.7
MD	91H	5	3	60
MD	91J	13	8	61.5
MD	91K	6	4	66.7
MD	91L	12	8	66.7
MD	92F	39	23	59
MD	92G	71	55	77.5
MD	92W	9	7	77.8
MD	94E	10	6	60
MD	94F	20	5	25
MD	94M	2	0	0
ME	12K	21	14	66.7
ME	12N	140	111	79.3
ME	13F	5	3	60
ME	25B	7	5	71.4
ME	25P	2	0	0
ME	25U	24	15	62.5
ME	91G	3	1	33.3
ME	91J	6	4	66.7
ME	91K	3	2	66.7
ME	94E	7	4	57.1
MI	00D	2	0	0
MI	13B	151	30	19.9
MI	13D	53	9	17
MI	13M	83	28	33.7
MI	13P	47	16	34
MI	13T	2	1	50
MI	25C	13	7	53.8
MI	25L	7	4	57.1
MI	25P	6	3	50
MI	35N	3	2	66.7
MI	35P	4	2	50
MI	35T	4	3	75
MI	92S	68	49	72.1
MI	94F	32	24	75
MI	94M	4	1	25
MI	94P	6	4	66.7
MI	94Y	6	1	16.7
MN	35G	3	2	66.7
MN	68Q	1	0	0
MO	11C	27	21	77.8
MO	12K	33	12	36.4

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Effective 16 June 2010 - 30 September 2010

State	DMOS	Auth	Assign	PCTFill
MO	12V	18	14	77.8
MO	12W	52	34	65.4
MO	12Y	11	6	54.5
MO	13F	28	15	53.6
MO	19K	1	0	0
MO	25C	4	3	75
MO	25F	7	1	14.3
MO	25N	5	2	40
MO	25P	6	3	50
MO	25Q	17	10	58.8
MO	25S	14	8	57.1
MO	25U	130	97	74.6
MO	35S	1	0	0
MO	46R	4	2	50
MO	68X	2	1	50
MO	91C	45	35	77.8
MO	91G	6	3	50
MO	91J	35	21	60
MO	91W	19	13	68.4
MO	92F	162	98	60.5
MO	92G	222	164	73.9
MO	92L	8	3	37.5
MO	92S	72	41	56.9
MO	92W	58	38	65.5
MO	94A	2	1	50
MO	94E	21	12	57.1
MO	94F	30	18	60
MO	94H	2	1	50
MO	94M	4	3	75
MO	94Y	4	3	75
MS	12G	9	3	33.3
MS	12K	44	26	59.1
MS	12Q	2	1	50
MS	12V	22	4	18.2
MS	12Y	6	4	66.7
MS	13D	42	19	45.2
MS	13F	59	26	44.1
MS	13R	8	5	62.5
MS	15V	9	4	44.4
MS	19K	127	95	74.8
MS	25C	3	2	66.7
MS	25F	4	1	25
MS	25P	5	3	60
MS	25S	8	4	50
MS	35G	2	1	50

CS MOS List is subject to change. The vacancy eligibility is monitored by the IMARC system through the bonus control number request.

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CRITICAL SKILLS LIST

Effective 16 June 2010 - 30 September 2010

State	DMOS	Auth	Assign	PCTFill
MS	35H	4	1	25
MS	35M	10	7	70
MS	35N	3	2	66.7
MS	35P	5	3	60
MS	42R	14	8	57.1
MS	46Q	7	3	42.9
MS	46R	5	2	40
MS	68S	2	1	50
MS	89A	4	3	75
MS	91A	28	18	64.3
MS	91E	4	1	25
MS	91G	12	9	75
MS	91P	7	3	42.9
MS	92L	7	0	0
MS	94A	3	0	0
MS	94E	23	12	52.2
MS	94M	9	5	55.6
MS	94T	6	3	50
MS	94Y	10	4	40
MT	11B	175	107	61.1
MT	11C	15	10	66.7
MT	12N	62	46	74.2
MT	13F	16	9	56.2
MT	19D	19	6	31.6
MT	19K	63	30	47.6
MT	25B	16	11	68.8
MT	25N	3	2	66.7
MT	25S	2	0	0
MT	35F	8	6	75
MT	46Q	3	1	33.3
MT	68W	41	31	75.6
MT	88M	28	17	60.7
MT	89B	1	0	0
MT	91A	15	3	20
MT	91D	16	11	68.8
MT	91E	2	1	50
MT	91F	4	3	75
MT	91G	3	1	33.3
MT	91H	17	11	64.7
MT	91L	12	9	75
MT	91M	14	3	21.4
NC	12G	9	7	77.8
NC	12K	42	11	26.2
NC	12N	204	118	57.8
NC	12V	22	4	18.2

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State	DMOS	Auth	Assign	PCTFill
NC	12W	104	75	72.1
NC	13M	78	40	51.3
NC	13P	47	29	61.7
NC	13R	8	4	50
NC	25N	8	3	37.5
NC	25P	4	2	50
NC	25Q	20	14	70
NC	25S	8	3	37.5
NC	35P	4	2	50
NC	89A	7	4	57.1
NC	91A	30	21	70
NC	91E	7	5	71.4
NC	91G	17	10	58.8
NC	91H	52	35	67.3
NC	91L	36	17	47.2
NC	91P	11	3	27.3
NC	92F	143	112	78.3
NC	94F	33	26	78.8
NC	94M	7	4	57.1
NC	94P	6	2	33.3
ND	12C	81	53	65.4
ND	12K	22	16	72.7
ND	12T	8	0	0
ND	12V	22	11	50
ND	12Y	2	0	0
ND	13F	1	0	0
ND	14S	67	49	73.1
ND	15F	1	0	0
ND	15H	1	0	0
ND	15Q	1	0	0
ND	15V	4	2	50
ND	25B	19	15	78.9
ND	25N	3	0	0
ND	25P	2	0	0
ND	25Q	5	3	60
ND	25S	2	0	0
ND	25U	45	30	66.7
ND	36B	1	0	0
ND	68K	1	0	0
ND	74D	17	10	58.8
ND	88M	16	11	68.8
ND	91C	11	7	63.6
ND	91D	24	14	58.3
ND	91F	7	2	28.6
ND	91G	6	2	33.3

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State	DMOS	Auth	Assign	PCTFill
ND	91H	23	14	60.9
ND	91J	25	8	32
ND	91L	29	21	72.4
ND	91W	9	6	66.7
ND	92A	64	45	70.3
ND	92F	40	22	55
ND	92G	53	29	54.7
ND	92W	105	45	42.9
ND	94E	8	2	25
ND	94F	12	4	33.3
ND	94M	4	1	25
ND	94T	6	1	16.7
NE	09L	7	5	71.4
NE	12Y	2	1	50
NE	15D	3	1	33.3
NE	25B	19	12	63.2
NE	25P	2	1	50
NE	25Q	5	2	40
NE	25S	2	1	50
NE	46Q	3	2	66.7
NE	46R	2	1	50
NE	68S	3	1	33.3
NE	88N	7	4	57.1
NE	91G	3	2	66.7
NE	92L	7	1	14.3
NE	94E	9	6	66.7
NE	94M	2	1	50
NH	11C	4	3	75
NH	13D	6	2	33.3
NH	13P	43	33	76.7
NH	25L	2	0	0
NH	25N	2	1	50
NH	25Q	6	4	66.7
NH	25S	2	0	0
NH	25U	15	11	73.3
NH	27D	2	1	50
NH	42F	1	0	0
NH	42R	11	7	63.6
NH	46Q	3	2	66.7
NH	74D	4	3	75
NH	91J	5	3	60
NH	92F	23	18	78.3
NH	92G	17	13	76.5
NH	94F	4	3	75
NJ	00D	2	0	0

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State	DMOS	Auth	Assign	PCTFill
NJ	12Y	2	1	50
NJ	13D	33	15	45.5
NJ	13F	68	24	35.3
NJ	13R	2	0	0
NJ	13T	5	2	40
NJ	15G	9	2	22.2
NJ	15H	7	3	42.9
NJ	15V	4	2	50
NJ	25N	5	3	60
NJ	25S	4	2	50
NJ	35H	4	3	75
NJ	35P	4	3	75
NJ	42R	14	9	64.3
NJ	46Q	6	3	50
NJ	46R	5	0	0
NJ	91C	10	5	50
NJ	91G	1	0	0
NJ	92F	49	22	44.9
NJ	94A	2	1	50
NJ	94E	7	4	57.1
NJ	94F	8	2	25
NJ	94L	3	1	33.3
NJ	94M	2	0	0
NM	00D	1	0	0
NM	11B	323	145	44.9
NM	11C	27	12	44.4
NM	12Y	2	1	50
NM	13F	20	3	15
NM	14J	2	1	50
NM	15H	1	0	0
NM	25P	2	1	50
NM	88M	280	155	55.4
NM	88N	4	1	25
NM	91D	9	7	77.8
NM	91E	2	1	50
NM	91F	4	3	75
NM	91G	3	1	33.3
NM	91J	5	2	40
NM	91K	3	2	66.7
NM	92F	43	17	39.5
NM	92G	45	23	51.1
NM	92W	9	4	44.4
NM	94A	2	1	50
NM	94E	7	5	71.4
NM	94F	10	3	30

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State	DMOS	Auth	Assign	PCTFill
NM	94M	2	0	0
NV	15V	2	0	0
NV	25P	1	0	0
NV	46Q	3	1	33.3
NV	91E	2	1	50
NV	91G	3	1	33.3
NV	91J	18	12	66.7
NV	91L	5	1	20
NV	91M	8	4	50
NV	94E	4	3	75
NV	94F	4	2	50
NY	09L	2	1	50
NY	12G	9	2	22.2
NY	12K	22	12	54.5
NY	12Y	9	6	66.7
NY	13R	4	2	50
NY	14J	2	1	50
NY	25P	6	1	16.7
NY	25Q	105	43	41
NY	25S	39	26	66.7
NY	35H	8	5	62.5
NY	35S	1	0	0
NY	35T	3	1	33.3
NY	42R	14	7	50
NY	89B	14	11	78.6
NY	91A	2	0	0
NY	91E	10	6	60
NY	91G	10	4	40
NY	91K	9	4	44.4
NY	92F	110	67	60.9
NY	94E	22	13	59.1
NY	94F	30	16	53.3
NY	94M	4	1	25
OH	00D	1	0	0
OH	12Y	4	3	75
OH	25P	2	1	50
OH	25V	1	0	0
OH	89A	6	4	66.7
OH	91K	6	4	66.7
OK	12K	23	7	30.4
OK	12N	158	125	79.1
OK	12R	26	20	76.9
OK	12V	18	7	38.9
OK	13R	27	20	74.1
OK	15U	22	16	72.7

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State	DMOS	Auth	Assign	PCTFill
OK	25L	5	3	60
OK	25Q	18	13	72.2
OK	91C	17	11	64.7
OK	91G	7	3	42.9
OK	91H	7	2	28.6
OK	91J	19	11	57.9
OK	91K	6	1	16.7
OK	92F	110	79	71.8
OK	92W	41	28	68.3
OK	94F	11	5	45.5
OK	94L	8	6	75
OK	94M	7	4	57.1
OK	94Y	4	2	50
OR	12D	1	0	0
OR	12K	21	10	47.6
OR	12N	65	51	78.5
OR	12W	52	24	46.2
OR	15A	1	0	0
OR	15V	3	0	0
OR	25P	4	0	0
OR	27D	6	4	66.7
OR	35P	4	2	50
OR	46R	4	3	75
OR	91A	7	5	71.4
OR	91C	10	5	50
OR	91D	27	21	77.8
OR	91G	3	2	66.7
OR	91H	23	11	47.8
OR	91J	18	9	50
OR	91K	9	7	77.8
OR	91M	8	1	12.5
OR	91W	10	5	50
OR	92F	44	32	72.7
OR	92G	88	65	73.9
OR	94A	4	0	0
OR	94E	19	7	36.8
OR	94F	17	11	64.7
OR	94H	4	3	75
OR	94L	2	0	0
OR	94M	2	0	0
OR	94Y	6	3	50
PA	12T	2	1	50
PA	12Y	13	8	61.5
PA	13D	130	103	79.2
PA	13F	131	60	45.8

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State	DMOS	Auth	Assign	PCTFill
PA	13R	18	14	77.8
PA	13T	17	11	64.7
PA	15H	13	5	38.5
PA	15Y	22	16	72.7
PA	25L	19	15	78.9
PA	25N	16	10	62.5
PA	25P	2	1	50
PA	25S	24	9	37.5
PA	35N	15	9	60
PA	35P	15	9	60
PA	35S	1	0	0
PA	46R	7	3	42.9
PA	68H	3	1	33.3
PA	89A	2	1	50
PA	91A	29	16	55.2
PA	91C	43	22	51.2
PA	91G	22	8	36.4
PA	91J	51	18	35.3
PA	91K	19	13	68.4
PA	91M	52	19	36.5
PA	92F	223	118	52.9
PA	92L	7	5	71.4
PA	92W	59	37	62.7
PA	94A	12	2	16.7
PA	94E	24	15	62.5
PA	94F	32	10	31.2
PA	94L	8	2	25
PA	94M	11	8	72.7
PA	94Y	6	0	0
RI	11B	164	118	72
RI	13B	151	113	74.8
RI	13D	53	23	43.4
RI	13F	2	1	50
RI	42R	14	9	64.3
RI	91F	2	1	50
RI	91J	4	3	75
RI	92W	2	1	50
RI	94E	1	0	0
SC	12V	23	11	47.8
SC	12Y	3	2	66.7
SC	15F	4	2	50
SC	19K	63	42	66.7
SC	25F	16	7	43.8
SC	25N	11	7	63.6
SC	25P	3	0	0

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State	DMOS	Auth	Assign	PCTFill
SC	42R	14	10	71.4
SC	56M	12	9	75
SC	68S	1	0	0
SC	89B	12	9	75
SC	91A	14	11	78.6
SC	91G	7	3	42.9
SC	91J	37	29	78.4
SC	91M	21	9	42.9
SC	94A	2	1	50
SC	94E	25	16	64
SC	94F	32	18	56.2
SC	94L	1	0	0
SC	94T	6	4	66.7
SC	94Y	4	0	0
SD	12K	21	12	57.1
SD	13T	1	0	0
SD	15V	1	0	0
SD	25Q	4	3	75
SD	46R	4	3	75
SD	68E	2	1	50
SD	91E	3	2	66.7
SD	94M	2	1	50
SD	94R	4	1	25
TN	12K	21	11	52.4
TN	12V	18	5	27.8
TN	12W	52	39	75
TN	12Y	4	1	25
TN	13D	42	29	69
TN	13F	56	38	67.9
TN	13M	78	34	43.6
TN	13P	47	24	51.1
TN	13R	8	0	0
TN	13T	8	3	37.5
TN	15F	3	2	66.7
TN	15V	4	3	75
TN	25B	45	33	73.3
TN	25F	8	6	75
TN	25L	45	33	73.3
TN	25P	2	0	0
TN	25Q	14	11	78.6
TN	35H	4	3	75
TN	35P	5	2	40
TN	68S	1	0	0
TN	88N	3	2	66.7
TN	91A	28	8	28.6

CS MOS List is subject to change. The vacancy eligibility is monitored by the iMARC system through the bonus control number request.

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State	DMOS	Auth	Assign	PCTFill
TN	91G	18	13	72.2
TN	91H	55	38	69.1
TN	91J	41	32	78
TN	91M	52	29	55.8
TN	91W	24	17	70.8
TN	92F	156	110	70.5
TN	94D	3	2	66.7
TN	94E	17	12	70.6
TN	94F	22	16	72.7
TN	94M	7	4	57.1
TN	94R	2	1	50
TN	94Y	7	5	71.4
TX	11B	1685	1242	73.7
TX	11C	159	76	47.8
TX	12G	9	7	77.8
TX	12K	42	26	61.9
TX	12N	272	180	66.2
TX	12V	26	9	34.6
TX	12W	104	73	70.2
TX	13D	67	53	79.1
TX	13F	163	107	65.6
TX	13M	156	36	23.1
TX	13P	94	29	30.9
TX	15V	5	3	60
TX	19D	198	149	75.3
TX	25C	26	14	53.8
TX	25P	4	3	75
TX	35P	21	8	38.1
TX	46Q	9	4	44.4
TX	89A	7	5	71.4
TX	91C	38	25	65.8
TX	91G	7	5	71.4
TX	91H	36	24	66.7
TX	91J	47	36	76.6
TX	92F	211	152	72
TX	92R	66	46	69.7
TX	94A	8	3	37.5
TX	94D	3	0	0
TX	94E	35	26	74.3
TX	94P	9	2	22.2
TX	94R	12	9	75
TX	94Y	4	0	0
UT	25N	3	2	66.7
UT	25Q	6	4	66.7
UT	35T	4	2	50

CS MOS List is subject to change. The vacancy eligibility is monitored by the iMARC system through the bonus control number request.

SRIP FY 10  
CRITICAL SKILLS LIST

Effective 16 June 2010 - 30 September 2010

State	DMOS	Auth	Assign	PCTFill
UT	68K	2	1	50
UT	88L	2	1	50
UT	91F	5	2	40
VA	12C	81	45	55.6
VA	12D	1	0	0
VA	12G	8	2	25
VA	12N	175	121	69.1
VA	13F	69	50	72.5
VA	13R	2	1	50
VA	15G	7	5	71.4
VA	15J	3	1	33.3
VA	15V	3	1	33.3
VA	46R	1	0	0
VA	88N	4	3	75
VA	89A	7	4	57.1
VA	91D	43	34	79.1
VA	91G	3	1	33.3
VA	92F	69	47	68.1
VA	94A	6	4	66.7
VA	94F	10	7	70
VA	94L	2	0	0
VT	12K	1	0	0
VT	12N	87	64	73.6
VT	12R	1	0	0
VT	13D	11	5	45.5
VT	13F	37	27	73
VT	13T	2	0	0
VT	19K	1	0	0
VT	25Q	3	1	33.3
VT	25U	35	7	20
VT	35N	1	0	0
VT	42R	14	8	57.1
VT	68W	74	56	75.7
VT	68X	1	0	0
VT	88M	125	64	51.2
VT	89B	8	2	25
VT	91J	9	1	11.1
VT	91W	4	3	75
VT	92A	37	27	73
VT	92F	36	11	30.6
VT	92G	41	25	61
VT	92W	9	3	33.3
VT	92Y	32	23	71.9
VT	94A	4	3	75
VT	94F	4	3	75

CS MOS List is subject to change. The vacancy eligibility is monitored by the iMARC system through the bonus control number request.

SRIP FY 10  
CRITICAL SKILLS LIST

Effective 16 June 2010 - 30 September 2010

State	DMOS	Auth	Assign	PCTFill
WA	00D	2	0	0
WA	12K	21	10	47.6
WA	12W	52	24	46.2
WA	13D	42	10	23.8
WA	13R	8	5	62.5
WA	13T	5	3	60
WA	15Q	3	2	66.7
WA	15V	4	3	75
WA	25N	5	2	40
WA	25Q	11	6	54.5
WA	25S	4	1	25
WA	35H	4	0	0
WA	35P	16	11	68.8
WA	35T	2	1	50
WA	42F	2	1	50
WA	42R	14	8	57.1
WA	46Q	9	6	66.7
WA	46R	5	3	60
WA	88M	254	186	73.2
WA	89A	1	0	0
WA	89D	12	9	75
WA	91A	15	8	53.3
WA	91D	33	20	60.6
WA	91E	3	1	33.3
WA	91G	11	2	18.2
WA	91H	39	28	71.8
WA	91J	22	9	40.9
WA	91L	19	15	78.9
WA	91M	29	12	41.4
WA	91P	11	5	45.5
WA	92F	97	46	47.4
WA	92G	87	65	74.7
WA	92W	13	6	46.2
WA	94A	3	0	0
WA	94E	6	2	33.3
WA	94F	7	4	57.1
WA	94M	3	0	0
WI	11B	712	309	43.4
WI	11C	70	44	62.9
WI	12G	9	7	77.8
WI	12K	21	9	42.9
WI	12R	24	13	54.2
WI	12V	4	3	75
WI	12W	52	29	55.8
WI	12Y	4	1	25

CS MOS List is subject to change. The vacancy eligibility is monitored by the iMARC system through the bonus control number request.



SRIP FY 10  
CRITICAL SKILLS LIST

Effective 16 June 2010 - 30 September 2010

State	DMOS	Auth	Assign	PCTFill
WI	13B	76	38	50
WI	13D	33	21	63.6
WI	13F	73	58	79.5
WI	13M	78	49	62.8
WI	13R	2	1	50
WI	13T	8	3	37.5
WI	19D	71	29	40.8
WI	25L	5	2	40
WI	31B	122	79	64.8
WI	35H	4	3	75
WI	35M	8	6	75
WI	56M	7	5	71.4
WI	68J	2	0	0
WI	68X	2	1	50
WI	88N	1	0	0
WI	91D	42	29	69
WI	91G	6	4	66.7
WI	91L	28	15	53.6
WI	91W	18	8	44.4
WI	92F	94	74	78.7
WI	94M	4	1	25
WI	94Y	4	3	75
WV	12T	10	7	70
WV	12Y	2	1	50
WV	15N	4	3	75
WV	35T	1	0	0
WV	46R	2	1	50
WV	91F	9	4	44.4
WV	91M	8	4	50
WV	94E	9	5	55.6
WV	94F	11	4	36.4
WY	13F	5	1	20
WY	13M	78	31	39.7
WY	13P	47	12	25.5
WY	25B	11	6	54.5
WY	25L	5	2	40
WY	25N	3	0	0
WY	25Q	6	4	66.7
WY	25S	2	1	50
WY	25U	20	15	75
WY	42R	14	6	42.9
WY	56M	2	0	0
WY	88N	1	0	0
WY	89B	6	4	66.7
WY	91C	2	1	50

CS MOS List is subject to change. The vacancy eligibility is monitored by the iMARC system through the bonus control number request.

SRIP FY 10  
CRITICAL SKILLS LIST

Effective 16 June 2010 - 30 September 2010

State	DMOS	Auth	Assign	PCTFill
WY	91D	8	5	62.5
WY	91E	1	0	0
WY	91F	2	0	0
WY	91J	4	1	25
WY	91W	5	2	40
WY	92A	28	12	42.9
WY	92F	32	16	50
WY	92G	21	6	28.6
WY	92W	14	5	35.7
WY	94F	3	0	0
WY	94P	6	4	66.7

CS MOS List is subject to change. The vacancy eligibility is monitored by the iMARC system through the bonus control number request.

16 June 2010 – 30 September 2010

[illegible]



## NATIONAL GUARD BUREAU

111 SOUTH GEORGE MASON DRIVE  
ARLINGTON VA 22204-1382

25 JUL 2011

ARNG-GSE

MEMORANDUM FOR The Adjutants General of all States, Puerto Rico, the US Virgin Islands, Guam, and the Commanding General of the District of Columbia

SUBJECT: (All States Log Number P11-0009) Army National Guard (ARNG) Selected Reserve Incentives Program for Fiscal Year 2011

1. References. See enclosure 1.
2. Applicability. This policy applies to those entering or serving in a traditional status in the ARNG effective 1 August 2011.
3. Purpose. The Selected Reserve Incentives Program (SRIP) helps leadership and personnel managers meet and sustain ARNG readiness requirements. The program provides recruiting and retention incentives to help fill critical shortages. Incentives are used when other less costly methods have proven inadequate or ineffective, and only when necessary to support unit and skill staffing requirements.
4. Administration.
  - a. General. This document prescribes eligibility criteria, procedures, and standards for administering the SRIP for fiscal year 2011. This policy supersedes all previous SRIP policies, guidance, ARNG SRIP instructions, and Education Incentive Operational Messages (EIOM).
  - b. Management Controls. Commanders at all levels are responsible for establishing and maintaining internal controls and for identifying and addressing major performance challenges and areas at greatest risk for fraud, waste, abuse, and mismanagement. Management control provisions shall be in accordance with Army Regulation (AR) 11-2, Managers' Internal Control Program, 4 January 2010. In addition, this program should be added to your Managers' Internal Control Five-Year Plan as a high risk function and evaluated every year to mitigate risks that would severely impact the National Guard (NG).
  - c. Separation of Duties. It is necessary to prevent any undue pressure on the decision-making process for incentives. Separation of duties is critical to effective internal control; it reduces the risk of erroneous and inappropriate actions. Fraud perpetrated through collusion with another person is deterred by separating duties. Decisions affecting incentives span across the communities of Recruiting and Retention, Finance, Medical, Standard Installation/Division Personnel System (SIDPERS), and Training, but duty separation creates a clear audit trail for operating efficiently and safely. Separation of



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SUBJECT: (All States Log Number P11-0009) Army National Guard (ARNG) Selected Reserve Incentives Program for Fiscal Year 2011

duties ensures that each person's work acts as a complementary check against another's. No one person should be responsible for an entire transaction or operation. When duties cannot be separated, a detailed supervisory review of related activities is required as a compensating control activity.

d. Education Incentive Operational Messages. Periodic updates to this policy will be published as EIOMs. This document, EIOMs, and previous policies are posted to the Information Management and Reporting Center (iMARC) Information Center at <https://minuteman.ngb.army.mil>.

e. System Access. The management tool for administering ARNG SRIP is iMARC. A user may request a general user, non-privileged level account for routine procedures or a privileged level access account, from either State Administrator or State Manager. All users of iMARC are required to complete initial Information Assurance (IA) awareness orientation as a condition of access and thereafter must complete annual IA refresher awareness. In addition, all users with privileged access must complete a Privileged Access Agreement. Personnel who are not appropriately certified within 6 months of assignment to a position or who fail to maintain their certification status shall be reduced to the non-privileged level. The State Incentive Manager (IM) will retain training completion certificates for all users within his or her domain.

f. Incentive Manager Training Requirements. The following training must be completed within 90 to 180 days of assignment. Further, IMs are required to complete recertification training annually after graduating the IM Course. Individuals who do not become recertified annually may have their iMARC access rights revoked until their recertification is completed and verified by the proponent, the Incentives Operations Team, located at the NG Professional Education Center, Camp Joseph T. Robinson, AR.

(1) Comptrollers Accreditation and Fiscal Law Course, Distributed Learning (DL) Course Number 5F-F14 (181A\_8F-DL12), <https://jag.elic.learn.army.mil>. Note: Must be completed prior to 30 September 2011.

(2) Incentives Manager Course, Phase I, DL. Length: Self-paced, 55 hours. [incentives.trng@ng.army.mil](mailto:incentives.trng@ng.army.mil) for enrollment and training information.

(3) The Incentive Manager Course, Phase II (Resident). Length: 40 hours (5 days).

5. Funding Authority. The execution of any SRIP incentive is subject to authorization in law, appropriation of funds, and applicable regulatory guidance.

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6. **Acronyms and Definitions.** Terms used in this policy are explained within the context of this instruction or in enclosure 2, Glossary and Definitions.

7. **Selected Reserve Incentives Program General Requirements.** The following requirements must be met to receive SRIP incentives. These rules also apply to the Student Loan Repayment Program (SLRP). In addition to these rules, specific requirements are listed under each individual program.

a. The recipient must meet the eligibility criteria for enlistment, reenlistment, extension, accession, affiliation, commission, or appointment into the ARNG.

b. The recipient must fill a valid, Automated Unit Vacancy System (AUVS) position in the Recruit Quota Enlistment System (REQUEST) or the Army Automated Reenlistment Reclassification System (RETAIN). Excess, over-strength, and manually loaded vacancies are not authorized incentives. Applicants enlisting for the 09S SLRP option are exempt from the requirements in this paragraph, and may fill either officer or enlisted positions. The AUVS is the system of record for determining valid vacancies for incentives.

c. The recipient, enlisting/witnessing official, and service representative are required to sign an incentive addendum on the date of enlistment, reenlistment, extension, accession, affiliation, commission, or appointment, unless otherwise stated in this policy. The incentive addendum will state the terms and conditions of the incentive.

d. The incentive addendum is not valid if signed after the execution date of a Department of Defense Enlistment /Reenlistment Document Armed Forces of the United States (DD Form 4), Department of the Army Oath of Extension of Enlistment or Reenlistment (DA Form 4836), or Oath of Office (NGB Form 337) and/or if not signed and dated by an enlisting/witnessing official and a service representative at the time the document is executed.

e. Soldier enlisting in the ARNG under the provisions of a Department of Defense Request for Conditional Release (DD Form 368 or Request for Clearance from US Army Reserve for Enlistment/Appointment in ARNG (NGB Form 60) from the Individual Ready Reserve (IRR) may be authorized an incentive.

f. United States Army Reserve (USAR) Soldiers who are enlisting into the ARNG under the provisions of a Request for Conditional Release and who have existing incentives are authorized to continue their incentives provided they meet the terms of the original service agreement and incentive addendum.

g. An incentive addendum must have an approved automated control number (CN) issued on or before the date of the service agreement. The CN is valid only for the

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incentive addendum that it is requested and approved for. For other than the Reserve Component Career Counselor (RCCC), the CN is only valid for the month and fiscal year for which it is issued. The RCCC CN may be issued up to 180 days prior to the expiration term of service (ETS) from Active Duty. Manual CNs are authorized only in periods of system outages or when inputting a USAR contract and incentive addendum per enclosure 3, Manual CN Procedure.

h. Soldiers shall serve satisfactorily in the authorized Military Occupational Specialty (MOS)/Area of Concentration (AOC) for the full term of the service agreement, except for authorized exceptions.

i. Retroactive entitlement of a SRIP incentive is not authorized under this policy.

j. Non-Prior Service (NPS) applicant must have an Armed Forces Qualification Test (AFQT) score of 50 or higher for all incentives.

k. Regional Training Institute (RTI) instructors assigned to MOS Immaterial (00F) duty positions may be authorized an incentive in their primary MOS (PMOS) provided they remain qualified in their PMOS and meet all other requirements for the incentive. The Special Qualification Identifier (SQI) will be in accordance with requirements of the assigned duty position. Soldiers must become instructor qualified (SQI-8) within 180 days of assignment.

l. Recruit Sustainment Program (RSP) cadre assigned to an MOS Immaterial (00F) duty position may be authorized an incentive in their PMOS provided they remain qualified in their PMOS and meet all other requirements for the incentive. Soldiers must become instructor qualified (SQI-8) within 180 days or Drill Sergeant qualified (SQI-X) within 365 days of assignment.

m. Incentive eligibility must be verified and validated using the Soldier screen in iMARC for suspension, termination, recoupment, and/or payment actions. Data systems that interface with iMARC must be kept current to facilitate timely incentive payments. Incentive addendums, the oath of office, DD 4, and DD 4836 must be loaded into the Interactive Personnel Electronic Records Management System (iPERMS). The iMARC comments will validate that documents are available for review in iPERMS. Supporting documents that validate eligibility and payment should also be uploaded in iMARC for quick reference.

n. Soldiers must be secondary school graduates prior to attending Advanced Individual Training (AIT) for payment of a SRIP incentive.

o. Soldiers are required to complete their service obligation even if released or removed from an incentive addendum.

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p. Applicant processing through the Recruiter Temporary Reservation System (RTRS) with an approved CN must enlist within the date of request plus 7 days of the RTRS reservation. The CN and RTRS reservation are valid for up to 8 days, even if the State reaches its authorized end-strength ceiling. Exceptions are not authorized.

q. Soldiers agree to extend for the minimum period necessary to meet the TRADOC service-remaining requirement in order to attend training only if they have less than the required service remaining for the MOS training.

r. Non-Prior Service Civilian Acquired Skills Program (CASP) applicants are eligible for SRIP incentives.

s. Non-Prior Service Split-option candidates are eligible for SRIP incentives.

t. Army Regulation 601-210, Active and Reserve Component Enlistment Program, 8 February 2011, governs suspension, reinstatement, termination, and recoupment of incentives. This policy supplements the regulation with specific criteria for each incentive.

u. Soldiers may continue to receive full incentive payment, if otherwise eligible, when they are transferred or reassigned in accordance with AR 601-210.

**8. Persons Ineligible.**

a. Military Technicians (includes indefinite technicians and temporary technicians on assignment over 180 days in any continuous 12-month period).

b. Active Guard Reserve (AGR) Soldiers.

c. Soldier enlisting into the Patriot Academy or General Education Diploma Plus Program.

d. Glossary Non-Prior Service (GNPS) applicants.

e. An accession override in REQUEST.

f. Officer Candidate School (OCS) enlistment option (except 09S SLRP option).

g. Reserve Officer Training Corps (ROTC) applicant enlisting as a 09R into the Simultaneous Membership Program (SMP).

h. Recruit Force Pool (RFP) participant. Upon enlistment, a SRIP incentive may be authorized in accordance with current policy.



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- i. Soldier enlisting under the Active First program.
- j. Soldier enlisting in the ARNG under the provisions of a conditional release from a Selective Reserve (SELRES) component other than USAR.
- k. All branch immaterial positions are ineligible for incentives unless otherwise noted.

**9. Critical Skill (CS) Management.**

- a. The following stated categories determine a CS for:

(1) Enlisting applicants, an MOS with less than 90 percent fill rate at the State level. The CS MOS will remain on the incentive list until the State reaches 100 percent fill for that MOS. Once removed, the CS will not reappear until dropping below the original 90 percent fill rate at the State level.

(2) Officers, an AOC or MOS with less than 90 percent fill rate at the National level. The CS AOC/MOS will remain on the incentive list until the Nation reaches 100 percent fill for that AOC/MOS. Note: If a State reaches or is at 90 percent fill per the AOC/MOS on the NGB Critical list, the State is not authorized to execute an incentive.

(3) Enlisted Soldiers reenlisting or extending, in an MOS regardless of fill rate at the State or National level. Only the primary holder of a valid position is eligible. Note: If a Soldier is in an over-strength or excess status, the State is not authorized to execute an incentive.

- b. Critical skill management occurs when an automated CN is requested in iMARC using data from applications that monitor reservations, vacancies, and end-strength. All available CS vacancies will appear in iMARC with an 840 management score.

**10. Non-Prior Service Critical Skill Enlistment Bonus.**

- a. Specific Criteria. In addition to the SRIP general requirements, the following requirements and rules apply:

(1) This incentive may not be offered when the State has obtained its end-strength ceiling.

(2) Minimum 6-year term of service (6x2 or 8x0 enlistment).

(3) Soldiers must enlist for a CS vacancy in the grade of E-4 or below. See enclosure 4, Enlisted NPS Critical Skill List.

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(4) Soldiers must become Duty Military Occupational Specialty Qualified (DMOSQ) within 24 months from the date of enlistment to be eligible for this incentive.

(5) Combined incentives may not exceed the legal maximum of \$20,000.

b. Payments:

(1) Non-Prior Service Critical Skill (6x2 or 8x0): (\$5,000) Payments are made in two installments for those Soldiers who ship on or before their original Reception Station (RECSTA) date.

(a) Installment 1: (\$2,500) Processed upon successful completion of AIT and verification of qualification in SIDPERS.

(b) Installment 2: (\$2,500) Processed on the 3-year anniversary of the enlistment date.

(2) Payment amounts are based on RECSTA ship date.

(a) The incentive will be reduced by 50 percent for Soldiers who fail to ship on or before their original RECSTA date.

(b) Soldiers failing to ship within 365 days will not be paid a bonus.

11. Prior Service Enlistment Bonus.

a. Specific Criteria. In addition to the SRIP general requirements, the following rules and requirements apply:

(1) This incentive may not be offered when the State obtains its end-strength ceiling.

(2) A 6-year term of service.

(3) Soldiers must be in the grade of E-7 or below.

(4) Soldiers must enlist in a CS DMOSQ or Non-DMOSQ.

(5) Soldiers enlisting from a branch of service other than the Army for DMOSQ CS positions must meet the requirements as prescribed in memorandum, HQDA, ATTG-TRI-VP, 6 May 2008, subject: Conversion of Sister Service Occupational Specialties to Army Military Occupational Specialties (MOSSs) (enclosure 9). Exceptions are noted in

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memorandum, HQDA, ATSH-IPP, 1 February 2008, subject: Conversion of US Navy Marine Corps, and Air Force Enlisted MOS Identifiers (enclosure 10). Soldiers will not be paid their initial payment until coded as DMOSQ in SIDPERS.

(6) Non-DMOSQ Soldiers must become DMOSQ in their authorized CS within 24 months of enlistment date to remain eligible for this incentive.

(7) Soldiers must have no more than 16-years of total military service upon enlistment in the ARNG. This service is computed from the Soldier's adjusted Pay Entry Basic Date. The total military Service criteria include inactive reserve time in the Individual Ready Reserve (IRR) or Inactive National Guard (ING).

(8) Soldiers must have received an honorable discharge or an honorable release at the conclusion of all prior periods of military service. Those who received general discharges (under honorable conditions) from any period of service are ineligible.

(9) Soldiers who previously received a prior service enlistment incentive are not authorized another prior service enlistment incentive.

(10) The RCCCs and Active Component Career Counselors may offer this incentive if a vacancy exists in RETAIN. The State IM must verify incentive eligibility before Soldiers sign the incentive addendum.

(11) Soldiers who previously received the Selected Reserve NPS enlistment incentive, Reenlistment/Extension Incentive, or Affiliation Incentive are authorized to receive the Prior Service Enlistment Incentive.

(12) Prior Service Soldiers enlisting within 365 days of their last discharge date from the ARNG are not eligible.

(13) Prior Service enlistments processed outside of a Military Entrance Processing Station (MEPS) must be reserved in REQUEST within 3 business days of the enlistment date in order for the incentive addendum to remain valid. A copy of the REQUEST reservation from the MEPS Guidance Counselor must be uploaded into iMARC for verification. Exceptions are not authorized.

(14) Prior Service Air Force, Navy, or Coast Guard personnel, who are considered DMOSQ upon enlistment, are required to attend Army Basic Combat Training (BCT) within 365 days of their enlistment unless they have previously completed Army or Marine Corps basic training. Exceptions are PS USAF and USN Special Operations personnel. Soldiers will not be paid their initial incentive payment until after completion of BCT. Failure to complete BCT within 365 days will render Soldiers ineligible for the bonus.

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(15) Soldiers may not be released from active or Selected Reserves (Troop Program Unit, Individual Mobilization Augmentee, or Active Guard Reserve) service for the purpose of enlistment in the Army Reserve or ARNGUS. Soldiers who are separated within 90 days of their contracted ETS are exempt from this restriction and are considered to have completed their prior obligations.

(16) Soldiers must possess a bonus MOS or accept training into an MOS as announced by HQDA that is the same as required by the SELRES unit position vacancy. Soldiers must have successfully served in the MOS and attained a level or qualification commensurate with their grade and years of service while serving on active duty. In the case of prior service in the Army Reserve or ARNGUS, they must have previously qualified in the MOS. Soldiers enlisted as "Will Train" have 24 months to acquire the critical MOS.

(17) Soldiers must complete the Prior Service Enlisted Bonus Agreement as part of the enlistment agreement and be classified in Mental Category I, II, or III (AFQT) with a score of 31 or higher.

**b. Payment.**

(1) Prior Service Critical Skill DMOSQ – 6 years: (\$5,000) 50/50 payments.

(a) Installment 1: (\$2,500) Processed upon reporting to unit of assignment, verification of DMOSQ status in SIDPERS and completion of BCT, if required.

(b) Installment 2: (\$2,500) Processed on the 3-year anniversary of the enlistment date.

(2) Prior Service Critical Skill Non-DMOSQ – 6 years: (\$5,000) 50/50 payments.

(a) Installment 1: (\$2,500) Processed upon completion of qualification training in their authorized CS, verification of DMOSQ status in SIDPERS, and, if required, the completion of BCT.

(b) Installment 2: (\$2,500) Processed on the 3-year anniversary of the enlistment date.

**12. Reenlistment/Extension Bonus (REB).**

**a. Specific Criteria.** In addition to the SRIP general requirements, the following rules apply:

(1) This incentive may be offered when the State obtains its end-strength ceiling.



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- (2) 3-year or 6-year term of service.
- (3) Soldiers must be in pay grade of E-7 or below.
- (4) Soldiers may execute an extension within 365 days of their ETS. Soldiers who are within 90 days of ETS are not eligible for this incentive.

Eligible to Extend for REB	Ineligible to Extend for REB
365 - 91 days before ETS	90 - 1 day before ETS

Table 1: Twelve Month Extension Window

- (5) Soldiers extending for the REB must not exceed the following Time-in-Service requirements at time of current ETS:

Pay Grade	Time-in-Service
E-1 – E-3	8-years
E-4	10-years
E-5	13-years
E-6 – E-7	15-years

Table 2: Time-in-Service Requirements by Grade

- (6) Soldiers must be the primary position holders in an authorized military grade and skill qualification commensurate with the positions for which they are reenlisting/extending IAW paragraph 9a.(3).
- (7) Soldiers who are Non-DMOSQ due to unit transition (deployment, reorganization, inactivation, or relocation) and who are otherwise fully eligible for the incentive may reenlist/extend for the REB.
- (8) Soldiers who are Non-DMOSQ at the time of extension must become qualified within 12 months of the new service agreement start date for a 3-year agreement or 24 months for a 6-year agreement. Soldiers will not be eligible for payment of the bonus if they are not qualified within above time frames. Payment will not be processed until Soldiers are DMOSQ in SIDPERS.

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(9) Soldiers deployed outside the Continental United States (OCONUS) must be under mobilization orders Title 10 United States Code (USC) 12301(d), Title 10 USC 12302, or Title 10 USC 12406.

**b. Payments:**

(1) The REB Deployed OCONUS/ Non-Mobilized – 3 years: (\$3,000) Lump-sum payment. Processed on the new start date of the contractual service commitment.

(2) The REB Deployed OCONUS – 6 years: (\$10,000) Lump-sum payment. Processed on the new start date of the new contractual service commitment.

(3) The REB Non-Mobilized – 6 years: (\$10,000) 50/50 payment.

(a) Installment 1: (\$5,000) Processed on the new contract start date for DMOSQ. Processed upon completion of qualification training and verification in SIDPERS for Non-DMOSQ.

(b) Installment 2: (\$5,000) Processed on the 3-year anniversary of the contract start date.

**13. Enlisted Affiliation Bonus.**

a. Specific Criteria. In addition to the SRIP general requirements, the following rules apply:

(1) This incentive will not be offered when the State obtains its end-strength ceiling.

(2) The DMOSQ Soldiers must affiliate with a CS, unit, or pay grade for no less than 3-years.

(3) Soldiers must be in pay grade E-7 or below and DMOSQ at time of enlistment to be eligible for this incentive and be no more than one grade below the required grade for the duty position.

(4) Soldiers must have satisfactorily completed any term of enlistment or period of obligated service.

(5) Soldiers must affiliate with the ARNG with the agreement that a minimum of 3-years of that time will be served in active drilling status (contractual obligation) in the ARNG.

(6) Soldiers must have fewer than 16-years of total military service.

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(7) Soldiers joining from another service must be awarded the enlistment MOS as their primary MOS, as determined by the proponent school at the time of affiliation, in accordance with memorandum, HQDA, ATTG-TRI-VP, 6 May 2008, subject: Conversion of Sister Service Occupational Specialties to Army Military Occupational Specialties (MOSs) (enclosure 9). Exceptions are noted in memorandum, HQDA, ATSH-IPP, 1 February 2008, subject: Conversion of US Navy Marine Corps, and Air Force Enlisted Military Occupational Specialty (MOS) Identifiers (enclosure 10).

(8) The Reserve Component Career Counselors and Active Component Career Counselors may offer this incentive if a vacancy exists in RETAIN. The State IM must verify incentive eligibility before Soldiers sign the incentive addendum.

(9) Soldiers separating from an Active Component must have a re-entry code of 1, 2, or 3 with Separation Program Designator Codes in accordance with AR 601-210.

b. Payment. Enlisted Affiliation Bonus DMOSQ – 3 years: (\$5,000) A lump-sum payment, processed upon affiliation with the ARNG and reporting to the unit assigned. For Soldiers contracting under the retraining provision, the bonus payment will be initiated by the unit commander upon award of a vacant MOS. Bonus will be verified by the IM prior to initiation of bonus payment per published procedures.

**14. Enlisted MOS Conversion Bonus (MOSCB).**

a. Specific Criteria. In addition to the SRIP general requirements, the following rules apply:

(1) This incentive may be offered when the State obtains its end-strength ceiling.

(2) A 3-year period of obligated service from the award date of new MOS.

(3) Soldiers must not exceed the following requirements at time of application for the MOSCB:

Pay Grade	Time-in-Service
E-6	10-years
E-5 and below	Unlimited

**Table 3: Time-in-Service Requirements by Grade.**

(4) Soldiers must sign a written Memorandum of Agreement to reclassify into a new

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MOS. See enclosure 5, MOSCB Memorandum of Agreement. The new MOS must be less than 90 percent State fill at the relevant skill level to qualify. Soldiers reclassifying must be in an over-strength position in order to receive this incentive. The MOA must be signed prior to a Soldier being scheduled for the necessary re-training and the IM issuing a CN. Exceptions are not authorized.

(5) Soldiers must be fully qualified for training and attendance at the appropriate service school in accordance with DA Pam 611-21, Military Occupational Classification and Structure; and AR 135-200, Active Duty for Missions, Projects and Training for Reserve Component Soldiers, 30 June 1999. Soldiers must meet any special requirements for the specific MOS for which they are reclassifying.

(6) Soldiers must complete any contracted period of service prior to applying for the MOSCB if they are serving on an initial CS enlistment incentive.

(7) Soldiers released from the program for compassionate reasons will not be considered for re-entry into the program unless documentation is furnished to indicate the reason for removal no longer exists.

(8) Soldiers accepting AGR tours or military technician positions (indefinite and temporary technicians on tour for fewer than 180 days in any continuous 12-month period not included) prior to completing the required MOS training will no longer be eligible for the incentive.

b. Application Process.

(1) An application for entry into the ARNG MOSCB Program will be submitted through a Soldier's chain of command to: Joint Force Headquarters-State (JFHQ-XX), ATTN: State Incentive Manager. The unit commander will submit a memorandum indicating that the target MOS is less than 90 percent filled at the appropriate grade for each application.

(2) All IMs will:

(a) Ensure that Soldiers have the appropriate security clearance to be trained for the MOS (see DA Pam 351-4, paragraph 1-13).

(b) Ensure that Soldiers have a copy of the written approval for participation in the ARNG MOS Conversion Bonus program.

(c) Assign an MOS Conversion CN and establish the record in iMARC.



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(d) Track and manage the MOSCB record through completion or termination, whichever comes first.

**c. Payment.**

(1) The MOSCB – 3 years: (\$2,000) A lump-sum payment is processed on the effective date the MOS is awarded. This date begins the required 3-year period of obligated service.

(2) The ARNG MOSCB may be paid concurrently with an Affiliation Bonus, or Reenlistment/Extension Bonus. The Soldiers' new MOS becomes the primary MOS on official order, and the Soldiers must remain in the new MOS for the length of the reenlistment or length of the MOS conversion (whichever is longer). Soldiers must complete the initial contract period if serving on the CS Enlistment Bonus and are not authorized for the MOSCB.

**15. Officer Accession Bonus (OAB).**

a. Specific Criteria. In addition to the SRIP general requirements, the following rules and requirements apply:

(1) This incentive may be offered when the State obtains its end-strength ceiling.

(2) A 6-year term of service.

(3) Officers must apply with an approved CS AOC or MOS listed in enclosure 6, Officer/Warrant Officer Accession Critical Skill List.

(4) Officers must serve in their contracted CS AOC or MOS for the entire length of the OAB agreement.

(5) Officers must sign the OAB agreement on or up to 90 days before the date of appointment or commission. Request for CN will be entered into IMARC and approved on or within 90 days prior to the date of appointment/commission or upon appointment as a WOC/OC whichever occurs first. Exceptions are not authorized.

(6) Officers/Warrant Officers must agree to serve in the AOC or MOS for which the incentive was awarded for the full length of their agreement. Commissioned officers are allowed normal career progression as long as they are the primary position holders within the Career Management Field (CMF) for which they received the OAB (Example: An officer with an AOC 12B incentive may continue to receive the incentive in one of 12A, 12D, or any other 12 CMF AOC per DA Pamphlet 600-3, Commissioned Officer Professional

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Development and Career Management Plan, 1 February 2010). Incentives will not be continued if the orders state "individual or voluntary request".

(7) Officers/Warrant Officers must have never held an officer commission or an appointment as a warrant officer in any of the armed forces of the United States, and must be in the rank of 2LT or WO1. The following exceptions are granted only if the AOC or MOS is on the current AOC or MOS list on date of commission:

(a) Grade is immaterial for DMOSQ chaplains (56A) and judge advocates (27A).

(b) Chaplain candidates (00E) are not authorized for the OAB. However, they may be eligible for an accession incentive when they commission in the Chaplain Corps, if otherwise fully qualified, regardless of having had a previous commission as a chaplain candidate.

(8) Officers must successfully complete Basic Officer Leader Course or Warrant Officer Basic Course in their designated AOC or MOS within 24 months of the date of commission or appointment.

(9) At the time of accession, officers must not be receiving benefits or participating in any of the financial assistance programs listed in enclosure 7, Disqualifying Federal Programs under Officer Accession Bonus (OAB) & Officer Affiliation Bonus (OAFB).

(10) Commissioned officers and appointed warrant officers are not eligible for the OAB if their enlisted incentive is terminated without recoupment.

(11) Officers remain eligible to participate in the ARNG Federal Tuition Assistance Program.

(12) Officers are ineligible to receive the OAB if currently under contract for SLRP. Prior to commissioning, officers other than 09S may choose to terminate their enlisted incentive. Officers must sign a memorandum for record to clarify their intent. The action must be complete prior to the date of commission.

b. Payment. Officer Accession Bonus CS – 6 years: (\$10,000) A lump-sum payment is processed upon completion of the Basic Officer Leader Course or the Warrant Officer Basic Course qualification.

**16. Officer Affiliation Bonus.**

a. Specific Criteria. In addition to the SRIP general requirements, the following rules and requirements apply:

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- (1) This incentive may be offered when the State obtains its end-strength ceiling.
- (2) A 6-year term of service.
- (3) Officers must affiliate with an approved CS AOC or MOS listed in enclosure 8, Officer and Warrant Officer Critical Skill List.
- (4) The OAFB agreement must be signed on or up to 90 days before the date of affiliation with the ARNG. The RCCC must contact the State IM prior to signing the contract to verify incentive eligibility. Request for CN will be entered into IMARC and approved on or within 90 days prior to the date of appointment/commission or upon appointment as a WOC/OC whichever occurs first. Exceptions are not authorized.
- (5) Officers must hold the rank or grade of 1LT (O-2) through MAJ (O-4) or CW2 (W-2) through CW3 (W-3).
- (6) Officers must be either currently serving on active duty for more than 30 days or currently members of the IRR. Officers who transferred into the IRR from any selected reserve component (including ARNG) must serve at least 12 months in the IRR before being considered for this incentive. Officers conditionally released from another SELRES component for affiliation with the ARNG are not authorized for this incentive.
- (7) Officers must have received honorable discharges from all periods of previous military service to qualify for this incentive.
- (8) Officers must have never received an OAFB for service in any selected reserve component.
- (9) Officers must not be receiving retired or retainer pay.
- (10) Officers must not be receiving benefits or participating in any of the financial assistance programs annotated in enclosure 7, Disqualifying Federal Programs under Officer Accession Bonus (OAB) & Officer Affiliation Bonus (OAFB).
- (11) Officers must agree to become AOC or MOS qualified within 24 months from the date of affiliation. This applies to officers coming into positions for which they have not completed the required training. Incentive will not be paid until training is completed.
- (12) Officers/Warrant Officers must agree to serve in the AOC or MOS for which the incentive was awarded for the full length of their agreement. Commissioned officers are allowed normal career progression as long as they are the primary position holder within the CMF for which they received the OAFB. (Example: An officer with an AOC 12B incentive

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may continue to receive the incentive in one of 12A, 12D, or any other 12 CMF AOC, in accordance with DA Pamphlet 600-3, Commissioned Officer Professional Development and Career Management Plan, 1 February 2010). Incentives will not be continued if orders state "individual or voluntary request."

b. **Payment. Officer Affiliation Bonus CS – 6 years: (\$10,000)** A lump-sum payment is processed upon affiliation with the ARNG and reporting to unit of assignment or on completion of AOC or MOS training qualification. Payment will not be processed until qualifications are updated in SIDPERS.

**17. Student Loan Repayment Program.**

a. **Specific Criteria.** In addition to the SRIP general requirements, the following SLRP rules apply:

- (1) This incentive may be offered when the State obtains its end-strength ceiling.
- (2) Applicants must enlist, reenlist or extend in a critical skill and remain in an authorized position for their entire service obligation.
- (3) Commissioned Officers/Warrant Officers are not eligible for this incentive.
- (4) Applicants must have one or more qualifying and disbursed Title IV Federal loan(s) not in default at the time of enlistment, reenlistment, or extension. The loan must be listed on the National Student Loan Data System (NSLDS) statement.
- (5) Applicants for the SLRP must sign a minimum 6-year service obligation at the time of enlistment, reenlistment, or extension.
- (6) Soldiers may add future disbursed loans upon completion of their current service obligation and extension for an additional 6-year period, provided they have not been commissioned or appointed.
- (7) Prior Service applicants and current ARNG members must be DMOSQ at the time of enlistment, reenlistment, or extension.
- (8) The date of initial SLRP eligibility establishes the lifetime maximum amount applicants may receive throughout their entire military career. This amount may not be adjusted at a later date except as authorized by HQDA G-1 (DAPE-MPA-CB).
- (9) Any break in service will permanently terminate SLRP eligibility, except for authorized periods of non-availability.



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(10) Officers who are receiving prior SLRP/CLRP/HPLR payments are ineligible for the OAB and/or the OAFB.

(11) Officers who received SLRP will be terminated without recoupment effective the date they are appointed into the Army Medical Department (AMEDD) branch. Does not apply to 67J, 70B and 72D.

(12) Enlisted Soldiers who enter a commissioning program and/or accept an appointment or commission as an officer or warrant officer in the SELRES, except as noted above, may continue to receive SLRP payments as stipulated in their original contract as long as they remain otherwise qualified. Note: If the maximum amount of SLRP payments has been reached, then code as "complete" in iMARC.

(13) SLRP extensions are not authorized for officers who contracted for this incentive as enlisted applicants.

(14) The following two printouts from the Department of Education's NSLDS website must be scanned, together with the DD 4 or DA 4836, and uploaded into Guidance Counselor Resource Center (GCRC) and iPERMS as a packet, no later than the effective date of the applicant's service agreement.

(a) The NSLDS Aid Summary sheet.

(b) The NSLDS Detail Loan Information sheet(s).

(15) A CN will not be issued without validation of qualifying federal student loan(s) that are not in default at time of issuance of the CN. A copy of the promissory note is not required when requesting a CN.

(16) The date Soldiers sign their initial enlistment or extension agreement establishes the SLRP anniversary date (month), unless adjusted for periods of authorized non-availability.

b. Continued receipt of the SLRP. Individuals who transfer from the United States Army Reserve to ARNG will continue to receive the SLRP.

(1) Refer to AR 601-210, chapter 10.

(2) US Army Reserve Soldiers must have their promissory note(s), NSLDS Aid Summary sheet, NSLDS Detail Loan Information sheet(s), loan payment history for verification or validation, USAR Department of Defense 4 Series, and USAR SLRP Annex uploaded into iMARC prior to receiving a CN. Information must include proof of previous

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payments processed by the USAR (e.g., W2, payment voucher, or payment history report from lender).

(3) Must execute a new SLRP addendum upon enlistment into the ARNG.

c. Additional Criteria for 09S SLRP option.

(1) Applicants enlisting under the 09S SLRP option must contract for a minimum 6-year service obligation and meet the minimum 09S SLRP criteria as outlined in AR 601-210 and policy memorandums.

(2) The 09S SLRP applicants may enlist for either a 6x2 or an 8x0 service obligation. Additional loans may not be added during the period of the contractual service commitment.

(3) A minimum of 90 semester hours are required for this incentive. Applicants must provide their official transcript prior to CN approval. The transcript must be uploaded into GCRC and iMARC.

(4) The 09S SLRP applicants may be excess to any unit when enlisted into the ARNG. They may be assigned to either an enlisted or officer position. On the date of commission, the officer must be the primary position holder. Officers in excess, over strength, and manually loaded vacancies are not authorized to continue this incentive.

(5) The 09S SLRP applicants will not be eligible for the Officer Accession Incentive upon commissioning. They may not complete or terminate their SLRP to receive the OAB.

(6) The 09S SLRP applicants are not authorized any enlisted SRIP incentive other than the SLRP.

(7) The 09S SLRP applicants remain eligible upon commission or appointment for this incentive until the initial contracted service obligation has expired. At that time, the incentive will be marked "completed" in iMARC. Extensions are not authorized, under any condition.

(8) Prior Service 09S applicants must have a minimum AFQT score of 50.

d. Payment.

(1) This policy authorizes SLRP incentive agreements of up to \$50,000 for newly established contracts, with annual repayments not to exceed the maximum amount established by law. (Refer to Table 4 below).

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(2) Anniversary payments are to be processed no later than 30 days after the anniversary date.

(3) Soldiers must be DMOSQ to receive SLRP repayment. (Not applicable for 09S SLRP option).

(4) Each individual loan must be at least 1 year old on the anniversary of the enlistment or reenlistment contract for payment.

(5) Consolidation loans must be entered into iMARC individually and then consolidated for payment.

(6) Anniversary payments will not exceed 15 percent of the original loan remaining balance(s) plus outstanding yearly interest, or \$500, whichever is greater, for loan(s) that are at least 1 year old on the anniversary. The payment amount cannot exceed the maximum annual payment reflected in the table below:

Date Range	Contract Amount	Maximum Annual Payment
Until 30 SEP 2004	\$10,000	\$1,500
01 OCT 2004 to 28 FEB 2009	\$20,000	\$3,000
01 MAR 2009 to Present	\$50,000	\$7,500

Table 4: SLRP Payment Table.

(7) Loans less than 1 year old on the anniversary date are deferred for payment until the next anniversary date. On the next anniversary, the loan will receive payment for the portion of the previous year the loan was in effect and a full payment for the current year.

(8) Payment is not authorized for other types of separations that result in the Soldier not completing the entire entitlement year.

(9) Prorated and accelerated payments are not authorized for acceptance of a permanent Military Technician or AGR position.

(10) Payment should not be made for any part of the loan that has already been paid.

(11) All SLRP anniversary payments must have the following four documents in iMARC prior to each annual payment. These documents will be attached to an iMARC-generated transmittal and forwarded to the respective United States Property and Fiscal

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Office (USPFO) for payment. The USPFOs will not process SLRP payments without these supporting documents. The IM is responsible for ensuring the accuracy of the loan information entered in the "Loan Repayment" tab in iMARC prior to the generation of the transmittal form. The lender information must be verified annually against the NSLDS documents.

- (a) The iMARC-generated transmittal sheet.
- (b) The NSLDS Aid Summary sheet.
- (c) The NSLDS Detail Loan Information sheet(s).
- (d) Department of Defense 2475 (DOD Educational Loan Repayment Program (LRP) Annual Application).
- (e) Student Loan Repayment Addendum.

(12) The ARNG will not repay loan(s) or portion of loan(s) that are in default, or repay delinquent payment(s), their interest, and/or associated charges. The ARNG will not make a payment to a Soldier or reimburse the Soldier for payment(s) made by them or any other individual on their behalf. The SLRP payments are paid to the financial institution only.

(13) The SLRP payment is taxable income and is not taxed at time of payment. Soldiers may also request, through their finance representatives, that additional taxes be withheld to avoid additional tax liability. A separate W2 statement will be issued for this incentive. It is the Soldier's responsibility to ensure that the W2 is correct. Combat zone tax exclusion may not be automatic and corrections are handled in accordance with State procedures for requesting corrected W2s.

(14) Loan disbursement vouchers will be verified by the IM for each payment submitted. The voucher will be printed from the finance Voucher Processing System. New users may register at <http://eda.ogden.disa.mil>. The information on this site identifies disbursed payments only. It is not a guarantee that a check has been cashed.

e. Continuation of SLRP incentive. Soldiers (other than 09S SLRP applicants and commissioned officers) may continue to receive their SLRP incentives after their initial 6-year or 8-year obligation provided they remain fully eligible for the incentive and they extend their initial service agreement in 6-year increments. A new incentive addendum and CN are not required for each subsequent extension. A copy of the incentive addendum must be included with each subsequent extension, scanned and uploaded in iPERMS. Payments end when enlistment ends with the Selected Reserve or when payment reaches



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the maximum amount allowable. The initial contracted amount is the maximum SLRP amount available to Soldiers and cannot be increased unless authorized by HQDA G-1.

f. The SLRP is subject to suspension for the following reasons:

(1) The candidates fail to begin their officer-producing program within 1 year of entering the 09S SLRP option.

(2) Candidates do not complete a bachelor's degree within 2 years of entering the 09S SLRP option.

(3) Candidates have not accepted their commission within 3-years of entering the 09S SLRP option.

(4) Candidates withdraw from the OCS program and do not become DMOSQ. Soldiers must begin AIT within 180 days after withdrawal from OCS. The SLRP suspension will be lifted upon finishing AIT and becoming DMOSQ.

g. The SLRP is subject to recoupment for the following reasons:

(1) Erroneous receipt of payments.

(2) Overpayments. Money is recouped from the Soldier, not the lender. Overpayments will be collected against the appropriate year. Defense Finance and Accounting System (DFAS) will issue appropriate tax correction documents.

h. The AR 601-210 provides general guidance for the suspension, termination, recoupment, and grant relief for the SLRP. In addition to that regulation, the following specific rules apply. Termination with full recoupment of all payments for 09S SLRP participants will occur for the following reasons:

(1) Candidate fails to earn a commission or become DMOSQ and is subsequently discharged.

(2) Candidate fails to begin MOS training within 180 days of withdrawal from OCS.

(3) Candidate fails to qualify in an enlisted MOS after withdrawal from OCS.

(4) Candidate fails to accept a commission within 3-years of entering the 09S SLRP option.

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(5) Candidate fails to complete Basic Officer Leadership Course within 36 months of successful completion of OCS.

18. Chaplain Loan Repayment Program (CLRP).

a. Specific Criteria. In addition to the SRIP general requirements, the following rules and requirements apply:

(1) A 3-year term of service.

(2) Soldiers must satisfy all requirements for accession and commissioning of chaplains, as prescribed in regulations.

(3) Soldiers must currently hold and be fully qualified for appointment as a Chaplain in the ARNG.

(4) Soldiers must have a current endorsement from a religious organization listed as an endorser with the Armed Forces Chaplains Board, Department of Defense 2088, and Statement of Ecclesiastical Endorsement, which must be uploaded in iMARC prior to issuance of a CN.

(5) Soldiers must possess outstanding educational loans secured on or after October 1, 1975 in accordance with 10 USC, Section 16303. These loans must have been applied towards a basic professional qualifying degree or a graduate education resulting in a Master of Divinity degree. All degrees must be obtained from an accredited theological seminary as listed in the Association of Theological Schools (ATS) handbook and/or accredited institution of post-secondary education handbook.

(6) New loans incurred after signing a 3-year CLRP incentive agreement will not be eligible until the term is completed and a new 3-year CLRP incentive agreement is signed.

(7) Individuals enrolled in the Chaplain Candidate Program are not eligible to participate in the ARNG CLRP.

b. Payment.

(1) The CLRP amount will not exceed \$20,000 for each 3-year period of obligated service. The maximum lifetime benefit will not exceed \$80,000.

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(2) It is the Soldiers' responsibility to request their annual repayment in writing after completing each year of satisfactory service, as well as to provide updated copies of loan balances to their servicing State IM for payment.

(3) Payment will be made for each year of satisfactory participation as a Chaplain in the ARNG (payment not to exceed \$6,666.66 per year).

(4) The payment may consist of the loan's principal, interest, and related expenses of the loan.

(5) Payments are made to the lender.

(6) Repayment of any loan shall not exceed the outstanding balance.

**19. Suspension: A Soldier's incentive payment will be suspended under the following circumstances.**

a. Enter a period of non-availability (placement in the Inactive National Guard (ING). Maximum periods of non-availability are:

(1) One year for personal reasons.

(2) Three years for missionary obligations or overseas employment.

b. Becomes flagged (suspension of favorable personnel action due to an adverse action.)

c. Repeat consecutive record APFT failure or consecutive failure to meet body fat standards within a 12 month period.

d. Reinstatement of bonus eligibility is not guaranteed. Provided Soldiers meet all requirements for participation, payments will be processed effective on the date the suspension is lifted or on the adjusted anniversary date of satisfactory creditable service.

e. Soldiers serving for an incentive specific to MOS 68W whose NREMT-B expires will have their incentive payment suspended until they complete the re-certification process or 6 months, whichever comes first.

**20. Termination.**

a. Entitlement to an incentive will be terminated when any of the termination reasons in AR 601-210 apply before the fulfillment of the service described in the member's written

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agreement. Any contracts executed on or after the effective date of this Policy will be governed by the following termination rules.

b. No further incentive payments will be authorized, except for payments for service performed before the termination date. Termination of an incentive will not affect a Soldier's responsibility to serve his or her current statutory or contractual service commitment.

21. Relief from Termination. Relief from termination remarks must be entered into iMARC along with any supporting documentation. Incentives will not be terminated for the following situations:

a. Commissioned officers changing their AOC/MOS due to normal career progression. These officers may retain their incentive, if otherwise eligible, provided they are the primary position holder of a valid position within the same CMF for which they received their incentive for the entire length of the service obligation. A transfer order must be uploaded into iMARC. Note: This does not apply to a warrant officer.

b. Soldiers whose MOS is changed at the convenience of the Government or whose unit is inactivated, relocated, reorganized, or converted. These Soldiers are entitled to continue receiving incentives provided they meet all other eligibility criteria, become DMOSQ within 24 months, and are not separated from the SELRES. Soldiers must be coded 9994, excess due to reorganization in SIDPERS (9995 Total Army Personnel Database - Guard (TAPDB-G) code). Assignment Orders must be uploaded into iMARC.

c. Military technicians on temporary assignment tour (includes indefinite and temporary technicians on tour for less than 180 days in any continuous 12-month period).

d. Soldiers performing ADOS (formerly ADSW) and/or Full Time NG Duty Operational Support who meet the eligibility criteria to reenlist or extend. These Soldiers may qualify for SRIP incentives provided they meet the eligibility criteria of the incentive as prescribed by AR 135-7, Incentive Programs, 15 April 1996, NG Regulation 600-7, or other appropriate policy guidance.

21. Termination with Recoupment. Remarks must be entered and supporting documents uploaded into iMARC if the following occur:

a. Unsatisfactory participation. If a Soldier accrues one or more unexcused absences within a 12-month period (nine for IDT and one for ADT), initiate termination of the incentive 90 days after the unexcused absence(s) if the absence(s) were not subsequently excused or made up. The effective date of termination is the date of the first unexcused absence ("U" on DA Form 1379).



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b. Separation from the ARNG due to death, injury, illness, or other impairment that is the result of the Soldier's own misconduct.

c. Failure to return to active status within the approved time period for non-availability or failure to extend the contracted period of service for a period of authorized non-availability within 90 days of return to active status. Termination will be effective on the date reflected on the Soldier's order to the ING.

d. Failure to maintain assignment in a valid, vacant position (SIDPERS excess code 9993, TAPDB-G excess code 999K). Soldiers placed in an over-strength status due to their unit being inactivated, relocated, reorganized, or converted (unit transformation or reorganization) are entitled to continue receiving payment(s), including the initial payment. Soldiers have 24 months from the date of the transformation or reorganization (plus period spent in a mobilized status) to be placed in a valid vacancy. Soldiers should not be coded 9993 in SIDPERS.

e. Discharge while under suspension of favorable personnel actions (flags) when the flag was not lifted prior to discharge. The effective date of termination is the date the flag is initiated (does not apply to flag for initial Army Physical Fitness Test (APFT) failure or initial failure to meet body fat standards).

f. Two consecutive record APFT failures or two consecutive failures to meet body fat standards within the contract term. Termination will be effective on the date of the second APFT failure or second failure to meet body fat standards.

g. Failure to maintain medical and dental readiness, in accordance with AR 40-501, Standards of Medical Fitness, 23 August 2010, during the entire period of the service obligation, unless failure was due to reasons outside of the Soldier's control as determined by the State Surgeon. Supporting documentation should be uploaded into iMARC for quick reference.

h. Failure to obtain MOS qualification due to denial of any required security clearance. Termination is effective on the contract start date. Failure to maintain MOS qualification due to revocation of any required security clearance, termination is effective the date of revocation.

i. A Soldier is separating from the ARNG for enlistment into any active component, (Navy, USMC, USAF, US Coast Guard, or regular Army), and receives an incentive from the AC enlistment, or when the period of service is less than the Soldier's current ARNG contract.

j. Soldier serves at least 1 day of an enlisted incentive contract term (contract term starts the date the initial payment of the incentive is authorized) and receives an officer

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accession incentive. Termination is effective the date of acceptance of commission or appointment. Note: Officers cannot receive SLRP and OAB at the same time.

k. Soldier receives an OAB upon commissioning after SRIP was suspended on the basis of becoming a contracted SMP/ROTC cadet. Termination of the SRIP is effective on the date of the ROTC contract.

l. Failure to obtain DMOSQ within 24 months of enlistment.

m. Voluntary transfer out of the CS position for which the incentive is approved.

n. Voluntary retirement.

o. Voluntary separation due to pregnancy.

p. Soldiers leaving the AGR or Military Technician program to return to traditional status and receiving an incentive while assigned in that traditional status will have that incentive terminated with recoupment if they have served less than 50 percent of the incentive contractual agreement prior to reentering the AGR or Military Technician program.

q. Failure to become instructor qualified (Special Qualification Identifier (SQI=8) within 180 days of assignment to an RTI and/or RSP cadre position. Incentive will be terminated effective the date of transfer.

r. Failure to become Drill Sergeant qualified (SQI=X) within 365 days of assignment to an RSP cadre position. Incentive will be terminated effective the date of transfer.

s. Officers entering into any Active Component or SELRES component with a current ARNG officer incentive will be terminated effective the date of transfer.

**22. Termination without Recoupment.** Remarks must be entered into iMARC for all terminations. Supporting documents must be uploaded. Reasons for termination without recoupment include the following:

a. Soldiers are simultaneously members of an authorized officer commissioning program, or accept immediate appointment as officer in any military department and are not receiving an officer affiliation or accession incentive from the gaining military department, as long as they served one or more days in the losing SELRES status (contract term starts the date the initial payment of the incentive is authorized). Note: This does not apply to SLRP.

b. Serve at least 1 day of an enlisted contract term (contract term starts the date the initial payment date is authorized) before accepting any ROTC scholarship. Termination is

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effective on the college class start date. Note: This does not apply to SLRP.

c. Does not receive an OAB upon commissioning after being suspended for becoming a contracted SMP or ROTC Cadet. Termination is effective on the ROTC contract effective date.

d. Accept a Military Technician or AGR position where membership in a reserve component is a condition of employment and have served 180 days or more in the losing SELRES from the payment date (includes indefinite and technicians on tour for 180 consecutive days or more in any continuous 12-month period) will result in the incentive agreement being terminated 1 day prior to the start date of the tour.

e. Leave the AGR or Military Technician program to return to a traditional status and receive an incentive but does not serve more than 50 percent of the incentive contractual agreement before returning to AGR or Military Technician program.

f. Retire involuntarily.

g. Separate for sole survivorship.

h. Separate involuntarily from the ARNG as a result of unit inactivation, relocation, reorganization, or a DOD-directed reduction in the ARNG force.

i. Fail to ship within 365 days of their enlistment date.

j. Contract as an ROTC cadet in the SMP. Note: Does not apply to the SLRP.

k. A Soldier is separating from the ARNG for enlistment into any active component, (Navy, USMC, USAF, US Coast Guard, or regular Army), and does not receive an incentive from the AC enlistment, or when the period of service is less than the Soldier's current ARNG contract.

23. Disposition of Incentives. To complete an incentive contract, any unpaid portion of an incentive will be paid out when the following situations occur:

a. Separation due to death that is determined not to be the result of the Soldier's own misconduct.

(1) In cases where the incentive is established in the DFAS pay system at the time of death, the payout of the incentive will be handled by the DFAS casualty assistance office with no action required by the IM other than marking the incentive as "completed" in iMARC with the remark "Soldier deceased on (date)."

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(2) In cases where the incentive is not established in the DFAS pay system at the time of death, the IM should provide incentive establishment paperwork to the casualty assistance office within the State so that DFAS will be made aware that the incentive exists. Actions in iMARC are the same as in (1) above.

b. Separation due to injury or illness that is determined not to be the result of the Soldier's own misconduct and the injury or illness occurred while assigned to a designated combat zone or combat related operation. Any unpaid amounts in iMARC will be accelerated by moving the date of payment to the relevant date and paid. These contracts will then be marked as "completed" in iMARC with appropriate remarks, such as "Soldier was separated due to (reason) on (date)." A copy of the discharge order will be noted in iMARC as a document in iPERMS. Note: Do not mark the contract "complete" in iMARC until the actual payment has been processed by DFAS; otherwise, the payment will reject.

c. Transfer of a Soldier from the ARNG to the USAR on a conditional release. This situation will not terminate the Soldier's incentive. The incentive will transfer to the USAR with that Soldier. The incentive will be marked "completed" in iMARC with remarks such as "Soldier was conditionally released to the USAR on (date)." Incentive managers are required to make sure the addendum is in the Soldier's iPERMS record.

#### 24. Deploying and Deployed Soldier.

a. Soldiers volunteering under Title 10 USC, Section 12301(d) or serving under Contingency Operation for Active Duty Operational Support (CO-ADOS) (formerly known as COTTAD) orders in support of a named contingency operation where partial mobilization has been declared are subject to the provisions of this ARNG SRIP policy.

b. Tax Free Incentives. Eligible enlisted Soldiers who execute a Re-enlistment or Enlisted Affiliation Incentive will receive a tax free incentive if deployed to a Combat Zone Tax Relief Area (CZTRA) as defined by Department of Defense Financial Management Regulation (DODFMR), Volume 7A, Chapter 44, and are otherwise fully qualified. The updated DODFMR may be found at the following Web page: <http://www.defenselink.mil/comptroller/fmr/07a/index.html>. Tax free incentives are only applicable if the extension or re-enlistment is signed during the calendar month the Soldier is ordered to serve, and while serving outside CONUS in the CZTRA for at least 1 day.

c. Soldiers with an incentive who are deploying or deployed remain eligible to receive their incentive.

(1) Soldiers cross-leveled into an MOS for which they are not qualified or who are placed into an MOS immaterial position (00F) will remain eligible for the incentive



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while deployed.

(2) Soldiers choosing to remain in the cross-leveled MOS upon release from active duty (REFRAD) have up to 24 months to become qualified in their new MOS before their incentive is terminated with recoupment, effective the REFRAD date of the unit.

(3) Soldiers placed in 00F positions will have to regain the incentive-eligible position for which the incentive is based within 180 days from REFRAD or the incentive will be terminated with recoupment, effective on the REFRAD date of the unit.

(4) Soldiers choosing not to remain in the cross-leveled MOS must be transferred to a incentive eligible position for which they are qualified within 180 days of their REFRAD or their incentive will be terminated with recoupment effective the REFRAD date of the unit.

d. Soldiers entering the 365-day REB eligibility window, not DMOSQ or in a 00F position for the sole reason of being deployed and are otherwise eligible for the incentive, may reenlist or extend for the Re-enlistment/Extension Incentive. The incentive payment will be processed the same as if the Soldier was DMOSQ.

(1) Soldiers volunteering to remain in the cross leveled MOS after REFRAD will fall under the following rules:

(a) If serving on a 3-year REB, Soldiers will have 12 months to become DMOSQ from the date of REFRAD.

(b) If serving on a 6-year REB, Soldiers will have 24 months to become DMOSQ from the date of REFRAD.

(2) Soldiers must be processed in iMARC under contract type "RB Non-DMOSQ due to transition/deployment."

e. Deployed Soldiers are eligible for the REB as long as they meet all other eligibility requirements. Soldiers will extend using DA Form 4836.

f. Soldiers may not enlist for an incentive into positions vacated by a Soldier who was cross-leveled to another unit for deployment.

g. Applicants may enlist with incentives into a valid vacancy in any rear element (derivative unit identification code (UIC)) established by result of the forward element deploying, as long as the position is not filled from a cross-leveled Soldier. Incentives are not authorized for any manually created vacancy in a rear element.

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h. Soldiers assigned to a deploying unit determined to be non-deployable may be transferred to another unit or a derivative UIC for the duration of the unit's deployment and retain their incentive eligibility. Soldiers whose transfer takes them out of contract eligibility for their incentive must be transferred back to their original unit within 180 days of the unit's REFRAD. If the incentive is dependent upon a specific MOS, they must be returned to the MOS for which the incentive was awarded.

i. Soldiers transferred to the ARNG Medical Management Activity (MMA) and SIDPERS coded as 999M will remain eligible for incentives, if contracted for an incentive prior to becoming medically non-available. Soldiers are not eligible to contract for additional incentives while in a medically non-available status. Soldiers must be transferred back to their original unit and/or be assigned as the primary position holder in the contracted MOS within 180 days of release from the MMA.

25. Exceptions to Policy (ETP). The Chief, Education, Incentives, and Employment Division is the proponent for this policy and is the authority for ETP determinations. All ETPs will be initiated by the Soldiers and routed through their chain of command to the State IM and State Military Personnel Officer, to the Incentive Operation Team (ARNG-GSE-O) for action. Approved or denied ETPs and supporting documents must be uploaded in GCRC and/or iPERMS. Routine ETPs include the following:

a. Soldiers are not DMOSQ within authorized re-training time due to no fault of their own. Include request for an extension to the authorized training time or to allow the incentive to complete without termination when insufficient time is left on the incentive contract to accomplish qualification training.

b. Soldiers do not ship for training in the prescribed time constraint due to no fault of their own. Include request for an extension to the authorized shipping time.

c. Soldiers receive 9 unexcused absences to Inactive Duty Training within a 1-year period with the failure to participate satisfactorily due to no fault of their own (e.g., death, injury, illness, or other impairment).

d. Soldiers fail to obtain DMOSQ within 24 months after an involuntary transfer into another skill for the convenience of the government. Include request for an extension to the authorized training time or to allow the incentive to complete without termination when insufficient time is left on the incentive contract to accomplish the training.

e. Soldiers voluntarily transferring to an RSP MOS 00F position after 31 March 2010 will remain eligible for incentives contracted prior to assignment to a valid RSP cadre position. Soldiers must become instructor qualified (SQI=8) within 180 days or Drill Sergeant qualified (SQI=X) within 365 days of the date of this policy. The SQI will be in

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accordance with requirements of the assigned duty position.

f. Soldiers voluntarily changing their AOC or MOS to 18-Series will remain eligible for incentives contracted prior to becoming 18-Series qualified.

26. Decentralized State Incentive Pilot Program (DSIPP). The DSIPP bonus pilot is a special exception to this policy with the purpose of testing improved automated internal management controls as well as enhanced automated program management functions. The DSIPP participants currently include Alabama, Alaska, Arkansas, Colorado, Florida, Georgia, Guam, Hawaii, Iowa, Kentucky, Maine, Maryland, Mississippi, North Carolina, Pennsylvania, Puerto Rico, South Carolina, Tennessee, the Virgin Islands, and Washington. Additional States are projected to enter the program prior to 30 September 2011. DSIPP States will comply with DSIPP SRIP Policy 11-02, dated 29 March 2011.

27. This memorandum will expire 1 year from the date of publication unless sooner rescinded or superseded.

28. Points of Contact. Direct all questions, concerns, or comments to the IM of the respective State, Territory, or the District of Columbia. The IMs may contact the Incentive Operations Team NCOIC, (b) (6), at 501-212-4728 or ESCincentives@ng.army.mil. The point of contact for this memorandum is (b) (6), Chief, Education, Incentives, and Employment Division at DSN 327-7605, 703-607-7605, or (b) (6).

10 Encls  
as



RAYMOND W. CARPENTER  
Major General GS  
Acting Director, Army National Guard

References

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Department of Defense Financial Management Regulation (DoD FMR) 7000.14-R, Volume 7A, Military Pay, Policy, and Procedures-Active Duty and Reserve Pay), 15 April 2010

Department of Defense Directive (DoDD) 1205.20, Reserve Component Incentive Programs, 8 January 1996.

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AR 11-2 Managers Internal Control Programs, 4 January 2010

AR 135-7, Incentive Programs, 15 April 1996

AR 135-91, Service Obligations, Methods of Fulfillment, Participation Requirements, and Enforcement Procedures, 1 February 2005

135-200, Active Duty for Missions, Projects, and Training for Reserve Component Soldiers, 30 June 1999

AR 220-1, Unit Status Reporting, 10 June 2003

AR 350-1, Army Training and Leader Development, 18 Dec 2009

AR 40-68, Clinical Quality Management, 26 February 2004

AR 40-501, Standards of Medical Fitness, 23 August 2010

AR 600-8-2, Suspension of Favorable Personnel Actions (Flags), 23 December 2004

AR 601-210, Active and Reserve Components Enlistment Program, 8 February 2011

AR 621-202, Army Educational Incentives and Entitlements, 3 February 1992

DA PAM 600-3 Commissioned Officer Professional Development and Career Management Plan

DA PAM 601-5-15 RETAIN Managers Handbook, 1 December 1984

DA PAM 611-21, Military Occupational Classification and Structure, 22 January 2007  
HQDA ALARACT 346/2010-Warrior Transition Course (WTC), DTG: 161908Z Nov 10

NGR 600-7, Selected Reserve Incentive Programs, 26 March 1999



References

NGR 614-1, Inactive Army National Guard, 18 March 2010

Operational Change to AR 601-210 (Active and Reserve Components Enlistment Program), 11 March 2011

Operational Change to AR 601-210 (Active and Reserve Components Enlistment Program), 4 April 2011

Army National Guard Enlistment Program, ARNG FY-07 Enlistment Criteria, 1 October 2006.

TRADOC Regulation 350-16 Drill Sergeant Program, 20 July 2010

## Glossary of Acronyms and Definitions

**Active Duty for Training (ADT)** – A tour of active duty that is used for training members of the Reserve components to provide trained units and qualified persons to fill needs of the Armed Forces during war or national emergency and such other times as national security requires. It includes annual training, special tours of ADT, school tours, and the initial duty for training performed by non-prior service enlistees.

**Active Guard and Reserve (AGR) Duty** – Active duty performed by a member of a Reserve component of the Army, the Navy, the Air Force, or the Marine Corps, or full-time National Guard duty performed by a member of the National Guard, pursuant to an order to active duty or full-time National Guard duty for a period of 180 consecutive days or more for the purpose of organizing, administering, recruiting, instructing, or training the Reserve components. (See Section 101(d)(6)(B) of 10 U.S.C. for exclusions.)

**Advanced Individual Training (AIT)** – The second half of Basic Training where recruits train to eventually become experts in their chosen field; it is different for each available Army career path.

**Applicant** – A person who is prequalified, desires voluntary enlistment in the ARNG, and is being considered for entry.

**Armed Forces Qualification Test (AFQT)** – A multiple choice test, administered by the United States Military Entrance Processing Command, used to determine qualification for enlistment in the United States armed forces.

**Army Management Structure Code (AMSCO)** – A uniform code contained in DFAS-IN Manual 37-100-XX which is the official accounting code for use in classifying financial and budgetary transactions in accordance with the activities defined in the Army Management Structure. Also called a fiscal code.

**Anniversary Date** – The date a Service member completes a year of service in the Ready Reserve in which the member's service has been satisfactory.

**Automated Unit Vacancy System (AUVS)** – System that manages shortages that have been identified through the unit status report.

**Civilian Acquired Skills Program (CASP)** – Award of an MOS based on qualifying skills acquired through civilian education and experience.

**Control Number** – Formally referred to as a Bonus Control Number (BCN)

**Critical Skill (CS)** – Any military occupational specialty designated by the Secretary concerned as a skill that is needed to meet readiness requirements and for which, the Secretary concerned has determined the use of an incentive would improve readiness posture. For purposes of this policy, the following applies:

(1) **Enlisted CS** – An MOS with less than 90% fill rate at the State level. The CS MOS will remain on the incentive list until the State reaches 100% fill for that MOS. Once

## Glossary of Acronyms and Definitions

removed it will no longer be authorized an incentive until dropping below the original 90% fill rate at the State level.

(2) Officer/Warrant Officer CS – an AOC/MOS with less than 90% fill rate at the National level. The CS AOC/MOS will remain on the incentive list until the Nation reaches 100% fill for that AOC/MOS. NOTE: If a state reaches or is at 100% fill per the AOC/MOC on the NGB Critical list, the state is not authorized to execute an incentive.

Defense Joint Military System – Reserve Component (DJMS-RC) - The military pay system that centralizes all Reserve Pay at the Defense Finance and Accounting Service - Indianapolis (DFAS-IN).

Education and Incentive Operational Messages (EIOMS) – Changes or procedural guidance affecting the SRIP policy that is identified after publication.

Enlisting Official – Officer who will swear in an enlistee or commissioning officer and will sign enlistment documents as "Enlisting Official" on bonus addendum or agreement. If enlisting officer is not available the Senior MEPS GC may sign bonus addendum.

Enlistment – An agreement for service in the Ready Reserve under Section 12103 of 10 U.S.C.

Expiration Term of Service (ETS) – The completion date of Enlisted Soldier's contract.

Fiscal Year (FY) – A 12-month period for which an organization plans the use of its funds. The military fiscal year is 1 October XXXX – 30 September XXXX.

Glossary Non-Prior Service (GNPS) – An applicant who was previously separated from any US Armed Force, to include a reserve component, is classified GNPS if he/she served on active duty for less than 180-days and have not previously been awarded an MOS. (This includes applicants who were discharged from a "conditional enlistment because of a positive pre-accession drug and alcohol test (DAT)). Applicants who are MOS qualified, regardless of time on active duty, are considered prior service.

Guidance Counselor Resource Center (GCRc) – Recruiting database that stores applicant information.

IADT – A Soldier's first period of active duty, for the purpose of training. Consists of Basic Combat Training (BCT) and Advanced Individual Training (AIT).

Individual Ready Reserve (IRR) – Members of the Ready Reserve not assigned to the SELRES or the ING.

Information Management and Reporting Center (iMARc) – The official education and incentive tracking system for the ARNG. iMARc is a menu-driven, web-based application that tracks Service Member Incentive Programs.

## Glossary of Acronyms and Definitions

**Military Technicians** – That category applies to Federal civilian employees of a Military Department, who occupy military technician positions and who are required to be a member of the Reserve Component that they support.

**Officer** – Refers to both commissioned officers and warrant officers

**Pay Entry Base Date (PEBD)** – The date from which pay longevity is computed.

**Prior Service (PS)** – any applicant with more than 180-days of military service, or those who graduated from military job-training (MOS/AFSC/Rating), regardless of time-in-service.

**Ready Reserve** – Reserve unit members or individual Reserve and National Guard members, or both, liable for AD, as provided in 10 U.S.C. 12301, 12302, and, for some members, 12304. It consists of the SELRES, the IRR, and the ING.

**Recruit Quota Enlistment System (REQUEST)** – an automated enlistment and training space management system designed to support recruiting and retention missions. The system is a worldwide, real-time, interactive system and is the controlling element for recruiters and retention NCOs in translating aggregate mission objectives to the MOS needs of the Army.

**Reenlistment** – A second or subsequent enlistment in a Reserve component.

**RETAIN** - The Army Automated Reenlistment/Reclassification System – a real-time automated system that identifies and reserves assignment vacancies for potential re-enlistees and determines MOS availability for Soldiers undergoing reclassification based upon the individual's qualifications and the needs of the Army. It is also used to process enlisted Soldiers for reenlistment or reclassification assignments.

**Secondary School Graduate** - For this policy, that term is limited to the following:

- (1) High School Graduate - High School Diploma.
- (2) High School Graduate - Adult Education Diploma.
- (3) Alternate Credit Holder - Test-Based Equivalency Diploma. (Includes GED)
- (4) Alternative Credit Holder - Home Study Diploma.

**Selected Reserve (SELRES)** – A category of the Ready Reserve in each of the Reserve components, consisting of units, and, of individual Reserve members in pay status, required to participate in IDT periods and annual training. The SELRES also includes title 32 AGR and Individual Mobilization Augmentee (IMA) personnel.

**Service Representative** – The following officials may sign bonus addendum or agreement as witness of an enlistment or commissioning – MEPS GC, Retention NCO, Readiness NCO, Officer/Enlisted Recruiter.

## Glossary of Acronyms and Definitions

Simultaneous Membership Program (SMP) – a volunteer officer training program that allows Army National Guard enlisted members to also participate in the Advanced ROTC Program.

Sole survivorship discharge - means the separation of a member from the Armed Forces, at the request of the member, pursuant to the Department of Defense policy permitting the early separation of a member who is the only surviving child in a family in which—

(1) The father or mother or one or more siblings—

(a) Served in the Armed Forces; and

(b) was killed, died as a result of wounds, accident, or disease, is in a captured or missing in action status, or is permanently 100 percent disabled or hospitalized on a continuing basis (and is not employed gainfully because of the disability or hospitalization); and

(2) The death, status, or disability did not result from the intentional misconduct or willful neglect of the parent or sibling and was not incurred during a period of unauthorized absence.

Split Training Option (STO) – An enlistment option in which recruits cannot complete their training at one time. This program allows you to split your basic training and complete initial entry training, then return at a later date and complete AIT.

(1) STO1 – Basic Training

(2) STO2 – Advances Individual Training

Standard Installation and Division Personnel Reporting System (SIDPERS) – The database of record for all Army National Guard Soldiers.

Temporary Assignment as a Military Technician – For this policy, a military technician assignment is considered to be temporary when the assignment is for a period of less than 6 months and there is no expectation of continued employment as a military technician beyond that date.

Test Score Category (TSC) – An Armed Forces Qualification Test (AFQT) score is used to determine basic qualification for enlistment. AFQT Scores are divided into the following categories:

- Category I - 93-99
- Category II - 65-92
- Category III A - 50-64
- Category III B - 31-49
- Category IV A - 21-30
- Category IV B - 16-20
- Category IV C - 10-15
- Category V - 0-9



Glossary of Acronyms and Definitions

Unit Status Reports (USR) – The measured resource/status levels in a unit at a specific point in time.

Unsatisfactory Participation – Failure to fulfill the contractual obligation or military service agreement as a member of the Ready Reserve. Participation is unsatisfactory when

(1) Members of Selected Reserve units acquire at least nine unexcused absences from scheduled training within a 12-month period; or,

(2) Members of the Ready Reserve (other than the SELRES) fails to meet the standards prescribed for annual screening, attendance at ADT, training advancement, misconduct for military offenses, or performance of duty.

840 management score – Critical skill vacancy.

Instructions for Requesting a Manual Control Number

1. In order to ensure effective management control for eligible applicants enlisting at MEPS during iMARC system outages whereby the MEPS GC is unable to complete an automated BCN request and a Manual Control Number must be issued by the State Incentive Manager (IM), the following steps outlines the requirements that must be completed to ensure the manually issued BCN is valid:

a. MEPS GCs must first confirm with State IM on the projected length of the iMARC system outage and only when the IM confirms that the delay would result in the applicant not being able to be processed for enlistment should a Manual BCN be requested. The MEPS GC will email/fax a copy of the Web REQUEST screenshot (Where the UVN is built) for reflecting the required 840 Management Score to confirm the validity of the Bonus/Kicker request. These printouts are not required for SLRP BCN requests.

b. State IM upon receipt of the Web REQUEST screenshot must confirm all the required information with the MEPS GC needed for the NGB Professional Education Center (PEC) Incentives Operation Team (IOT) to enter the BCN into iMARC by completing a Manual Control Number Log for each type of Incentive, Bonus/Kicker or SLRP. These Control logs should be maintained for future auditing purposes. Manual BCN for all contracts will be exactly 11 characters long as indicated below. The sequence number will be consecutive beginning with M001 until the end of that given months manual BCN. Example: E1102M001PA would be a NPS BCN for Pennsylvania issued in February 2011 whereas:

- (1) First Character: "E" for Bonus "K" for Kicker and "S" for SLRP
- (2) Second-Fifth characters: Date issued (YYMM) i.e. 1102
- (3) Sixth-Ninth characters: M followed by three-digit sequence number, i.e, M001
- (4) Tenth-Eleventh characters: Two-letter State abbreviation, i.e, PA for Pennsylvania

c. State IM will provide MEPS with manual BCN so that it may be entered onto the corresponding annexes as required. The MEPS GC must email the State IM copies of all completed incentive annexes at the end of the business day. The IM must upload the Web REQUEST screenshot along with the corresponding Annexes into iMARC when the system is back online. In cases of SLRP BCN only, the IM will ensure that the requiring supporting documentation is also uploaded into iMARC, (Promissory Note and Disbursement Sheets). The IM will then complete the Manual Control Number Request form and upload this into iMARC along with emailing it and the Manual Control Log to NGB PEC (IOT) at ESCincentives@ng.army.mil for review and uploading of the BCN into iMARC.

## Instructions for Requesting a Manual Control Number

d. The NGB PEC (IOT) upon receipt of the manual BCN request email request, verify that the completed request meets the required 840 Management score and that the applicant indeed was eligible for the incentive which issued. Upon confirmation of the manual BCN request, the IOT will upload the Manual BCN into iMARC using the BCN format above and add "NGB" to the end of the eleven characters BCN. Upon completion of the email request, PEC IOT will email the State IM on the completion of the request. The State IM will then monitor the contract within the "VALIDATE Contracts" bin in the Management Center "Requests" tab and will later validate the contract within the "Soldier's Screen" and SIDPERS along with establishing the contract with DFAS as required.

## Example Web REQUEST screenshot of 840 MGT Score

ARNG Unit Vacancies [ Control Number: 5990588 ]									
UIC: WPGSA1			State: MD			Gender: I			
Control Number: 5990588			Station Code: 24C36			Pay Grade: 3			
Job					Identifier		Status		
MOS	Skl Lvl	SQI	ASI	Lang	Para: 104		Current: <input type="button" value="▼"/>		
88M	1	O	00	YY	Line: 04		Future:		
Projected WO MOS		Projected CO AOC			Pos: 0000		Eff Date: 29991201 <input type="button" value="▼"/>		
Held By					Priority		Vacancy Type:		
SSN: <input type="text"/>					Bonus: 1		P		
Last Date: 29991201 <input type="button" value="▼"/>					Calculated: 480				
Release Action: <input type="text"/>					Management: 840				
Indicators									
<input type="checkbox"/> Freeze			<input checked="" type="checkbox"/> Bonus Eligible			<input checked="" type="checkbox"/> Will Train			
<input type="checkbox"/> Freeze Override			<input type="checkbox"/> Bonus Eligibility Override						
Created By									
User: LDArgTo					Date: 20100612				
Remarks: ARNG AUVS TOPLOAD-EXPORT (RPM) ON Jun 11 2010									

ENLISTED CRITICAL SKILL LIST

State	DMOS	State	DMOS	State	DMOS	State	DMOS	State	DMOS	State	DMOS
+AK	13F	AL	18E	AR	15B	AZ	91G	CO	15F	CT	42R
+AK	15G	AL	25L	AR	15D	AZ	92G	CO	15J	CT	46Q
+AK	19D	AL	25N	AR	15H	AZ	94M	CO	15U	CT	46R
+AK	25C	AL	25P	AR	15V	*CA	12G	CO	18B	CT	56M
+AK	25L	AL	25Q	AR	25N	*CA	12K	CO	18C	CT	68A
+AK	25N	AL	25V	AR	25Q	*CA	12T	CO	18D	CT	68G
+AK	25Q	AL	35L	AR	35G	*CA	12V	CO	18E	CT	68K
+AK	35M	AL	35P	AR	68A	*CA	12W	CO	25E	CT	68Q
+AK	46Q	AL	38B	AR	68Q	*CA	13D	CO	25N	CT	88M
+AK	46R	AL	51J	AR	88M	*CA	13R	CO	25Q	CT	89B
+AK	68A	AL	68J	AR	91C	*CA	15R	CO	27D	CT	91F
+AK	68J	AL	88L	AR	91D	*CA	15S	CO	35L	CT	91H
+AK	88N	AL	88M	AR	91E	*CA	15V	CO	35P	CT	92F
+AK	91C	AL	88N	AR	91F	*CA	15X	CO	46Q	CT	94E
+AK	91D	AL	89A	AR	91G	*CA	18B	CO	46R	CT	94F
+AK	91L	AL	91E	AR	91H	*CA	18C	CO	91C	CT	94L
+AK	92F	AL	91F	AR	91J	*CA	18D	CO	91E	CT	94Y
+AK	92G	AL	91G	AR	91L	*CA	18E	CO	91F	DC	15T
+AK	92W	AL	91J	AR	92F	*CA	25C	CO	91J	DC	15V
+AK	94E	AL	91K	AR	92L	*CA	25F	CO	91L	DC	19D
+AK	94F	AL	91L	AR	94A	*CA	31D	CO	92G	DC	27D
AL	12G	AL	92F	AR	94M	*CA	35L	CO	92R	DC	31B
AL	12K	AL	92W	AR	94Y	*CA	35N	CO	92W	DC	31D
AL	12N	AL	94E	AZ	11C	*CA	35P	CO	94E	DC	31E
AL	12R	AL	94F	AZ	12T	*CA	68A	CO	94F	DC	68G
AL	12T	AL	94M	AZ	12Y	*CA	68Q	CO	94P	DC	68X
AL	12W	AR	11C	AZ	13P	*CA	89A	CT	11C	DC	88M
AL	12Y	AR	12K	AZ	14J	*CA	89D	CT	12C	DC	91D
AL	13D	AR	12Q	AZ	25P	*CA	91A	CT	13F	DC	91F
AL	13F	AR	12T	AZ	42R	*CA	91J	CT	15B	DC	91G
AL	15E	AR	12Y	AZ	46Q	*CA	92M	CT	15J	DC	91H
AL	15G	AR	13D	AZ	46R	*CA	94M	CT	15R	DC	91J
AL	15J	AR	13F	AZ	68A	*CA	94Y	CT	15S	DC	91K
AL	15N	AR	13M	AZ	68G	CO	12N	CT	15X	DC	92F
AL	15T	AR	13P	AZ	68J	CO	12R	CT	15Y	DE	12K
AL	18B	AR	13R	AZ	88M	CO	13D	CT	25M	DE	12N
AL	18C	AR	13T	AZ	89D	CO	13P	CT	25Q	DE	15F
AL	18D	AR	14J	AZ	91C	CO	13T	CT	25U	DE	15G

\* Over end strength ceiling  
+ DSIPP participants

## ENLISTED CRITICAL SKILL LIST

State	DMOS	State	DMOS	State	DMOS	State	DMOS	State	DMOS	State	DMOS	State	DMOS
*FL	15V	*+GA	15V	*IA	13R	*ID	35N	*IL	91C	*KS	31B	*+KY	25P
*FL	15W	*+GA	25L	*IA	14J	*ID	35P	*IL	91D	*KS	42A	*+KY	25Q
*FL	18B	*+GA	42R	*IA	15H	*ID	35T	*IL	91G	*KS	42F	*+KY	25S
*FL	18C	*+GA	68Q	*IA	15V	*ID	42F	*IL	91H	*KS	46Q	*+KY	31B
*FL	18O	*+GA	88M	*IA	25L	*ID	46R	*IL	91J	*KS	46R	*+KY	46Q
*FL	18E	*+GA	89B	*IA	25P	*ID	68A	*IL	91K	*KS	68E	*+KY	46R
*FL	25L	*+GA	91P	*IA	25Q	*ID	68Q	*IL	91L	*KS	68X	*+KY	68A
*FL	25N	*+GA	92F	*IA	35G	*ID	89A	*IL	92F	*KS	88M	*+KY	91D
*FL	25Q	*+GA	94F	*IA	68A	*ID	91C	*IL	92M	*KS	89A	*+KY	91F
*FL	25S	*+GA	94M	*IA	68Q	*ID	91D	*IL	92S	*KS	91A	*+KY	91K
*FL	31E	+GU	11B	*IA	88M	*ID	91E	*IL	92W	*KS	91C	*+KY	91L
*FL	35M	+GU	13F	*IA	89A	*ID	91F	*IL	94A	*KS	91D	*+KY	91P
*FL	35P	+GU	56M	*IA	89B	*ID	91G	*IL	94E	*KS	91E	*+KY	92R
*FL	42R	+GU	68J	*IA	91C	*ID	91J	*IL	94F	*KS	91F	*+KY	94A
*FL	68J	+GU	91L	*IA	91G	*ID	92F	*IL	94L	*KS	91G	*+KY	94E
*FL	88M	+GU	42R	*IA	91H	*ID	92G	*IL	94M	*KS	91H	*LA	11B
*FL	89A	+GU	68X	*IA	91J	*ID	92M	*IN	14J	*KS	91J	*LA	11C
*FL	89D	+HI	11C	*IA	91L	*ID	94A	*IN	25C	*KS	91K	*LA	12C
*FL	91C	+HI	13D	*IA	92F	*ID	94E	*IN	68A	*KS	91L	*LA	12K
*FL	91E	+HI	13F	*IA	92G	*ID	94F	*IN	94E	*KS	91M	*LA	12N
*FL	91G	+HI	13T	*IA	92M	*IL	13D	*IN	94M	*KS	91P	*LA	12T
*FL	91H	+HI	15E	*IA	92W	*IL	13F	*KS	11B	*KS	92F	*LA	12Y
*FL	91J	+HI	15J	*IA	94E	*IL	13P	*KS	11C	*KS	92G	*LA	13D
*FL	91L	+HI	25N	*IA	94H	*IL	13T	*KS	12B	*KS	92W	*LA	13F
*FL	92W	+HI	25Q	*IA	94L	*IL	14J	*KS	12K	*KS	94E	*LA	14J
*FL	94A	+HI	27D	*IA	94M	*IL	15D	*KS	12N	*KS	94F	*LA	15G
*FL	94E	+HI	35N	*IA	94R	*IL	15E	*KS	13B	*KS	94M	*LA	15J
*FL	94R	+HI	35P	*IA	94Y	*IL	15F	*KS	13D	*KS	94P	*LA	15V
*FL	94T	+HI	42R	*ID	12K	*IL	15J	*KS	13F	*+KY	12H	*LA	25L
*+GA	12B	+HI	56M	*ID	12T	*IL	18B	*KS	13M	*+KY	12K	*LA	25N
*+GA	12K	+HI	88N	*ID	13R	*IL	18D	*KS	13P	*+KY	12M	*LA	25P
*+GA	12T	+HI	89B	*ID	13T	*IL	25C	*KS	13R	*+KY	12T	*LA	25Q
*+GA	12V	+HI	91W	*ID	14J	*IL	25L	*KS	13T	*+KY	13F	*LA	25S
*+GA	12W	+HI	92F	*ID	15J	*IL	25N	*KS	19K	*+KY	13P	*LA	35G
*+GA	12Y	+HI	92G	*ID	25B	*IL	25P	*KS	25N	*+KY	14J	*LA	35N
*+GA	13R	+HI	92L	*ID	25N	*IL	25Q	*KS	25Q	*+KY	15G	*LA	35P
*+GA	13T	+HI	94E	*ID	25Q	*IL	25S	*KS	25S	*+KY	15P	*LA	51C
*+GA	15F	+HI	94F	*ID	25S	*IL	35P	*KS	25U	*+KY	15V	*LA	68A
*+GA	15H	*IA	13B	*ID	25U	*IL	42R	*KS	27D	*+KY	19K	*LA	68Q
*+GA	15Q	*IA	13D	*ID	35G	*IL	88N			*+KY	25N	*LA	88M

\* Over end strength ceiling  
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## ENLISTED CRITICAL SKILL LIST

State	DMOS	State	DMOS	State	DMOS	State	DMOS	State	DMOS	State	DMOS	State	DMOS
*LA	89B	*MA	94A	*+MD	91B	*MI	13D	MO	15V	MS	15Y	MT	25C
*LA	91C	*MA	94E	*+MD	91D	*MI	13M	MO	19D	MS	18B	MT	25N
*LA	91D	*MA	94F	*+MD	91E	*MI	13P	MO	25C	MS	18C	MT	31B
*LA	91E	*MA	94M	*+MD	91F	*MI	13T	MO	25L	MS	18D	MT	46Q
*LA	91G	*+MD	11B	*+MD	91G	*MI	15E	MO	25N	MS	18E	MT	46R
*LA	91H	*+MD	11C	*+MD	91H	*MI	15J	MO	25P	MS	19K	MT	89A
*LA	91J	*+MD	12B	*+MD	91J	*MI	25L	MO	25Q	MS	25F	MT	91C
*LA	91K	*+MD	12K	*+MD	91K	*MI	25N	MO	25S	MS	25N	MT	91D
*LA	91L	*+MD	12W	*+MD	91L	*MI	25Q	MO	27D	MS	25P	MT	91K
*LA	92F	*+MD	12Y	*+MD	92F	*MI	27D	MO	35G	MS	25Q	MT	91M
*LA	92M	*+MD	13D	*+MD	92W	*MI	35N	MO	42F	MS	25S	MT	94E
*LA	92W	*+MD	13F	*+MD	94E	*MI	35P	MO	46R	MS	35G	MT	94H
*LA	94A	*+MD	14J	*+MD	94F	*MI	35T	MO	68Q	MS	35M	MT	94L
*LA	94E	*+MD	15D	*+MD	94M	*MI	35W	MO	91G	MS	35N	*NC	11C
*LA	94L	*+MD	15H	*+MD	94R	*MI	46Q	MO	91J	MS	35P	*NC	12K
*LA	94M	*+MD	15J	ME	12B	*MI	46R	MO	91K	MS	42R	*NC	12V
*MA	12V	*+MD	15V	ME	12N	*MI	56M	MO	92F	MS	68S	*NC	13D
*MA	12Y	*+MD	15W	ME	12R	*MI	92F	MO	92G	MS	88M	*NC	13M
*MA	13D	*+MD	18B	ME	12T	*MI	92S	MO	92L	MS	89A	*NC	13R
*MA	13F	*+MD	18C	ME	12W	*MI	92W	MO	92M	MS	91A	*NC	15W
*MA	13R	*+MD	18D	ME	15D	*MI	94P	MO	92W	MS	91D	*NC	15Y
*MA	15Q	*+MD	18E	ME	25B	*MI	94Y	MO	94E	MS	91G	*NC	18F
*MA	15V	*+MD	25C	ME	25F	*MN	25C	MO	94M	MS	91H	*NC	18E
*MA	18C	*+MD	25F	ME	25U	*MN	35G	MS	12G	MS	91M	*NC	19K
*MA	18D	*+MD	25P	ME	42R	*MN	42R	MS	12K	MS	91P	*NC	25F
*MA	25P	*+MD	25Q	ME	46Q	*MN	68A	MS	12M	MS	92F	*NC	25N
*MA	25U	*+MD	25S	ME	46R	*MN	91P	MS	12N	MS	92L	*NC	25P
*MA	42F	*+MD	25U	ME	68A	MO	12C	MS	12Q	MS	94A	*NC	25S
*MA	46Q	*+MD	31B	ME	68S	MO	12K	MS	12V	MS	94E	*NC	35N
*MA	46R	*+MD	35L	ME	68X	MO	12R	MS	12W	MS	94F	*NC	35P
*MA	68J	*+MD	36B	ME	74D	MO	12T	MS	12Y	MS	94H	*NC	68H
*MA	88M	*+MD	42R	ME	88N	MO	12V	MS	13B	MS	94M	*NC	68S
*MA	88N	*+MD	46Q	ME	91C	MO	12Y	MS	13D	MS	94T	*NC	89B
*MA	89B	*+MD	46R	ME	91H	MO	13D	MS	13F	MS	94Y	*NC	91A
*MA	91G	*+MD	68A	ME	91J	MO	13F	MS	14E	MT	12K	*NC	91H
*MA	91H	*+MD	68K	ME	92F	MO	14J	MS	14J	MT	12N	*NC	91J
*MA	91J	*+MD	68S	ME	94E	MO	15J	MS	14T	MT	12R	*NC	91L
*MA	92F	*+MD	68W	*MI	12C	MO	15P	MS	15J	MT	15B	*NC	91M
*MA	92W	*+MD	91A	*MI	12N	MO	15U	MS	15X	MT	25B	*NC	92L

\* Over end strength ceiling  
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## ENLISTED CRITICAL SKILL LIST

State	DMOS	State	DMOS	State	DMOS	State	DMOS	State	DMOS	State	DMOS	State	DMOS
*NC	94F	ND	94F	*NJ	68A	NV	15B	*NY	91K	OK	15V	*OR	36B
*NC	94M	ND	94M	*NJ	91G	NV	15T	*NY	92F	OK	25L	*OR	42R
*NC	94P	ND	94T	*NJ	91J	NV	15V	*NY	92L	OK	25N	*OR	68A
*NC	94Y	NE	12N	*NJ	92F	NV	36B	*NY	92W	OK	36B	*OR	68Q
ND	11B	NE	12Y	*NJ	92L	NV	42F	*NY	94A	OK	46Q	*OR	89B
ND	12M	NE	13F	*NJ	92S	NV	46Q	*NY	94E	OK	68A	*OR	91A
ND	12T	NE	15D	*NJ	94A	NV	46R	*NY	94L	OK	88M	*OR	91G
ND	12V	NE	12N	*NJ	94E	NV	68J	*NY	94M	OK	88N	*OR	91H
ND	15G	NE	25B	*NJ	94F	NV	68X	*OH	14E	OK	89B	*OR	91K
ND	15H	NE	46Q	*NJ	94M	NV	88M	*OH	15G	OK	91C	*OR	91M
ND	15Q	NE	46R	*NJ	89A	NV	88N	*OH	18B	OK	91D	*OR	92F
ND	15T	NE	68E	*NJ	89B	NV	89A	*OH	18C	OK	91G	*OR	92G
ND	15V	NE	92L	NM	118	NV	91E	*OH	18D	OK	91H	*OR	94E
ND	19D	NE	94E	NM	11C	NV	91J	*OH	18E	OK	91J	*OR	94H
ND	19K	*NH	11C	NM	12T	NV	91L	*OH	25Q	OK	91L	*OR	94L
ND	25B	*NH	13P	NM	12V	NV	92F	*OH	25V	OK	92F	*OR	94Y
ND	25L	*NH	25S	NM	13F	NV	92W	*OH	35M	OK	92G	*+PA	12T
ND	25N	*NH	46Q	NM	25P	*NY	12G	*OH	68A	OK	92W	*+PA	13F
ND	25P	*NH	46R	NM	25Q	*NY	12K	*OH	89A	OK	94A	*+PA	14J
ND	25Q	*NH	56M	NM	42F	*NY	12Y	*OH	91A	OK	94E	*+PA	25N
ND	25S	*NH	92F	NM	68A	*NY	13D	*OH	91M	OK	94F	*+PA	25S
ND	25U	*NH	92G	NM	88M	*NY	13F	*OH	92L	OK	94L	*+PA	35N
ND	27D	*NH	92L	NM	88N	*NY	14J	*OH	92M	OK	94M	*+PA	35P
ND	46Q	*NH	94F	NM	91C	*NY	15Q	*OH	94M	OK	94R	*+PA	91A
ND	56M	*NH	94P	NM	91D	*NY	15V	*OH	94T	*OR	11B	*+PA	91G
ND	68X	*NJ	12K	NM	91E	*NY	25F	OK	12K	*OR	11C	*+PA	91J
ND	74D	*NJ	13F	NM	91G	*NY	25P	OK	12M	*OR	12K	*+PA	91K
ND	89A	*NJ	13T	NM	91H	*NY	25V	OK	12N	*OR	12T	*+PA	91M
ND	91C	*NJ	14J	NM	91J	*NY	35N	OK	12R	*OR	12W	*+PA	91P
ND	91D	*NJ	15E	NM	91K	*NY	35P	OK	12T	*OR	13B	*+PA	92F
ND	91F	*NJ	15J	NM	91L	*NY	35S	OK	12V	*OR	13D	*+PA	92L
ND	91G	*NJ	15V	NM	91W	*NY	35T	OK	12W	*OR	13F	*+PA	92S
ND	91H	*NJ	25F	NM	92A	*NY	42R	OK	13M	*OR	13T	*+PA	94A
ND	91J	*NJ	25L	NM	92F	*NY	68A	OK	13P	*OR	15J	*+PA	94E
ND	91K	*NJ	25M	NM	92G	*NY	68Q	OK	13R	*OR	25N	*+PA	94F
ND	91L	*NJ	25N	NM	92W	*NY	68S	OK	15D	*OR	25P	*+PA	94L
ND	92F	*NJ	35P	NM	94A	*NY	68X	OK	15E	*OR	25P	*+PA	94M
ND	92G	*NJ	35W	NM	94E	*NY	88M	OK	15F	*OR	25Q	*+PA	94Y
ND	92W	*NJ	42R	NM	94F	*NY	88N	OK	15H	*OR	25S	*+PR	11B
ND	94E	*NJ	51C	NV	12B	*NY	91J	OK	15U	*OR	35N	*+PR	11C

\* Over end strength ceiling  
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## ENLISTED CRITICAL SKILL LIST

State	DMOS	State	DMOS	State	DMOS	State	DMOS	State	DMOS	State	DMOS	State	DMOS
*+PR	12C	RI	88M	*SD	12K	*TN	91G	TX	35N	*UT	91P	+VI	46R
*+PR	12K	RI	91B	*SD	15F	*TN	91H	TX	35P	*UT	92S	+VI	68A
*+PR	12N	RI	91C	*SD	25F	*TN	91J	TX	35S	*UT	92W	+VI	68J
*+PR	12V	RI	91D	*SD	25N	*TN	91L	TX	68A	*UT	94E	+VI	91C
*+PR	12W	RI	91E	*SD	25P	*TN	91M	TX	68Q	*UT	94F	+VI	91F
*+PR	12Y	RI	91L	*SD	25U	*TN	91P	TX	89A	*VA	12C	+VI	91J
*+PR	13F	RI	92F	*SD	46Q	*TN	92F	TX	91G	*VA	12G	+VI	91L
*+PR	13P	RI	92G	*SD	46R	*TN	92W	TX	91H	*VA	12Y	+VI	94F
*+PR	15V	RI	92R	*SD	91C	*TN	94E	TX	92M	*VA	13F	*VT	12N
*+PR	31B	RI	92W	*SD	91D	*TN	94F	TX	94A	*VA	13R	*VT	12W
*+PR	36B	RI	94F	*SD	91G	*TN	94L	TX	94E	*VA	15E	*VT	13D
*+PR	42F	*SC	12C	*SD	91J	*TN	94P	TX	94M	*VA	15G	*VT	13F
*+PR	46Q	*SC	12N	*SD	92W	*TN	94R	TX	94P	*VA	15N	*VT	13T
*+PR	46R	*SC	12V	*SD	94F	*TN	94R	TX	94R	*VA	15V	*VT	14J
*+PR	68A	*SC	12W	*SD	94M	TX	12B	TX	94Y	*VA	25S	*VT	19K
*+PR	68J	*SC	12Y	*TN	12K	TX	12C	*UT	11B	*VA	35P	*VT	25Q
*+PR	68W	*SC	13B	*TN	12R	TX	12D	*UT	12H	*VA	36B	*VT	25U
*+PR	88M	*SC	13D	*TN	12T	TX	12G	*UT	12M	*VA	42F	*VT	35M
*+PR	89B	*SC	13P	*TN	12V	TX	12N	*UT	12W	*VA	46R	*VT	42R
*+PR	89D	*SC	14J	*TN	12W	TX	12T	*UT	13D	*VA	68A	*VT	68A
*+PR	91E	*SC	15F	*TN	12Y	TX	12V	*UT	13F	*VA	68Q	*VT	68Q
*+PR	91G	*SC	15V	*TN	13B	TX	13D	*UT	15B	*VA	89A	*VT	68W
*+PR	91K	*SC	15X	*TN	13D	TX	13F	*UT	18B	*VA	89B	*VT	88M
*+PR	91L	*SC	15Y	*TN	13F	TX	13M	*UT	18C	*VA	91G	*VT	88N
*+PR	92L	*SC	19D	*TN	13M	TX	13P	*UT	18D	*VA	91H	*VT	89B
*+PR	94Y	*SC	19K	*TN	13P	TX	14T	*UT	18E	*VA	91K	*VT	91C
RI	13B	*SC	25N	*TN	13R	TX	15V	*UT	25M	*VA	92F	*VT	91G
RI	13D	*SC	25P	*TN	13T	TX	18B	*UT	25N	*VA	92W	*VT	91J
RI	13E	*SC	29E	*TN	14J	TX	18C	*UT	25Q	*VA	94A	*VT	91L
RI	18B	*SC	42R	*TN	15Q	TX	18D	*UT	27D	*VA	94L	*VT	92A
RI	18C	*SC	68A	*TN	25N	TX	18E	*UT	35L	+VI	12K	*VT	92F
RI	18D	*SC	91A	*TN	25Q	TX	25C	*UT	35T	+VI	12R	*VT	92G
RI	18E	*SC	91H	*TN	25V	TX	25F	*UT	45Q	+VI	12T	*VT	92W
RI	25U	*SC	91J	*TN	42F	TX	25L	*UT	46R	+VI	12W	*VT	94A
RI	31B	*SC	91M	*TN	56M	TX	25P	*UT	51C	+VI	15P	*VT	94E
RI	42A	*SC	91P	*TN	88N	TX	25Q	*UT	68J	+VI	15T	*VT	94F
RI	42R	*SC	92F	*TN	91A	TX	25S	*UT	68S	+VI	25C	WA	12K
RI	46R	*SC	92G	*TN	91C	TX	31D	*UT	91G	+VI	25F	WA	12N
RI	68W	*SC	94L	*TN	91D	TX	35L	*UT	91H	+VI	31E	WA	12W
RI	74D	*SC	94T	*TN	91F	TX	35M	*UT	91K	+VI	42R	WA	12Y

\* Over end strength ceiling  
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ENLISTED CRITICAL SKILL LIST

State	DMOS	State	DMOS	State	DMOS
WA	13D	WI	12V	WY	25Q
WA	13R	WI	12Y	WY	25S
WA	13T	WI	13P	WY	42F
WA	14J	WI	13R	WY	42R
WA	18B	WI	13T	WY	46Q
WA	18C	WI	14J	WY	46R
WA	18D	WI	15G	WY	56M
WA	18E	WI	15T	WY	89A
WA	25C	WI	35G	WY	89B
WA	25L	WI	35N	WY	91D
WA	25Q	WI	42F	WY	91E
WA	35G	WI	56M	WY	91J
WA	35L	WI	68A	WY	92G
WA	35F	WI	68Q	WY	94E
WA	36B	WI	91G	WY	94F
WA	42F	WI	91H	WY	94L
WA	42R	WI	91K		
WA	88M	WI	92L		
WA	89A	WI	94M		
WA	89D	WI	94P		
WA	91A	WI	94Y		
WA	91C	*WV	11B		
WA	91D	*WV	11C		
WA	91G	*WV	12T		
WA	91H	*WV	12W		
WA	91J	*WV	13F		
WA	91K	*WV	15B		
WA	91L	*WV	15F		
WA	91M	WY	12C		
WA	91P	WY	12M		
WA	92F	WY	12R		
WA	92G	WY	12W		
WA	94A	WY	13M		
WA	94E	WY	13P		
WA	94F	WY	14J		
WA	94M	WY	15B		
WI	11C	WY	15H		
WI	12G	WY	15P		
WI	12K	WY	19D		
WI	12T	WY	25F		

\* Over end strength ceiling  
+ DSIPP participants

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27 June 2011

MOSCB Memorandum Agreement



**NATIONAL GUARD BUREAU**  
NATIONAL GUARD BUREAU  
111 SOUTH GEORGE MASON DRIVE  
ARLINGTON VA 22204-1382

ARNG-CAV

1 May 2011

MEMORANDUM FOR Joint Force Headquarters, Nevada Army National Guard, 2480 Fairview Drive,  
Carson City, NV 89701

SUBJECT: Memorandum of Agreement for Army National Guard (ARNG) Military Occupational Specialty  
Conversion Bonus (MOSCB)

1. I, SPC John J. Smith, volunteer to reclassify in MOS 19D10 under the provisions of the ARNG Selected Reserve Incentive Program (SRIP) for FY 11, 1 April 2011 - 30 September 2011 (Policy Number 11-01), Paragraph 15. Enlisted MOS Conversion Bonus (MOSCB). The MOS is eligible for the program per the ARNG.
2. Upon completion of training and award of MOS
  - a. I agree to serve for a minimum of 3 years.
  - b. I agree to voluntarily extend my current enlistment/reenlistment upon reaching my window of eligibility to ensure 3 years time in service (TIS) remain after completion of training and award of MOS.
  - c. I agree to extend for the minimum period necessary to meet the TRADOC imposed service-remaining requirement in order to attend training if I have less than the required service remaining for the MOS training.
3. I am not currently serving in an initial period of service for which I received a critical skill enlistment bonus. The MOS Conversion Bonus may be paid concurrently with an enlistment affiliation or reenlistment/extension bonus.
4. I understand failure to complete the 3-years requirement in the new PMOS because I voluntarily transfer or because of misconduct will result in me having to refund to the United States.
5. I understand I will be required to complete any period of service to which I have agreed to serve in accordance with the needs of the ARNG, if I fail to complete the school course. Failure includes any reason (lack of security clearance, misconduct, academic failure, lack of motivation, AWOL, disciplinary action, etc.).
6. Upon completion of training and in conjunction with reassignment, the ARNG will pay me MOS Conversion Bonus of \$2,000 paid in one lump sum for my new Primary MOS (PMOS) at the time of completion of required training and award of the new PMOS on official orders.
7. I understand I accrue no right to an MOS Conversion Bonus solely by signing this application. I must successfully complete training, be awarded the new PMOS, and complete at least 3 years of service in the new MOS.
8. I understand that I fall under the same Termination Rules for SRIP Policy \_\_\_\_\_ as I would for a Re-enlistment/extension incentive.
9. Additional promises made to me in conjunction with the ARNG MOS Conversion Bonus Program are listed as follows: None

JOHN J. SMITH  
SPC, NVARNG



## OFFICER ACCESSION CRITICAL SKILL LIST

STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC
AK	11A	AR	70K	CT	70B	HI	74A	IL	88D	KY	27A	MD	88D
AK	13A	AR	74A	CT	70H	HI	88A	IL	89E	KY	35E	MD	92F
AK	15B	AR	88A	CT	70K	HI	90A	IL	90A	KY	35G	ME	12B
AK	27A	AR	88D	CT	74A	HI	91A	IL	91A	KY	42B	ME	15B
AK	31A	AR	91A	CT	88A	HI	92A	IL	92A	KY	46A	ME	25A
AK	35D	AR	92A	CT	88D	IA	12B	IL	92F	KY	53A	ME	35D
AK	35E	AZ	11A	CT	90A	IA	13A	IN	11A	KY	56A	ME	42B
AK	42B	AZ	12B	CT	91A	IA	27A	IN	13A	KY	70B	ME	53A
AK	53A	AZ	13A	CT	92A	IA	31A	IN	14A	KY	74A	ME	74A
AK	56A	AZ	14A	DC	90A	IA	35E	IN	15B	KY	88A	ME	88A
AK	70H	AZ	15B	DE	12B	IA	36A	IN	15C	KY	88D	ME	88D
AK	74A	AZ	25A	DE	12D	IA	42B	IN	19C	KY	89E	ME	91A
AK	88A	AZ	31A	DE	42B	IA	46A	IN	27A	KY	91A	ME	92A
AK	90A	AZ	36A	DE	46A	IA	51C	IN	30A	KY	92A	MI	12B
AK	91A	AZ	42B	DE	51C	IA	53A	IN	42B	LA	11A	MI	12D
AK	92A	AZ	53A	DE	53A	IA	56A	IN	53A	LA	12B	MI	13A
AL	14A	AZ	56A	DE	56A	IA	57A	IN	57A	LA	13A	MI	15B
AL	15B	AZ	70B	DE	88B	IA	70B	IN	70B	LA	14A	MI	15C
AL	24A	AZ	74A	DE	92A	IA	70D	IN	70H	LA	19A	MI	31A
AL	35G	AZ	88A	FL	13A	IA	70E	IN	70K	LA	19C	MI	38A
AL	38A	AZ	88D	FL	15A	IA	70H	IN	74A	LA	29A	MI	42B
AL	46A	AZ	89E	FL	15B	IA	70K	IN	88A	LA	35E	MI	46A
AL	53A	AZ	91A	FL	19A	IA	74A	IN	88C	LA	35G	MI	53A
AL	56A	AZ	92A	FL	51C	IA	88A	IN	88D	LA	42B	MI	56A
AL	70E	CA	12D	FL	56A	IA	88D	IN	90A	LA	51C	MI	70K
AL	70H	CA	13A	FL	57A	IA	91A	IN	91A	LA	53A	MI	74A
AL	70K	CA	18A	FL	88A	ID	27A	IN	92A	LA	56A	MI	88A
AL	74A	CA	30A	FL	88B	ID	35E	IN	92F	LA	57A	MI	88B
AL	88A	CA	35E	FL	89E	ID	42B	KS	12A	LA	74A	MI	88C
AL	88B	CA	42B	GA	12B	ID	51C	KS	13A	LA	88A	MI	88D
AL	88C	CA	53A	GA	13A	ID	53A	KS	15B	LA	88D	MI	90A
AL	88D	CA	56A	GA	14A	ID	56A	KS	19B	LA	90A	MI	91A
AL	90A	CA	57A	GA	15C	ID	57A	KS	25A	LA	91A	MI	92A
AL	91A	CA	74A	GA	35E	ID	70H	KS	27A	MA	12D	MN	14A
AL	92A	CA	88A	GA	35G	ID	74A	KS	31A	MA	13A	MN	19B
AL	92F	CA	88B	GA	36A	ID	88A	KS	36A	MA	15B	MN	27A
AR	11A	CA	88D	GA	46A	ID	88B	KS	42B	MA	18A	MN	30A
AR	12B	CA	89E	GA	53A	IL	15B	KS	46A	MA	42B	MN	36A
AR	12D	CA	90A	GA	57A	IL	18A	KS	53A	MA	46A	MN	53A
AR	13A	CA	91A	GA	74A	IL	19C	KS	56A	MA	51C	MN	70H
AR	15C	CA	92F	GA	91A	IL	31A	KS	70B	MA	56A	MN	88A
AR	19A	CO	12A	GU	11A	IL	35G	KS	70H	MA	70H	MN	88D
AR	19C	CO	12B	GU	12B	IL	42B	KS	74A	MA	74A	MN	90A
AR	25A	CO	15B	GU	13A	IL	42H	KS	88A	MA	88A	MO	11A
AR	31A	CO	27A	GU	53A	IL	56A	KS	88D	MA	88D	MO	12D
AR	35D	CO	56A	GU	70B	IL	57A	KS	90A	MA	91A	MO	13A
AR	35E	CO	70H	GU	74A	IL	70D	KS	91A	MD	14A	MO	14A
AR	35G	CO	91A	HI	11A	IL	70E	KS	92A	MD	15B	MO	15B
AR	36A	CT	11A	HI	15B	IL	70H	KY	11A	MD	24A	MO	25A
AR	53A	CT	12D	HI	25A	IL	70K	KY	12B	MD	27A	MO	27A
AR	56A	CT	13A	HI	27A	IL	74A	KY	12D	MD	51C	MO	30A
AR	57A	CT	46A	HI	35G	IL	88A	KY	13A	MD	53A	MO	31A
AR	70B	CT	53A	HI	42B	IL	88B	KY	14A	MD	56A	MO	35D
AR	70H	CT	56A	HI	57A	IL	88C	KY	25A	MD	88A	MO	35E

## OFFICER ACCESSION CRITICAL SKILL LIST

STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC
MO	35G	MT	88B	NJ	35G	OH	88A	PR	13A	TN	13A	VI	31A
MO	42B	MT	90A	NJ	42B	OH	88D	PR	14A	TN	19C	VI	36A
MO	46A	NC	13A	NJ	53A	OH	91A	PR	25A	TN	25A	VI	53A
MO	51C	NC	14A	NJ	56A	OH	92A	PR	31A	TN	29A	VI	88A
MO	53A	NC	18A	NJ	70K	OH	92F	PR	35D	TN	31A	VI	88B
MO	56A	NC	19B	NJ	74A	OK	12A	PR	35E	TN	36A	VI	90A
MO	67C	NC	19C	NJ	88A	OK	12B	PR	42B	TN	42B	VI	91A
MO	70B	NC	56A	NJ	91A	OK	14A	PR	46A	TN	56A	VI	92A
MO	70D	NC	67B	NM	13A	OK	25A	PR	53A	TN	57A	VT	13A
MO	70E	NC	70B	NM	15B	OK	31A	PR	56A	TN	74A	VT	15B
MO	70H	NC	70H	NM	25A	OK	35G	PR	70B	TN	88A	VT	25A
MO	74A	NC	74A	NM	27A	OK	42B	PR	74A	TN	88B	VT	27A
MO	88A	NC	88A	NM	36A	OK	46A	PR	88A	TN	88D	VT	35E
MO	89E	NC	88D	NM	46A	OK	53A	PR	88D	TN	91A	VT	35G
MO	90A	NC	90A	NM	51C	OK	70H	PR	89E	TN	92A	VT	42B
MO	91A	NC	91A	NM	53A	OK	74A	PR	90A	TX	12B	VT	51C
MO	92A	NC	92A	NM	56A	OK	88A	PR	91A	TX	13A	VT	53A
MS	11A	ND	12A	NM	70B	OK	88D	PR	92A	TX	14A	VT	56A
MS	12A	ND	14A	NM	88A	OK	91A	RI	11A	TX	15B	VT	70H
MS	12B	ND	15C	NM	88B	OK	92A	RI	13A	TX	18A	VT	74A
MS	13A	ND	25A	NM	88C	OK	INV	RI	15A	TX	29A	VT	88A
MS	15B	ND	31A	NM	88D	OR	11A	RI	15B	TX	35G	VT	91A
MS	19B	ND	35D	NM	92A	OR	13A	RI	18A	TX	53A	VT	92A
MS	19C	ND	36A	NM	92F	OR	15B	RI	42B	TX	59A	WA	13A
MS	35D	ND	42B	NV	12D	OR	31A	RI	56A	TX	74A	WA	18A
MS	35E	ND	56A	NV	13A	OR	35D	RI	74A	TX	88A	WA	19A
MS	36A	ND	70B	NV	36A	OR	35G	SC	12B	TX	88B	WA	35D
MS	38A	ND	74A	NV	53A	OR	56A	SC	13A	TX	88D	WA	46A
MS	46A	ND	88A	NV	56A	OR	70B	SC	19B	TX	89E	WA	51C
MS	51C	ND	89E	NV	67A	OR	74A	SC	36A	TX	91A	WA	53A
MS	53A	ND	90A	NV	70B	OR	88A	SC	42B	TX	92A	WA	56A
MS	56A	ND	91A	NV	91A	OR	91A	SC	53A	UT	12D	WA	70H
MS	57A	NE	11A	NV	92A	OR	92A	SC	56A	UT	18A	WA	70K
MS	59A	NE	19A	NY	15C	PA	12D	SC	70H	UT	31A	WA	88D
MS	70K	NE	25A	NY	19A	PA	13A	SC	74A	UT	35D	WA	89E
MS	74A	NE	27A	NY	24A	PA	14A	SC	88A	UT	35E	WA	90A
MS	88A	NE	31A	NY	42B	PA	19A	SC	88D	UT	35G	WA	91A
MS	88B	NE	42B	NY	51C	PA	24A	SC	89E	UT	36A	WI	11A
MS	88C	NE	56A	NY	53A	PA	35G	SC	91A	UT	38A	WI	12A
MS	88D	NE	70D	NY	56A	PA	42B	SC	92A	UT	42B	WI	12B
MS	91A	NE	70H	NY	57A	PA	51C	SD	13A	UT	53A	WI	12D
MS	92F	NE	74A	NY	70B	PA	53A	SD	25A	UT	56A	WI	13A
MT	11A	NE	88B	NY	74A	PA	56A	SD	27A	UT	74A	WI	14A
MT	12B	NE	88D	NY	88A	PA	57A	SD	42B	UT	88A	WI	15B
MT	13A	NE	90A	NY	88B	PA	74A	SD	46A	UT	91A	WI	15C
MT	15B	NE	91A	NY	88D	PA	88A	SD	53A	VA	13A	WI	19C
MT	19B	NH	36A	NY	91A	PA	88B	SD	56A	VA	14A	WI	25A
MT	31A	NH	42B	NY	92F	PA	88D	SD	74A	VA	46A	WI	31A
MT	36A	NH	74A	OH	13A	PA	90A	SD	88A	VA	56A	WI	35G
MT	42B	NH	90A	OH	18A	PA	91A	SD	88D	VA	57A	WI	36A
MT	53A	NH	91A	OH	27A	PA	92A	SD	89E	VA	70B	WI	42B
MT	56A	NJ	13A	OH	52B	PR	11A	SD	90A	VA	88D	WI	46A
MT	70B	NJ	15B	OH	56A	PR	12A	SD	91A	VI	12B	WI	51C
MT	74A	NJ	15C	OH	74A	PR	12B	TN	12A	VI	25A	WI	53A

OFFICER ACCESSION CRITICAL SKILL LIST

STATE	AOC
WI	56A
WI	57A
WI	70B
WI	70K
WI	74A
WI	88A
WI	88D
WI	89E
WI	91A
WI	92A
WV	13A
WV	15B
WV	19C
WV	31A
WV	42B
WV	51C
WV	53A
WV	56A
WV	88D
WV	89E
WV	90A
WV	91A
WV	92A
WY	12B
WY	25A
WY	27A
WY	42B
WY	46A
WY	51C
WY	53A
WY	70H
WY	74A
WY	90A
WY	91A
WY	92A

## WARRANT OFFICER ACCESSION CRITICAL SKILL LIST

STATE	MOS	STATE	MOS	STATE	MOS	STATE	MOS	STATE	MOS	STATE	MOS	STATE	MOS
AK	153D	AZ	913A	DC	155A	GA	919A	IN	131A	KY	922A	ME	922A
AK	155A	AZ	914A	DC	311A	GA	920B	IN	140A	LA	120A	MI	120A
AK	250N	AZ	919A	DC	913A	GA	921A	IN	150A	LA	140A	MI	152B
AK	254A	AZ	920A	DC	920B	GA	922A	IN	151A	LA	150A	MI	154C
AK	351L	AZ	920B	DE	120A	GA	948B	IN	152B	LA	153L	MI	250N
AK	351M	AZ	922A	DE	153D	GU	250N	IN	155A	LA	155E	MI	353T
AK	882A	AZ	948B	DE	155E	HI	131A	IN	155E	LA	290A	MI	915A
AK	914A	CA	120A	DE	250N	HI	140A	IN	250N	LA	350F	MI	919A
AK	915A	CA	131A	DE	915A	HI	151A	IN	254A	LA	353T	MI	948B
AK	920B	CA	140A	DE	920B	HI	152B	IN	350F	LA	890A	MN	120A
AK	922A	CA	152B	DE	948B	HI	155A	IN	351L	LA	913A	MN	153D
AL	120A	CA	155A	FL	131A	HI	254A	IN	351M	LA	915A	MN	154C
AL	140A	CA	155E	FL	140A	HI	350F	IN	352N	LA	919A	MN	254A
AL	150U	CA	180A	FL	151A	HI	351M	IN	353T	LA	920B	MN	350G
AL	153D	CA	251A	FL	153L	HI	353T	IN	882A	LA	948B	MN	351M
AL	153L	CA	254A	FL	153M	HI	420C	IN	890A	MA	120A	MN	353T
AL	154C	CA	270A	FL	155A	HI	882A	IN	914A	MA	131A	MN	420C
AL	155E	CA	311A	FL	155E	HI	914A	IN	915A	MA	151A	MN	914A
AL	180A	CA	350G	FL	180A	HI	919A	IN	915E	MA	152B	MN	922A
AL	251A	CA	351M	FL	290A	HI	922A	IN	919A	MA	153M	MO	120A
AL	270A	CA	352P	FL	350F	IA	152B	IN	920A	MA	155A	MO	131A
AL	290A	CA	353T	FL	351L	IA	153D	IN	920B	MA	180A	MO	140A
AL	311A	CA	420C	FL	351M	IA	155E	IN	921A	MA	254A	MO	153D
AL	350F	CA	890A	FL	353T	IA	250N	IN	922A	MA	351L	MO	155A
AL	351L	CA	913A	FL	420A	IA	350F	IN	923A	MA	351M	MO	155E
AL	351M	CA	914A	FL	882A	IA	351M	KS	120A	MA	882A	MO	254A
AL	420A	CA	915A	FL	913A	IA	353T	KS	131A	MA	913A	MO	311A
AL	420C	CA	919A	FL	914A	IA	890A	KS	151A	MA	915A	MO	350F
AL	882A	CA	920B	FL	915A	IA	920B	KS	153D	MA	948B	MO	350G
AL	915A	CA	922A	FL	919A	ID	131A	KS	254A	MD	011A	MO	351M
AL	920A	CA	923A	FL	920A	ID	150U	KS	420C	MD	120A	MO	353T
AL	920B	CA	948B	FL	920B	ID	151A	KS	890A	MD	140A	MO	420A
AL	921A	CO	154C	FL	948B	ID	153D	KS	913A	MD	150A	MO	420C
AL	922A	CO	250N	GA	120A	ID	155E	KS	915A	MD	150U	MO	882A
AL	948B	CO	290A	GA	125D	ID	270A	KS	919A	MD	151A	MO	890A
AR	140A	CO	350F	GA	131A	ID	350F	KS	920A	MD	152B	MO	913A
AR	150A	CO	353T	GA	140A	ID	351M	KS	920B	MD	155E	MO	919A
AR	150U	CO	420C	GA	151A	ID	353T	KS	923A	MD	180A	MO	920A
AR	151A	CO	890A	GA	153D	ID	420C	KY	120A	MD	350F	MO	920B
AR	155A	CO	913A	GA	153M	ID	914A	KY	140A	MD	350G	MO	922A
AR	350F	CO	914A	GA	154C	ID	915A	KY	152B	MD	351M	MO	948B
AR	351M	CO	915A	GA	155A	ID	922A	KY	153D	MD	353T	MS	120A
AR	353T	CO	948B	GA	251A	IL	131A	KY	155A	MD	913A	MS	131A
AR	913A	CT	154C	GA	254A	IL	150U	KY	250N	MD	915A	MS	140A
AR	914A	CT	155A	GA	350F	IL	152B	KY	254A	MD	920A	MS	150U
AR	915A	CT	155E	GA	351M	IL	250N	KY	420C	MD	920B	MS	152D
AR	920A	CT	250N	GA	352P	IL	350F	KY	740A	MD	922A	MS	152F
AR	922A	CT	254A	GA	353T	IL	351M	KY	882A	ME	152B	MS	153D
AR	948B	CT	420C	GA	420C	IL	353T	KY	890A	ME	153D	MS	153L
AZ	152B	CT	915A	GA	882A	IL	890A	KY	913A	ME	155E	MS	154C
AZ	153D	CT	919A	GA	890A	IL	920A	KY	915A	ME	250N	MS	155A
AZ	155E	CT	923A	GA	913A	IL	923A	KY	919A	ME	270A	MS	155E
AZ	251A	DC	152B	GA	914A	IL	948B	KY	920A	ME	913A	MS	180A
AZ	420C	DC	153L	GA	915A	IN	120A	KY	920B	ME	915A	MS	254A



## WARRANT OFFICER ACCESSION CRITICAL SKILL LIST

STATE	MOS	STATE	MOS	STATE	MOS	STATE	MOS	STATE	MOS	STATE	MOS	STATE	MOS
MS	350F	NE	351M	NY	890A	PA	125D	SD	420C	UT	140A	WA	890A
MS	351M	NE	420C	NY	913A	PA	131A	SD	915A	UT	151A	WA	913A
MS	353T	NE	740A	NY	914A	PA	140A	SD	920B	UT	180A	WA	914A
MS	913A	NE	920A	NY	915A	PA	150A	SD	922A	UT	254A	WA	915A
MS	915A	NE	920B	NY	923A	PA	152B	SD	948B	UT	351L	WA	920A
MS	919A	NE	923A	NY	948B	PA	153D	TN	120A	UT	351M	WA	922A
MS	920A	NH	120A	OH	151A	PA	155A	TN	131A	UT	352P	WA	948D
MS	920B	NH	140A	OH	152B	PA	155E	TN	152B	UT	882A	WI	120A
MS	922A	NH	155E	OH	153D	PA	250N	TN	152D	UT	920B	WI	131A
MS	948B	NH	420C	OH	154C	PA	350F	TN	153D	VA	140A	WI	140A
MS	948D	NH	890A	OH	155A	PA	351M	TN	155E	VA	151A	WI	150U
MT	120A	NH	913A	OH	180A	PA	352N	TN	250N	VA	153D	WI	153D
MT	151A	NH	920A	OH	420C	PA	353T	TN	290A	VA	153L	WI	155A
MT	152B	NH	922A	OH	890A	PA	882A	TN	350F	VA	155E	WI	250N
MT	155E	NJ	011A	OH	913A	PA	913A	TN	351M	VA	254A	WI	251A
MT	255A	NJ	120A	OH	915A	PA	914A	TN	890A	VA	351M	WI	254A
MT	882A	NJ	131A	OH	948D	PA	915A	TN	913A	VA	353T	WI	350F
MT	914A	NJ	140A	OK	120A	PA	919A	TN	915A	VA	882A	WI	351M
MT	915A	NJ	151A	OK	131A	PA	920A	TN	919A	VA	913A	WI	353T
MT	919A	NJ	153D	OK	140A	PA	922A	TN	920A	VA	915A	WI	890A
MT	920A	NJ	251A	OK	150A	PA	923A	TN	920B	VA	920A	WI	913A
MT	920B	NJ	351M	OK	153D	PA	948D	TX	120A	VA	922A	WI	915A
MT	922A	NJ	882A	OK	153L	PR	120A	TX	131A	VI	120A	WI	919A
MT	948B	NJ	890A	OK	155E	PR	152B	TX	140A	VI	155A	WI	920B
NC	011A	NJ	914A	OK	251A	PR	155E	TX	150A	VI	250N	WI	922A
NC	120A	NJ	915A	OK	254A	PR	420C	TX	151A	VI	420C	WI	948B
NC	131A	NJ	919A	OK	350F	PR	882A	TX	153D	VI	913A	WV	131A
NC	140A	NJ	920B	OK	351M	PR	913A	TX	153L	VI	914A	WV	152B
NC	150A	NM	151A	OK	353T	PR	915A	TX	155A	VI	948B	WV	153D
NC	153L	NM	152B	OK	890A	PR	919A	TX	180A	VT	011A	WV	155E
NC	254A	NM	420C	OK	913A	PR	920A	TX	250N	VT	152B	WV	250N
NC	350F	NM	915A	OK	915A	PR	920B	TX	254A	VT	153M	WV	420C
NC	351M	NM	920A	OK	919A	PR	948B	TX	290A	VT	155F	WV	915A
NC	353T	NM	920B	OK	920A	RI	151A	TX	311A	VT	420C	WV	920A
NC	882A	NV	120A	OK	920B	RI	153D	TX	350F	VT	882A	WY	140A
NC	890A	NV	153D	OK	922A	RI	155A	TX	350G	VT	890A	WY	155E
NC	913A	NV	155E	OR	120A	RI	180A	TX	351L	VT	914A	WY	250N
NC	914A	NV	913A	OR	131A	RI	270A	TX	351M	VT	915A	WY	254A
NC	915A	NV	915A	OR	140A	RI	915A	TX	352N	VT	919A	WY	290A
NC	919A	NV	919A	OR	150U	SC	120A	TX	353T	VT	922A	WY	420C
NC	920A	NV	948B	OR	152B	SC	131A	TX	420A	WA	120A	WY	890A
NC	920B	NY	120A	OR	153D	SC	152B	TX	882A	WA	131A	WY	913A
NC	922A	NY	131A	OR	155A	SC	154C	TX	890A	WA	140A	WY	922A
NC	923A	NY	140A	OR	155E	SC	155A	TX	913A	WA	150U		
NC	948B	NY	150U	OR	254A	SC	250N	TX	914A	WA	151A		
NC	948D	NY	152B	OR	350F	SC	350F	TX	915A	WA	152B		
ND	120A	NY	154C	OR	351M	SC	420C	TX	919A	WA	155A		
ND	882A	NY	155E	OR	353T	SC	913A	TX	920A	WA	155E		
ND	920B	NY	254A	OR	882A	SC	915A	TX	920B	WA	180A		
ND	922A	NY	350F	OR	890A	SC	920B	TX	921A	WA	250N		
ND	948D	NY	350G	OR	913A	SC	948D	TX	922A	WA	350F		
NE	120A	NY	351M	OR	915A	SD	120A	TX	923A	WA	351M		
NE	254A	NY	352N	OR	922A	SD	155A	TX	948B	WA	353T		
NE	351L	NY	353T	PA	120A	SD	250N	UT	131A	WA	882A		



ARNG SRIP FY 2011 (11-01)

Disqualifying Federal Programs  
Under  
Officer Accession Bonus (OAB) &  
Officer Affiliation Incentive (OAFB)

Health Professions Stipend Program, Title 10 U.S.C. 16201 – 16204

Student Loan Repayment Program, Title, 10 U.S. 16301 – 16303 to include the Student Loan Repayment Program (SLRP), Health Professional Loan Repayment Program (HPLRP), and Chaplain Loan Repayment Program (CLRP)

Other Educational Assistance Programs, Title 10 U.S.C. 16401 to include United States Marine Corps. (UMSC) Platoon Leaders Class: College Tuition Assistance Program.

Special Pay: Selected Reserve Health Care Professionals in Critically Short Wartime Specialties, Title 37, Section 302g

Financial Assistance Program for Specially Selected Members: Title 10 U.S.C. 2107. Includes the Regular Army ROTC Scholarship and Dedicated Army National Guard ROTC

Financial Assistance Program for Specially Selected Members: Army Reserve and Army National Guard, Title 10 U.S.C. 2107a to include the Guaranteed Reserve Forces Duty ROTC Scholarship.

## OFFICER AFFILIATION CRITICAL SKILL LIST

STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC
AK	11A	AL	88B	AZ	42H	CO	27A	DE	91A	GA	92A	IA	70D
AK	13A	AL	88C	AZ	46A	CO	29A	DE	92A	GU	11A	IA	70E
AK	14A	AL	88D	AZ	50A	CO	40A	FL	12A	GU	12B	IA	70F
AK	15A	AL	90A	AZ	53A	CO	56A	FL	12B	GU	13A	IA	70H
AK	19C	AL	91A	AZ	56A	CO	59A	FL	13A	GU	25A	IA	70K
AK	25A	AL	92A	AZ	57A	CO	70B	FL	14A	GU	36A	IA	74A
AK	27A	AL	92F	AZ	70B	CO	70H	FL	15A	GU	51C	IA	88A
AK	31A	AR	11A	AZ	70F	CO	74A	FL	15B	GU	53A	IA	88D
AK	35D	AR	12B	AZ	70H	CO	88A	FL	19A	GU	56A	IA	91A
AK	35E	AR	12D	AZ	74A	CO	91A	FL	19C	GU	70B	IA	92A
AK	42B	AR	13A	AZ	88A	CO	92A	FL	25A	GU	70E	ID	12D
AK	42H	AR	15B	AZ	88D	CT	11A	FL	31A	GU	74A	ID	13A
AK	51C	AR	15C	AZ	89E	CT	12B	FL	35E	GU	91A	ID	15B
AK	53A	AR	19A	AZ	90A	CT	12D	FL	35G	HI	11A	ID	19C
AK	56A	AR	19C	AZ	91A	CT	13A	FL	36A	HI	12A	ID	31A
AK	70B	AR	25A	AZ	92A	CT	15B	FL	38A	HI	12B	ID	35E
AK	70E	AR	27A	CA	11A	CT	31A	FL	42B	HI	13A	ID	36A
AK	70F	AR	30A	CA	12A	CT	35D	FL	42H	HI	14A	ID	42B
AK	70H	AR	31A	CA	12B	CT	36A	FL	51C	HI	15B	ID	51C
AK	74A	AR	35D	CA	12D	CT	42B	FL	56A	HI	25A	ID	53A
AK	88A	AR	35E	CA	13A	CT	42H	FL	57A	HI	27A	ID	56A
AK	90A	AR	35G	CA	14A	CT	46A	FL	59A	HI	30A	ID	57A
AK	91A	AR	36A	CA	15B	CT	50A	FL	70B	HI	35G	ID	70B
AK	92A	AR	42B	CA	19C	CT	53A	FL	70H	HI	38A	ID	70F
AL	11A	AR	42H	CA	24A	CT	56A	FL	70K	HI	42B	ID	70H
AL	12A	AR	46A	CA	25A	CT	70B	FL	74A	HI	46A	ID	70K
AL	12B	AR	51C	CA	30A	CT	70F	FL	88A	HI	53A	ID	74A
AL	12D	AR	53A	CA	35D	CT	70H	FL	88B	HI	56A	ID	88A
AL	13A	AR	56A	CA	35E	CT	70K	FL	88D	HI	57A	ID	88B
AL	14A	AR	57A	CA	36A	CT	74A	FL	89E	HI	70B	ID	90A
AL	15B	AR	59A	CA	38A	CT	88A	FL	91A	HI	70K	ID	91A
AL	18A	AR	70B	CA	42B	CT	88D	FL	92A	HI	74A	ID	92A
AL	19C	AR	70E	CA	42H	CT	90A	GA	11A	HI	88A	IL	11A
AL	24A	AR	70H	CA	46A	CT	91A	GA	12A	HI	90A	IL	12A
AL	25A	AR	70K	CA	49A	CT	92A	GA	12B	HI	91A	IL	12B
AL	31A	AR	74A	CA	53A	DC	25A	GA	13A	HI	92A	IL	12D
AL	35D	AR	88A	CA	56A	DC	42B	GA	14A	IA	12B	IL	13A
AL	35E	AR	88D	CA	57A	DC	51C	GA	19C	IA	13A	IL	15B
AL	35G	AR	90A	CA	59A	DC	53A	GA	31A	IA	19C	IL	18A
AL	36A	AR	91A	CA	70B	DC	56A	GA	35D	IA	25A	IL	19C
AL	38A	AR	92A	CA	70H	DC	70F	GA	35E	IA	27A	IL	25A
AL	42B	AZ	11A	CA	70K	DC	90A	GA	35G	IA	30A	IL	27A
AL	42H	AZ	12B	CA	74A	DE	12B	GA	36A	IA	31A	IL	30A
AL	46A	AZ	12D	CA	88A	DE	12D	GA	42B	IA	35D	IL	31A
AL	50A	AZ	13A	CA	88B	DE	25A	GA	42H	IA	35E	IL	35E
AL	53A	AZ	14A	CA	88D	DE	31A	GA	46A	IA	36A	IL	35G
AL	56A	AZ	15A	CA	89E	DE	42B	GA	53A	IA	42B	IL	36A
AL	67A	AZ	15B	CA	90A	DE	46A	GA	59A	IA	42H	IL	38A
AL	70B	AZ	15C	CA	91A	DE	51C	GA	70B	IA	46A	IL	42B
AL	70E	AZ	25A	CA	92F	DE	53A	GA	70F	IA	51C	IL	42H
AL	70H	AZ	31A	CO	12A	DE	56A	GA	70H	IA	53A	IL	45A
AL	70K	AZ	35D	CO	12B	DE	70E	GA	74A	IA	56A	IL	50A
AL	74A	AZ	36A	CO	15A	DE	70H	GA	88D	IA	57A	IL	53A
AL	88A	AZ	42B	CO	25A	DE	88B	GA	91A	IA	70B	IL	57A

## OFFICER AFFILIATION CRITICAL SKILL LIST

STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC
IL	70B	IN	92A	KY	89E	MD	18A	MI	46A	MO	31A	MS	57A
IL	70D	IN	92F	KY	91A	MD	24A	MI	51C	MO	35D	MS	59A
IL	70E	KS	11A	KY	92A	MD	25A	MI	53A	MO	35E	MS	70B
IL	70H	KS	12A	LA	11A	MD	27A	MI	56A	MO	35G	MS	70H
IL	70K	KS	12B	LA	12B	MD	30A	MI	70B	MO	36A	MS	70K
IL	74A	KS	12D	LA	13A	MD	31A	MI	70H	MO	37A	MS	74A
IL	88A	KS	13A	LA	14A	MD	35D	MI	70K	MO	38A	MS	88A
IL	88B	KS	15A	LA	19A	MD	36A	MI	74A	MO	42B	MS	88B
IL	88C	KS	15B	LA	19C	MD	42B	MI	88A	MO	42H	MS	88C
IL	88D	KS	19B	LA	25A	MD	42H	MI	88B	MO	46A	MS	88D
IL	89E	KS	25A	LA	29A	MD	46A	MI	88C	MO	50A	MS	90A
IL	90A	KS	27A	LA	31A	MD	50A	MI	88D	MO	51C	MS	91A
IL	91A	KS	30A	LA	35G	MD	51C	MI	90A	MO	53A	MS	92A
IL	92A	KS	31A	LA	36A	MD	53A	MI	91A	MO	56A	MS	92F
IL	92F	KS	36A	LA	42B	MD	56A	MI	92A	MO	57A	MT	11A
IN	11A	KS	42B	LA	42H	MD	57A	MN	11A	MO	67A	MT	12B
IN	12A	KS	42H	LA	46A	MD	70E	MN	12D	MO	70B	MT	12D
IN	12B	KS	46A	LA	51C	MD	74A	MN	13A	MO	70D	MT	13A
IN	12D	KS	53A	LA	53A	MD	88A	MN	14A	MO	70E	MT	15B
IN	13A	KS	56A	LA	56A	MD	88D	MN	15A	MO	70H	MT	19B
IN	14A	KS	57A	LA	57A	MD	91A	MN	19B	MO	70K	MT	25A
IN	15B	KS	59A	LA	70H	MD	92F	MN	24A	MO	74A	MT	27A
IN	15C	KS	70B	LA	74A	ME	12B	MN	27A	MO	88A	MT	31A
IN	19C	KS	70F	LA	88A	ME	15B	MN	30A	MO	88D	MT	35D
IN	24A	KS	70H	LA	88D	ME	25A	MN	36A	MO	89E	MT	36A
IN	25A	KS	74A	LA	91A	ME	31A	MN	40A	MO	90A	MT	42B
IN	27A	KS	88A	LA	92A	ME	35D	MN	42B	MO	91A	MT	42H
IN	29A	KS	88D	MA	12B	ME	36A	MN	42H	MO	92A	MT	46A
IN	30A	KS	90A	MA	12D	ME	42B	MN	50A	MS	11A	MT	53A
IN	31A	KS	91A	MA	13A	ME	42H	MN	53A	MS	12A	MT	56A
IN	35D	KS	92A	MA	15A	ME	53A	MN	56A	MS	12B	MT	70B
IN	35G	KY	11A	MA	15B	ME	56A	MN	57A	MS	12D	MT	70E
IN	36A	KY	12B	MA	18A	ME	70F	MN	59A	MS	13A	MT	74A
IN	38A	KY	12D	MA	25A	ME	70H	MN	70B	MS	14A	MT	88B
IN	40A	KY	13A	MA	30A	ME	74A	MN	70H	MS	15A	MT	90A
IN	42B	KY	14A	MA	31A	ME	88A	MN	70K	MS	15B	MT	91A
IN	42H	KY	25A	MA	38A	ME	88D	MN	74A	MS	18A	MT	92A
IN	46A	KY	27A	MA	42B	ME	90A	MN	88A	MS	19B	NC	11A
IN	49A	KY	31A	MA	42H	ME	91A	MN	88D	MS	19C	NC	12A
IN	50A	KY	35D	MA	46A	ME	92A	MN	89E	MS	24A	NC	12B
IN	53A	KY	35E	MA	51C	MI	11A	MN	90A	MS	25A	NC	13A
IN	57A	KY	35G	MA	53A	MI	12B	MN	91A	MS	30A	NC	14A
IN	59A	KY	38A	MA	56A	MI	12D	MO	11A	MS	31A	NC	19B
IN	70B	KY	42B	MA	70E	MI	13A	MO	12B	MS	35D	NC	19C
IN	70E	KY	42H	MA	70H	MI	15B	MO	12D	MS	35E	NC	25A
IN	70H	KY	46A	MA	74A	MI	15C	MO	13A	MS	36A	NC	31A
IN	70K	KY	53A	MA	88A	MI	19C	MO	14A	MS	38A	NC	35D
IN	74A	KY	56A	MA	88D	MI	25A	MO	15A	MS	42B	NC	35E
IN	88A	KY	57A	MA	91A	MI	31A	MO	15B	MS	42H	NC	38A
IN	88C	KY	59A	MA	92A	MI	35D	MO	15C	MS	46A	NC	42B
IN	88D	KY	70B	MD	12A	MI	36A	MO	24A	MS	50A	NC	42H
IN	89E	KY	74A	MD	14A	MI	38A	MO	25A	MS	51C	NC	46A
IN	90A	KY	88A	MD	15B	MI	42B	MO	27A	MS	53A	NC	51C
IN	91A	KY	88D	MD	15C	MI	42H	MO	30A	MS	56A	NC	56A

## OFFICER AFFILIATION CRITICAL SKILL LIST

STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC
NC	57A	NE	88D	NM	25A	NY	46A	OK	19C	PA	36A	RI	12D
NC	67B	NE	90A	NM	27A	NY	49A	OK	25A	PA	37A	RI	13A
NC	70B	NE	91A	NM	31A	NY	50A	OK	31A	PA	38A	RI	15A
NC	70H	NE	92A	NM	35D	NY	51C	OK	35D	PA	42B	RI	15B
NC	70K	NH	12D	NM	36A	NY	53A	DK	35G	PA	42H	RI	18A
NC	74A	NH	13A	NM	42H	NY	56A	OK	36A	PA	46A	RI	25A
NC	88A	NH	15B	NM	46A	NY	57A	OK	40A	PA	49A	RI	31A
NC	88D	NH	25A	NM	51C	NY	59A	OK	42B	PA	51C	RI	35D
NC	90A	NH	30A	NM	53A	NY	70B	OK	42H	PA	53A	RI	35G
NC	91A	NH	31A	NM	56A	NY	70E	OK	46A	PA	56A	RI	42B
NC	92A	NH	35D	NM	70B	NY	70H	OK	51C	PA	57A	RI	42H
ND	12A	NH	36A	NM	88A	NY	70K	OK	53A	PA	59A	RI	51C
ND	12B	NH	42B	NM	88B	NY	74A	OK	57A	PA	70B	RI	56A
ND	13A	NH	51C	NM	88C	NY	88A	OK	59A	PA	70E	RI	70F
ND	14A	NH	53A	NM	88D	NY	88D	OK	70F	PA	70K	RI	70H
ND	15A	NH	59A	NM	90A	NY	90A	OK	70H	PA	74A	RI	74A
ND	15C	NH	70B	NM	91A	NY	91A	OK	74A	PA	88A	RI	91A
ND	25A	NH	70H	NM	92A	NY	92A	OK	88A	PA	88B	RI	92A
ND	27A	NH	74A	NM	92F	NY	92F	OK	88D	PA	88D	SC	11A
ND	31A	NH	88A	NV	12B	OH	11A	OK	91A	PA	89E	SC	12B
ND	35D	NH	90A	NV	12D	OH	12A	OK	92A	PA	90A	SC	13A
ND	36A	NH	91A	NV	13A	OH	12B	OK	92F	PA	91A	SC	14A
ND	38A	NJ	11A	NV	15C	OH	12D	OK	INV	PA	92A	SC	19B
ND	42B	NJ	12B	NV	19B	OH	13A	OR	11A	PR	11A	SC	24A
ND	51C	NJ	13A	NV	19C	OH	14A	OR	13A	PR	12A	SC	25A
ND	53A	NJ	15B	NV	31A	OH	18A	OR	15B	PR	12B	SC	31A
ND	56A	NJ	15C	NV	36A	OH	19B	OR	31A	PR	12D	SC	36A
ND	70B	NJ	19C	NV	53A	OH	19C	OR	35G	PR	13A	SC	42B
ND	74A	NJ	25A	NV	67A	OH	25A	OR	51C	PR	14A	SC	42H
ND	88A	NJ	30A	NV	70B	OH	27A	OR	53A	PR	15A	SC	53A
ND	89E	NJ	31A	NV	70E	OH	31A	OR	56A	PR	25A	SC	56A
ND	90A	NJ	35D	NV	70H	OH	35D	OR	70B	PR	27A	SC	70H
ND	91A	NJ	35G	NV	88D	OH	35G	OR	70E	PR	31A	SC	74A
ND	92A	NJ	36A	NV	91A	OH	36A	OR	74A	PR	35D	SC	88A
NE	12D	NJ	38A	NV	92A	OH	38A	OR	88A	PR	36A	SC	88D
NE	13A	NJ	42B	NY	11A	OH	42B	OR	91A	PR	38A	SC	89E
NE	14A	NJ	42H	NY	12A	OH	42H	OR	92A	PR	42B	SC	91A
NE	15A	NJ	46A	NY	12B	OH	52B	PA	11A	PR	42H	SC	92A
NE	15B	NJ	53A	NY	12D	OH	56A	PA	12A	PR	46A	SD	12A
NE	19C	NJ	56A	NY	13A	OH	57A	PA	12B	PR	51C	SD	12B
NE	25A	NJ	70B	NY	14A	OH	70B	PA	12D	PR	53A	SD	13A
NE	27A	NJ	70K	NY	15B	OH	70K	PA	13A	PR	56A	SD	25A
NE	31A	NJ	74A	NY	15C	OH	74A	PA	14A	PR	57A	SD	31A
NE	42B	NJ	88A	NY	19A	OH	88A	PA	15B	PR	70B	SD	35D
NE	50A	NJ	88D	NY	24A	OH	88D	PA	19A	PR	70F	SD	42B
NE	56A	NJ	90A	NY	25A	OH	91A	PA	19B	PR	70H	SD	42H
NE	70B	NJ	91A	NY	30A	OH	92A	PA	19C	PR	74A	SD	46A
NE	70D	NJ	92A	NY	31A	OH	92F	PA	24A	PR	88A	SD	53A
NE	70F	NM	11A	NY	35E	OK	11A	PA	29A	PR	88D	SD	56A
NE	70H	NM	12B	NY	36A	OK	12A	PA	30A	PR	89E	SD	70B
NE	70K	NM	12D	NY	37A	OK	12B	PA	31A	PR	91A	SD	74A
NE	74A	NM	13A	NY	40A	OK	13A	PA	35D	PR	92A	SD	88A
NE	88A	NM	15A	NY	42B	OK	14A	PA	35E	RI	11A	SD	88D
NE	88B	NM	15B	NY	42H	OK	15A	PA	35G	RI	12B	SD	89E

## OFFICER AFFILIATION CRITICAL SKILL LIST

STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC	STATE	AOC
SD	90A	TX	46A	VA	53A	WA	14A	WI	88A
SD	91A	TX	51C	VA	56A	WA	15A	WI	88D
SD	92A	TX	53A	VA	57A	WA	18A	WI	89E
TN	11A	TX	56A	VA	59A	WA	19A	WI	91A
TN	12A	TX	57A	VA	70B	WA	19B	WI	92A
TN	12B	TX	59A	VA	74A	WA	19C	WV	12B
TN	13A	TX	70B	VA	88D	WA	25A	WV	13A
TN	19B	TX	70D	VA	90A	WA	30A	WV	15B
TN	19C	TX	74A	VA	91A	WA	35D	WV	18A
TN	25A	TX	88A	VA	92A	WA	36A	WV	19C
TN	29A	TX	88B	VI	12B	WA	42B	WV	25A
TN	31A	TX	88D	VI	12D	WA	42H	WV	31A
TN	35D	TX	90A	VI	25A	WA	46A	WV	35D
TN	36A	TX	91A	VI	31A	WA	50A	WV	35G
TN	38A	TX	92A	VI	35D	WA	51C	WV	36A
TN	42B	UT	12B	VI	36A	WA	53A	WV	42B
TN	42H	UT	12D	VI	46A	WA	56A	WV	42H
TN	51C	UT	13A	VI	51C	WA	57A	WV	51C
TN	56A	UT	18A	VI	53A	WA	70B	WV	53A
TN	57A	UT	25A	VI	70F	WA	70F	WV	70B
TN	59A	UT	27A	VI	70H	WA	70H	WV	74A
TN	70B	UT	31A	VI	88A	WA	70K	WV	88D
TN	70E	UT	35D	VI	88B	WA	74A	WV	89E
TN	70H	UT	35E	VI	90A	WA	88A	WV	91A
TN	70K	UT	35G	VI	91A	WA	88D	WV	92A
TN	74A	UT	36A	VI	92A	WA	89E	WY	12B
TN	88A	UT	37A	VT	11A	WA	90A	WY	13A
TN	88B	UT	38A	VT	12B	WA	91A	WY	25A
TN	88D	UT	42B	VT	12D	WA	92A	WY	27A
TN	91A	UT	42H	VT	13A	WI	11A	WY	29A
TN	92A	UT	46A	VT	15B	WI	12A	WY	30A
TX	11A	UT	51C	VT	25A	WI	12B	WY	35D
TX	12A	UT	53A	VT	27A	WI	12D	WY	37A
TX	12B	UT	57A	VT	30A	WI	13A	WY	40A
TX	12D	UT	70B	VT	35E	WI	14A	WY	42B
TX	13A	UT	74A	VT	35G	WI	15B	WY	46A
TX	14A	UT	88A	VT	42B	WI	19C	WY	51C
TX	15B	UT	90A	VT	42H	WI	25A	WY	53A
TX	15C	UT	91A	VT	46A	WI	31A	WY	70H
TX	18A	UT	92A	VT	50A	WI	35G	WY	74A
TX	19C	VA	11A	VT	51C	WI	36A	WY	91A
TX	24A	VA	12A	VT	53A	WI	38A	WY	92A
TX	25A	VA	13A	VT	56A	WI	42B		
TX	27A	VA	14A	VT	70B	WI	42H		
TX	29A	VA	15B	VT	70E	WI	46A		
TX	30A	VA	19C	VT	70F	WI	50A		
TX	31A	VA	30A	VT	70H	WI	51C		
TX	34A	VA	36A	VT	70K	WI	53A		
TX	35D	VA	37A	VT	74A	WI	56A		
TX	35G	VA	42B	VT	88A	WI	57A		
TX	37A	VA	42H	VT	91A	WI	70B		
TX	38A	VA	46A	VT	92A	WI	70H		
TX	42B	VA	49A	WA	12D	WI	70K		
TX	42H	VA	51C	WA	13A	WI	74A		



## WARRANT OFFICER AFFILIATION CRITICAL SKILL LIST

STATE	MOS	STATE	MOS	STATE	MOS	STATE	MOS	STATE	MOS	STATE	MOS	STATE	MOS
AK	131A	AR	152B	CA	311A	DC	153L	GA	153M	IA	350F	IL	948D
AK	140A	AR	152H	CA	350F	DC	155A	GA	154C	IA	351M	IN	120A
AK	151A	AR	153D	CA	350G	DC	250N	GA	155A	IA	353T	IN	125D
AK	153A	AR	153L	CA	351L	DC	270A	GA	251A	IA	890A	IN	131A
AK	153D	AR	155A	CA	351M	DC	311A	GA	254A	IA	913A	IN	140A
AK	155A	AR	250N	CA	352N	DC	913A	GA	311A	IA	914A	IN	150A
AK	250N	AR	251A	CA	352P	DC	915A	GA	350F	IA	919A	IN	150U
AK	254A	AR	254A	CA	353T	DC	920B	GA	351M	IA	920B	IN	152B
AK	351L	AR	350F	CA	670A	DE	120A	GA	352P	IA	948B	IN	152H
AK	351M	AR	351M	CA	882A	DE	153D	GA	353T	ID	131A	IN	153D
AK	882A	AR	353T	CA	890A	DE	155E	GA	420C	ID	140A	IN	154C
AK	915A	AR	420A	CA	913A	DE	250N	GA	882A	ID	150U	IN	155A
AK	920A	AR	882A	CA	914A	DE	251A	GA	890A	ID	151A	IN	155E
AK	920B	AR	890A	CA	915A	DE	420C	GA	913A	ID	152F	IN	250N
AK	922A	AR	913A	CA	919A	DE	913A	GA	914A	ID	155E	IN	251A
AL	120A	AR	914A	CA	920B	DE	920B	GA	915A	ID	250N	IN	254A
AL	131A	AR	915A	CA	921A	DE	948B	GA	919A	ID	251A	IN	350F
AL	140A	AR	919A	CA	922A	FL	120A	GA	920A	ID	254A	IN	351L
AL	150U	AR	920B	CA	923A	FL	131A	GA	920B	ID	350F	IN	351M
AL	151A	AR	922A	CA	948B	FL	140A	GA	921A	ID	351M	IN	352N
AL	152B	AR	948B	CA	948D	FL	150A	GA	922A	ID	353T	IN	353T
AL	153A	AZ	140A	CO	120A	FL	151A	GA	948B	ID	890A	IN	882A
AL	153D	AZ	152B	CO	131A	FL	152B	GU	250N	ID	914A	IN	890A
AL	153L	AZ	152H	CO	140A	FL	152D	GU	420C	ID	915A	IN	913A
AL	154C	AZ	153D	CO	150U	FL	152H	HI	120A	ID	922A	IN	914A
AL	155E	AZ	155E	CO	152B	FL	153D	HI	131A	ID	948B	IN	915A
AL	180A	AZ	250N	CO	153D	FL	153M	HI	140A	IL	131A	IN	919A
AL	250N	AZ	251A	CO	180A	FL	154C	HI	150U	IL	140A	IN	920B
AL	251A	AZ	254A	CO	250N	FL	155E	HI	152B	IL	150U	IN	921A
AL	254A	AZ	311A	CO	254A	FL	180A	HI	152H	IL	151A	IN	922A
AL	270A	AZ	913A	CO	290A	FL	254A	HI	153D	IL	152B	IN	923A
AL	290A	AZ	914A	CO	350F	FL	290A	HI	154C	IL	152H	IN	948D
AL	311A	AZ	915A	CO	353T	FL	350F	HI	155A	IL	153A	KS	120A
AL	350F	AZ	919A	CO	420A	FL	351L	HI	250N	IL	153D	KS	131A
AL	351L	AZ	920B	CO	882A	FL	351M	HI	251A	IL	154C	KS	150A
AL	351M	AZ	922A	CO	890A	FL	353T	HI	254A	IL	155E	KS	153D
AL	352N	AZ	948B	CO	913A	FL	882A	HI	350F	IL	180A	KS	155E
AL	420A	CA	120A	CO	914A	FL	913A	HI	351M	IL	250N	KS	251A
AL	670A	CA	125D	CO	915A	FL	914A	HI	353T	IL	254A	KS	254A
AL	880A	CA	131A	CO	920A	FL	915A	HI	882A	IL	311A	KS	270A
AL	882A	CA	140A	CO	922A	FL	919A	HI	890A	IL	350F	KS	350F
AL	913A	CA	150A	CO	948B	FL	920A	HI	914A	IL	351M	KS	882A
AL	914A	CA	150U	CT	153A	FL	920B	HI	915A	IL	353T	KS	890A
AL	915A	CA	152B	CT	154C	FL	922A	HI	919A	IL	670A	KS	913A
AL	919A	CA	152H	CT	155A	FL	923A	HI	920A	IL	882A	KS	914A
AL	920A	CA	153D	CT	155E	FL	948D	HI	922A	IL	890A	KS	915A
AL	920B	CA	154C	CT	250N	GA	120A	HI	948B	IL	913A	KS	919A
AL	922A	CA	155A	CT	254A	GA	125D	IA	131A	IL	914A	KS	920B
AL	923A	CA	155E	CT	670A	GA	131A	IA	150U	IL	915A	KS	921A
AR	001A	CA	180A	CT	915A	GA	140A	IA	152B	IL	919A	KS	922A
AR	131A	CA	250N	CT	919A	GA	152B	IA	153A	IL	920A	KS	923A
AR	140A	CA	251A	CT	920A	GA	152H	IA	153D	IL	921A		
AR	150A	CA	254A	CT	922A	GA	153A	IA	154C	IL	922A		
AR	150U	CA	270A	CT	923A	GA	153D	IA	251A	IL	923A		



## WARRANT OFFICER AFFILIATION CRITICAL SKILL LIST

STATE	MOS	STATE	MOS	STATE	MOS	STATE	MOS	STATE	MOS	STATE	MOS	STATE	MOS
KY	120A	MA	154C	ME	913A	MO	155A	MT	152B	NM	152B	NM	153A
KY	131A	MA	155A	ME	919A	MO	155E	MT	153D	ND	948D	NM	153D
KY	140A	MA	180A	ME	920B	MO	250N	MT	155E	NE	120A	NM	155E
KY	151A	MA	250N	ME	922A	MO	251A	MT	255A	NE	131A	NM	251A
KY	152B	MA	251A	ME	948B	MO	254A	MT	882A	NE	140A	NM	311A
KY	153D	MA	254A	MI	120A	MO	311A	MT	913A	NE	153A	NM	913A
KY	155A	MA	311A	MI	152B	MO	350F	MT	914A	NE	153D	NM	914A
KY	155F	MA	350F	MI	153D	MO	350G	MT	915A	NE	154C	NM	915A
KY	250N	MA	351L	MI	153M	MO	351L	MT	919A	NE	155E	NM	915E
KY	254A	MA	351M	MI	154C	MO	351M	MT	920B	NE	350F	NM	919A
KY	311A	MA	420C	MI	155E	MO	353T	MT	922A	NE	351L	NM	920A
KY	420C	MA	882A	MI	250N	MO	420A	MT	948B	NE	351M	NM	920B
KY	740A	MA	913A	MI	254A	MO	420C	NC	120A	NE	670A	NM	948B
KY	882A	MA	914A	MI	311A	MO	670A	NC	131A	NE	740A	NV	120A
KY	890A	MA	915A	MI	353T	MO	882A	NC	140A	NE	882A	NV	153D
KY	913A	MA	919A	MI	670A	MO	890A	NC	150A	NE	919A	NV	154C
KY	914A	MA	920A	MI	882A	MO	913A	NC	150U	NE	920A	NV	155E
KY	915A	MA	920B	MI	913A	MO	915A	NC	152H	NE	920B	NV	251A
KY	919A	MA	948B	MI	914A	MO	919A	NC	153A	NE	923A	NV	882A
KY	920A	MD	120A	MI	919A	MO	920B	NC	153D	NH	131A	NV	913A
KY	920B	MD	125D	MI	920A	MO	922A	NC	153L	NH	140A	NV	915A
KY	922A	MD	131A	MI	922A	MO	948B	NC	155A	NH	153D	NV	919A
KY	948B	MD	140A	MI	948B	MS	120A	NC	180A	NH	155E	NV	948B
LA	120A	MD	150A	MN	120A	MS	140A	NC	254A	NH	251A	NY	120A
LA	131A	MD	150J	MN	125D	MS	150A	NC	311A	NH	420C	NY	125D
LA	140A	MD	152B	MN	131A	MS	150U	NC	350F	NH	882A	NY	131A
LA	150A	MD	153D	MN	140A	MS	152B	NC	351M	NH	890A	NY	140A
LA	150U	MD	154C	MN	150A	MS	152D	NC	353T	NH	913A	NY	150U
LA	152B	MD	155E	MN	150U	MS	152F	NC	882A	NH	915A	NY	152B
LA	152H	MD	180A	MN	153A	MS	153A	NC	890A	NH	915E	NY	152H
LA	153D	MD	250N	MN	153D	MS	153D	NC	913A	NH	920B	NY	153D
LA	153L	MD	251A	MN	154C	MS	153L	NC	914A	NH	922A	NY	154C
LA	155E	MD	254A	MN	250N	MS	154C	NC	915A	NJ	120A	NY	155E
LA	251A	MD	350F	MN	251A	MS	180A	NC	919A	NJ	131A	NY	250N
LA	254A	MD	350G	MN	254A	MS	250N	NC	920A	NJ	140A	NY	251A
LA	290A	MD	351L	MN	350F	MS	251A	NC	920B	NJ	150U	NY	254A
LA	350F	MD	351M	MN	350G	MS	254A	NC	921A	NJ	151A	NY	270A
LA	351M	MD	352N	MN	351L	MS	350F	NC	922A	NJ	152B	NY	350F
LA	353T	MD	353T	MN	351M	MS	351M	NC	923A	NJ	152H	NY	350G
LA	420A	MD	420C	MN	353T	MS	353T	NC	948B	NJ	153D	NY	351L
LA	890A	MD	882A	MN	882A	MS	420C	NC	948D	NJ	251A	NY	351M
LA	913A	MD	913A	MN	913A	MS	880A	ND	120A	NJ	254A	NY	352N
LA	914A	MD	914A	MN	914A	MS	882A	ND	131A	NJ	351M	NY	353T
LA	915A	MD	915A	MN	919A	MS	890A	ND	140A	NJ	420A	NY	882A
LA	919A	MD	920B	MN	920B	MS	913A	ND	152B	NJ	882A	NY	890A
LA	920A	MD	922A	MN	922A	MS	915A	ND	153D	NJ	890A	NY	913A
LA	920B	MD	948B	MO	120A	MS	919A	ND	311A	NJ	914A	NY	914A
LA	948B	ME	120A	MO	125D	MS	920A	ND	420C	NJ	915A	NY	915A
MA	120A	ME	152B	MO	131A	MS	920B	ND	882A	NJ	919A	NY	919A
MA	131A	ME	153D	MO	140A	MS	921A	ND	913A	NJ	920A	NY	920A
MA	150A	ME	155E	MO	152B	MS	922A	ND	915A	NJ	920B	NY	920B
MA	152B	ME	250N	MO	152F	MS	948B	ND	919A	NM	120A	NY	921A
MA	153D	ME	251A	MO	152H	MT	120A	ND	920B	NM	131A	NY	922A
MA	153M	ME	270A	MO	153D	MT	151A	ND	922A	NM	151A		



## WARRANT OFFICER AFFILIATION CRITICAL SKILL LIST

STATE	MOS	STATE	MOS	STATE	MOS	STATE	MOS	STATE	MOS	STATE	MOS	STATE	MOS
NY	923A	OR	155A	PR	311A	TN	150A	TX	913A	VA	948B	WI	152H
NY	948B	OR	155E	PR	420C	TN	152B	TX	914A	VI	155A	WI	153D
NY	948D	OR	251A	PR	882A	TN	152D	TX	915A	VI	250N	WI	153M
OH	131A	OR	254A	PR	913A	TN	153D	TX	915E	VI	913A	WI	155A
OH	152B	OR	350F	PR	914A	TN	155E	TX	919A	VI	920A	WI	250N
OH	152H	OR	351M	PR	915A	TN	250N	TX	920A	VI	948B	WI	251A
OH	153D	OR	353T	PR	915E	TN	251A	TX	920B	VT	131A	WI	254A
OH	154C	OR	882A	PR	919A	TN	290A	TX	921A	VT	140A	WI	311A
OH	155A	OR	890A	PR	920A	TN	350F	TX	922A	VT	152B	WI	350F
OH	180A	OR	913A	PR	920B	TN	351M	TX	923A	VT	152D	WI	351M
OH	251A	OR	914A	PR	922A	TN	353T	TX	948B	VT	153M	WI	353T
OH	254A	OR	915A	RI	151A	TN	420C	UT	120A	VT	155E	WI	420A
OH	351M	OR	922A	RI	153A	TN	882A	UT	131A	VT	350F	WI	890A
OH	420C	OR	948B	RI	153D	TN	890A	UT	140A	VT	351M	WI	913A
OH	882A	PA	120A	RI	155A	TN	913A	UT	150U	VT	882A	WI	914A
OH	890A	PA	125D	RI	155E	TN	914A	UT	151A	VT	890A	WI	915A
OH	911A	PA	131A	RI	180A	TN	915A	UT	152H	VT	914A	WI	919A
OH	915A	PA	140A	RI	250N	TN	919A	UT	153D	VT	915A	WI	920B
OH	921A	PA	150A	RI	270A	TN	920A	UT	155E	VT	919A	WI	922A
OH	923A	PA	150U	RI	915A	TN	920B	UT	180A	VT	920B	WV	120A
OH	948D	PA	152B	SC	120A	TN	922A	UT	250N	VT	922A	WV	131A
OK	120A	PA	152H	SC	131A	TN	948B	UT	254A	WA	120A	WV	152B
OK	131A	PA	153A	SC	152B	TN	948D	UT	311A	WA	131A	WV	153D
OK	140A	PA	153D	SC	152H	TX	120A	UT	351L	WA	140A	WV	155A
OK	150A	PA	153L	SC	153D	TX	125D	UT	351M	WA	150U	WV	155E
OK	151A	PA	154C	SC	154C	TX	131A	UT	352N	WA	919A	WV	250N
OK	153A	PA	155A	SC	155A	TX	140A	UT	352P	WA	920A	WV	254A
OK	153D	PA	155E	SC	250N	TX	150A	UT	882A	WA	920B	WV	420C
OK	153L	PA	250N	SC	311A	TX	150U	UT	915A	WA	922A	WV	913A
OK	154C	PA	251A	SC	350F	TX	151A	UT	919A	WA	948D	WV	915A
OK	155E	PA	254A	SC	913A	TX	152F	UT	920B	WA	151A	WV	919A
OK	250N	PA	350F	SC	914A	TX	152H	UT	921A	WA	152B	WV	920A
OK	251A	PA	351L	SC	915A	TX	153A	UT	948B	WA	153D	WV	948B
OK	254A	PA	351M	SC	919A	TX	153D	UT	948E	WA	155A	WY	131A
OK	350F	PA	352N	SC	920A	TX	153L	VA	131A	WA	155E	WY	140A
OK	351M	PA	353T	SC	948D	TX	155A	VA	140A	WA	180A	WY	153D
OK	353T	PA	882A	SD	120A	TX	180A	VA	150U	WA	250N	WY	155E
OK	420A	PA	890A	SD	152B	TX	250N	VA	152H	WA	251A	WY	254A
OK	882A	PA	913A	SD	155E	TX	251A	VA	153D	WA	254A	WY	290A
OK	890A	PA	914A	SD	250N	TX	254A	VA	153L	WA	350F	WY	420C
OK	913A	PA	915A	SD	251A	TX	270A	VA	155E	WA	351M	WY	882A
OK	915A	PA	919A	SD	254A	TX	290A	VA	254A	WA	352N	WY	890A
OK	919A	PA	920B	SD	270A	TX	311A	VA	270A	WA	352P	WY	913A
OK	920A	PA	922A	SD	311A	TX	350F	VA	350F	WA	353T	WY	915A
OK	920B	PA	923A	SD	913A	TX	350G	VA	351M	WA	882A	WY	919A
OK	922A	PA	948B	SD	914A	TX	351L	VA	352S	WA	890A	WY	920B
OR	120A	PA	948D	SD	915A	TX	351M	VA	353T	WA	913A	WY	922A
OR	131A	PR	120A	SD	919A	TX	352N	VA	420C	WA	914A		
OR	140A	PR	131A	SD	920B	TX	352P	VA	882A	WA	915A		
OR	150U	PR	153D	SD	922A	TX	353T	VA	913A	WI	120A		
OR	152B	PR	155E	TN	120A	TX	670A	VA	915A	WI	131A		
OR	152H	PR	250N	TN	131A	TX	882A	VA	919A	WI	140A		
OR	153D	PR	251A	TN	140A	TX	890A	VA	922A	WI	150U		

Referred to Army Doctrine & Training Command

Referred to Army Doctrine & Training Command



Referred to Army Recruiting Command

Referred to Army Recruiting Command

Referred to Army Recruiting Command

Referred to Army Recruiting Command

Referred to Army Recruiting Command



Referred to Army Training and Doctrine Command



# National Guard Bureau Internal Review



## Nation-Wide Audit of the Air National Guard Recruiting and Retention Incentives

**Final Report No. 2010-021B**

**March 2011**

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**NATIONAL GUARD BUREAU  
1411 Jefferson Davis Highway  
Arlington, Virginia 22202-3231**



# National Guard Bureau Internal Review



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*Requests to gain such approval may be forwarded to:*

**Chief, NGB-ZC-IR  
Jefferson Plaza 1  
1411 Jefferson Davis Hwy, Suite 12900  
Arlington, Virginia 22202**

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## NATIONAL GUARD BUREAU

1411 JEFFERSON DAVIS HIGHWAY  
ARLINGTON, VA 22202-3231

REPLY TO  
ATTENTION OF

NGB-ZC-IR

S: 22 April 2011  
9 March 2011

### MEMORANDUM THRU

Comptroller/Director of Administration and Management, National Guard Bureau, 1636  
Defense Pentagon, Washington, DC 20301-1636  
Chief, National Guard Bureau, 1636 Defense Pentagon, Washington, DC 20301-1636

FOR Director, Air National Guard (NGB/CF), 1000 Air Force Pentagon, 4E126,  
Washington, DC 20330-1000

SUBJECT: Nation-Wide Audit of the Air National Guard's Recruiting and Retention  
Incentives, Report Number 2010-021B

**Purpose.** This memorandum reports the results of our work on the subject audit. During the review, we coordinated with all 54 National Guard states and territories. We performed the audit in accordance with Government Accountability Office (GAO) Government Auditing Standards (GAO Yellow Book). The overall objective of the review was to evaluate the adequacy and effectiveness of internal controls over the Air National Guard (ANG) recruiting and retention incentive programs. Specific objectives and our conclusions can be found on pages 4-15 of this report. We conducted our audit in accordance with generally accepted government auditing standards from October 2010 to December 2010 and included such tests of internal controls we considered necessary under the circumstances. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. For the ANG, we assessed internal controls over the cash bonus incentive program [Selected Reserve Incentive Program (SRIP)] and Loan Repayment Program (LRP).

### Executive Summary. (b) (5)

- ◆ [REDACTED]
- ◆ [REDACTED]
- ◆ [REDACTED]
- ◆ [REDACTED]



NGB-ZC-IR

SUBJECT: Nation-Wide Audit of the Air National Guard's Recruiting and Retention Incentives, Report Number 2010-021B

(b) (5)

Scope. (b) (5)

[Redacted text block]

Computer Processed Data. (b) (5)

[Redacted text block]

Methodology. (b) (5)

[Redacted text block]



NGB-ZC-IR

SUBJECT: Nation-Wide Audit of the Air National Guard's Recruiting and Retention Incentives, Report Number 2010-021B

(b) (5)

[REDACTED]

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(b) (5)

**Background.** For the ANG, the NGB-RSR Division provides oversight for the bonuses and Loan Repayment Program (LRP). The NGB-RSR Division tracks the expenses related to bonus, incentive, and education programs, analyzes trends, and projects future expenditures. The NGB-RSR Division, in conjunction with the states and territories, determines how to apply bonuses to enlistments, re-enlistments, and Air Force Specialty Codes (AFSCs). The NGB-RSR Division also monitors the funding associated with bonus, incentive, and education programs and ensures funds are available to make payments towards these programs based on requirements.

(b) (5)

[REDACTED]

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(b) (5) [Redacted]  
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[Redacted]

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Objective and Conclusion

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Objective: (b) (5) [Redacted]  
[Redacted]

Conclusion: (b) (5) [Redacted]  
[Redacted]  
[Redacted]

- ◆ [Redacted]
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(b) (5)

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Criteria

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Office of Management and Budget (OMB) Circular A-123, Management's Responsibility for Internal Control dated 21 December 2004.

Government Accountability Office (GAO) Standards for Internal Control in the Federal Government dated November 1999.

10 United States Code (USC), § 16301, 2 January 2010, Education loan repayment program: Members of Selected Reserve. This law provides guidance on the ANG LRP. It identifies the types of loans, amounts, and other requirements.

Government Auditing Standards (GAS) (GAO Yellow Book), § 7.23, Information System Controls, July 2007 Revision. General controls include security management, logical and physical access, configuration management, segregation of duties, and contingency planning. Application controls, sometimes referred to as business process controls, are those controls that are incorporated directly into computer applications to help ensure the validity, completeness, accuracy, and confidentiality of transactions and data during application processing. Application controls include controls over input, processing, output, master data, application interfaces, and data management system interfaces.

DoD Financial Management Regulation (FMR), Volume 7A, Chapter 2, March 2009, Repayment of Unearned Portion of Bonuses and Other Benefits. This regulation provides general provisions, conditions under which repayment will not be sought, and Disposition of Unearned Portions of Bonuses, Special Pay, Educational Benefits, or Stipends.

DoD Financial Management Regulation (FMR), Volume 7A, Chapter 9, September 2008, Special Pay – Enlistment and Reenlistment Bonus – Enlisted Members. This regulation addresses enlistment Bonus, Selective Reenlistment Bonus, Regular Reenlistment Bonus, Retention Bonus For Members Qualified in A Critical Skill Recoupment of Enlistment, Reenlistment, and Retention Bonuses, and Table 9-1 Computation of Regular Reenlistment Bonus (37 U.S.C. 308).



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DoD Financial Management Regulation (FMR), Volume 7A, Chapter 56, January 2010, Selected Reserve Accession, Affiliation, Enlistment, and Reenlistment Bonuses. This regulation addresses general provisions, eligibility, terminations, amounts, and repayment of these incentive bonuses.

National Guard Regulation (NGR) 600-7, Personnel General, Selected Reserve Incentive Programs Procedures, 26 March 1999. This publication outlines various rules and requirements for the SRIP including Reenlistment and Affiliation Bonus and Student Loan Repayment. Rules for recoupment are explained in Chapter 2, Non-Prior Service Enlistment Bonus, Chapter 3, Reenlistment/Extension Bonus and Chapter 4, Affiliation bonus.

USC Title 37, Pay and Allowances to Uniformed Services, Chapter 5, Special and Incentive Pays, Section 308

Title 5, Code of Federal Regulation (CFR) Part 575, Part A, Part C (currently identified: 575.106, 575.107, 575.307)

DoD Instruction (DoDI) 1205.21, Reserve Component Incentive Program Procedures, 20 September 1999

ANGI 36-2607, "Air National Guard Retention Program," dated 30 January 1998 in accordance with DoDI and the 2 following Operational Guidance:

FY 2010 ANG Annual Incentive Program – Operational Guidance (also used other FY Annual Incentive Program – Operational Guidance as needed to properly determine eligibility and qualifications for incentive programs based on the year of award and the continuance of the award.

Below is a list of the key criteria for eligibility for each of the programs. These key criteria are found in Title 10, United States Code (USC), § 16301, 2 January 2010, Education loan repayment program: Members of Selected Reserve; and, NGR 600-7. This list of specific criteria by program is not all inclusive:

**SRIP** – (varies depending on if it is for an enlistment, re-enlistment, affiliation, health profession, or 3-year or 6-year enlistment)

- Must commit to a service agreement term (contract)
- Secondary school graduate
- Must be AFSC Qualified (or qualified within a given time frame)

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- Not accepting a full-time Military Technician (MilTech) or Active Guard Reserve (AGR) position
- Contract for 3 or 6 years of service
- Active Force Qualification Test (AFQT) category I, II, or III
- Contract for only one bonus
- Serve satisfactorily
- Remain in bonus AFSC

**LRP –**

- AFQT category I, II, or III
- Completed initial active duty training (IADT)
- Enlists for 8X0 or 6X2
- Secondary school graduate
- Serve satisfactorily
- Enlists in a critical skill
- Assigned to a valid position vacancy
- Not excepting an AGR Title 10 or Title 32 tour nor for a Military Technician
- Completes student loan addendum (NG Form 600-7-5-R-E)
- Loan (Promissory Note) must be over 1 year old
- Loan must be an approved guaranteed governmental loan
- \$20,000 lifetime limit (HPLRP is higher)
- Promissory Note must be maintained on file

**Discussion**

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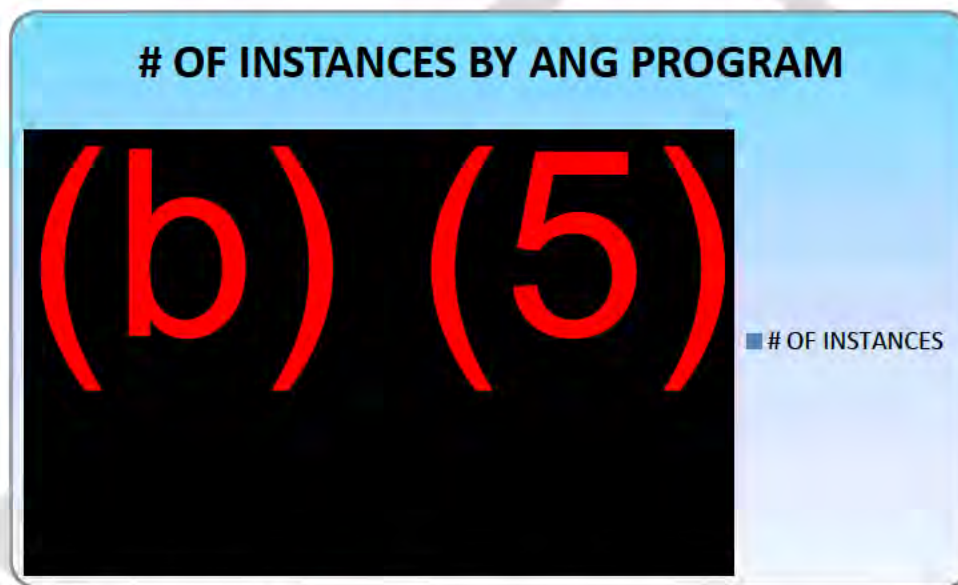


Chart 1. Number of instances (b) (5) reported by State/Territory by ARNG incentive program.

\* = (b) (5)

(b) (5)

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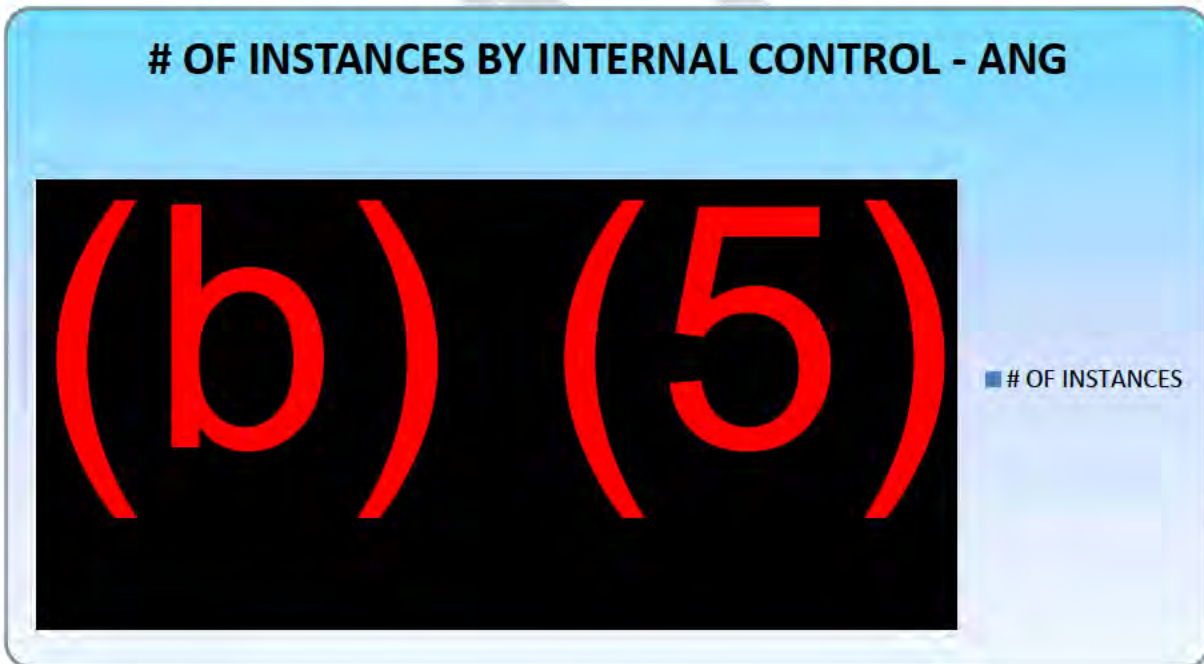


Chart 2. Number of instances reported by State/Territory by internal control (b) (5)

(b) (5)

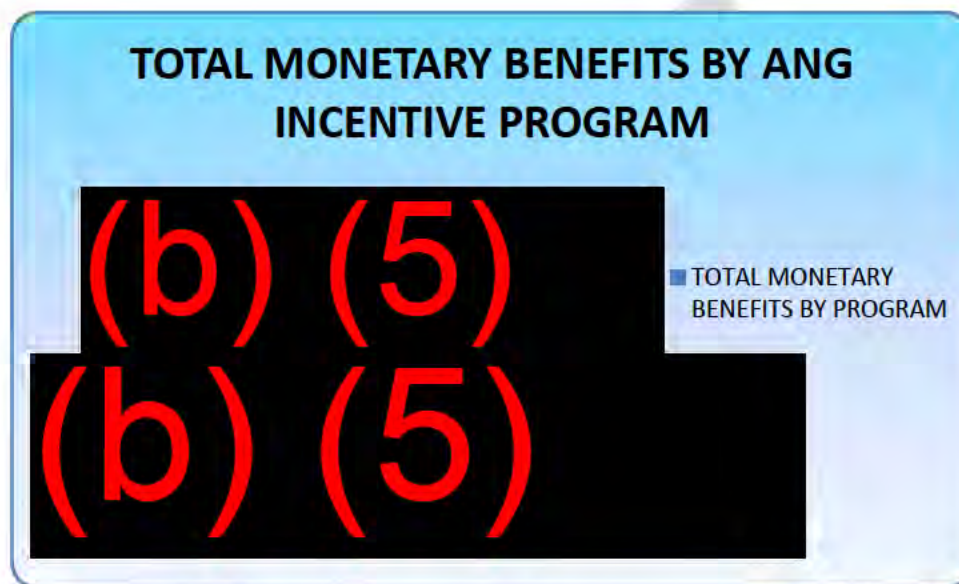
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(b) (5) [REDACTED]  
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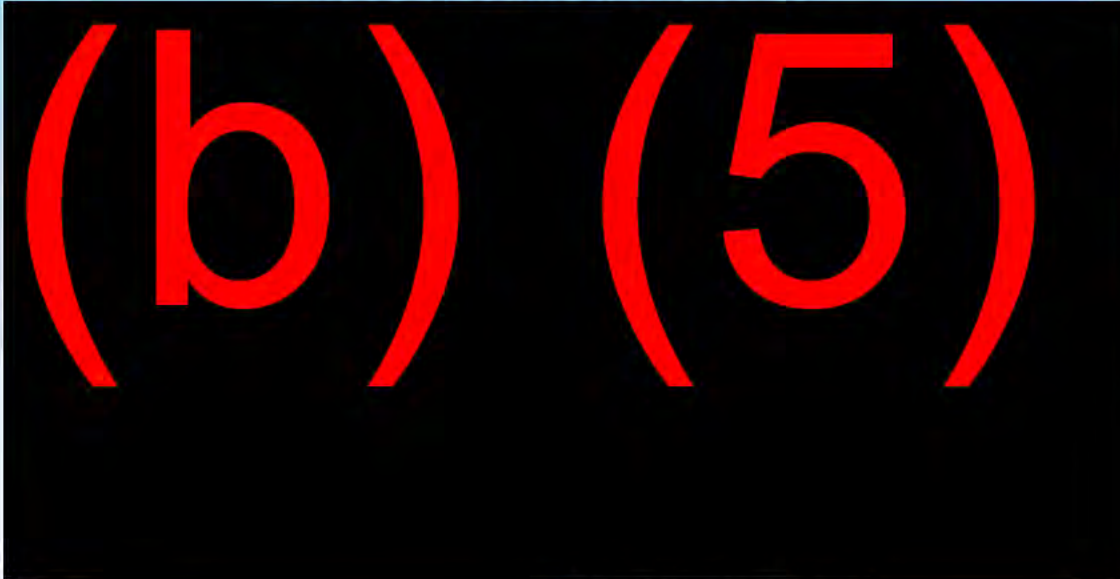
SUBJECT: Nation-Wide Audit of the Air National Guard's Recruiting and Retention Incentives, Report Number 2010-021B

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**TOTAL MONETARY BENEFITS BY INTERNAL  
CONTROL ASSESSED - ANG**

(b) (5)

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■ TOTAL MONETARY BENEFITS

(b) (5)

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### Potential Monetary Benefits

(b) (5)

**Recoupment:**

## Program

SRIP

LRP

Other

SUBTOT

**Amount**

(b) (5)

### Terminations:

SRIP

LRP

Other

SUBTOT

(b) (5)

**TOTAL MONETARY BENEFITS:**

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## Recommendations

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### Recommendations for NGB/RSR:

(b) (5)

[REDACTED]

### Command Comments:

(b) (5)

[REDACTED]

### Command Comments:

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### Command Comments:

(b) (5)

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### Command Comments:



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Command Comments:

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Command Comments:

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SUBJECT: Nation-Wide Audit of the Air National Guard's Recruiting and Retention Incentives, Report Number 2010-021B

(b) (5)

**Command Comments:**

(b) (5)

This report is subject to the official command reply and follow-up process prescribed in Department of Defense (DoD) Audit Manual 7600-07-M and DoD Directive 7650.3. Please provide your response to our recommendations by 22 April 2011.

The point of contact for this memorandum report is (b) (6). He can be reached at: (703) 607-0730, or email (b) (6).

(b) (6), CPA  
Chief, Internal Review  
National Guard Bureau

CF:  
Director, ANG  
Chief, NGB-ZC-PF  
NGB/FM (FMP)  
TAGs, all states/territories  
USPFOs, all states/territories  
Supervisory Auditors, all states/territories



# National Guard Bureau Internal Review



## Nation-Wide Audit of the Army National Guard Recruiting and Retention Incentives

**Final Report No. 2010-021A**

**March 2011**

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**NATIONAL GUARD BUREAU  
1411 Jefferson Davis Highway  
Arlington, Virginia 22202-3231**





# National Guard Bureau Internal Review



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*Requests to gain such approval may be forwarded to:*

Chief, NGB-ZC-IR  
Jefferson Plaza 1  
1411 Jefferson Davis Hwy, Suite 12900  
Arlington, Virginia 22202

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## NATIONAL GUARD BUREAU

1411 JEFFERSON DAVIS HIGHWAY  
ARLINGTON, VA 22202-3231

REPLY TO  
ATTENTION OF

NGB-ZC-IR

S: 22 April 2011  
9 March 2011

### MEMORANDUM THRU

Comptroller/Director of Administration and Management, National Guard Bureau, 1636  
Defense Pentagon, Washington, DC 20301-1636  
Chief, National Guard Bureau, 1636 Defense Pentagon, Washington, DC 20301-1636

FOR Acting Director, Army National Guard, 111 South George Mason Drive, Arlington,  
VA 22204-1382

SUBJECT: Nation-wide Audit of the Army National Guard's Recruiting and Retention  
Incentives, Report Number 2010-021A

**Purpose.** This memorandum reports the results of our work on the subject audit. We coordinated this audit effort with all 54 National Guard states and territories. We performed the audit in accordance with the Government Accountability Office (GAO) Government Auditing Standards (GAO Yellow Book) from October 2010 to December 2010 and included such tests of internal controls we considered necessary under the circumstances. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The overall objective of the review was to evaluate the effectiveness and adequacy of internal controls over the Army National Guard (ARNG) recruiting and retention incentive programs. Specific objectives and our conclusions can be found on pages 4 - 18 of this report.

### Executive Summary. (b) (5)

[REDACTED]



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(b) (5)

ARNG INCENTIVE PROGRAMS - FY10				
INCENTIVE PROGRAM	TOTAL FUNDING	TOTAL RECIPIENTS	TOTAL RECIPIENTS Reviewed	PERCENTAGE REVIEWED
SRIP	(b) (5)			
SLRP				
FTA				
Totals.....				

(b) (5)

Scope. (b) (5)

Computer Processed Data. (b) (5)

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(b) (5) [REDACTED]

**Methodology.** (b) (5) [REDACTED]

- [REDACTED]
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- [REDACTED]
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- [REDACTED]
- [REDACTED]
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**Background.** The ARNG Education, Incentives, and Employment Division (ARNG-GSE) provides the oversight for the Bonus and Incentive and Education programs. The ARNG-GSE tracks the expenses related to bonus, incentive, and education programs, analyzes trends, and projects future expenditures. The ARNG-GSE, based on regulations and in coordination with states and territories, determines how to apply incentive bonuses to enlistments, re-enlistments, critical units, and critical military occupational specialties (MOSSs) to enhance and ensure readiness of the ARNG. The ARNG-GSE also monitors and administers the incentive program funding associated

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with bonus, incentive, and education programs and ensures funds are available to make payments towards these programs based on requirements.

The Bonus and Incentive Managers (IMs) and Education Services Officers (ESOs) at each state and territory are responsible for day-to-day operations of incentive programs. This includes monitoring and providing information on incentive programs, inputting information into iMARC, determining eligibility and qualification of Soldiers for programs, preparing payment documentation, maintaining an incentive file for each recipient, preparing incentive contract, and verifying eligibility and qualification on a continual basis for Soldiers receiving incentives.

The primary incentive programs for the ARNG are the Selective Reserve Incentive Program (SRIP), Student Loan Repayment Program (SLRP), and the Federal Tuition Assistance (FTA) Program. The SRIP is broken down into multiple subcategories such as enlistment, re-enlistment, enlisted, officer, affiliation, 3-year, 6-year, etc. The SLRP and FTA are also broken down into subcategories as well. In many cases, each of these subcategories has specific regulatory guidance that applies directly to that subcategory of the incentive program.

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**Objective and Conclusions**

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**Objective:** (b) (5)

[REDACTED]

**Conclusion:** (b) (5)

[REDACTED]

**Criteria:**

Office of Management and Budget (OMB) Circular A-123, Management's Responsibility for Internal Control, dated 21 December 2004, provides guidance for the establishment of an effective internal control system at all levels of government. In accordance with

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the circular, government managers are responsible for ensuring an effective internal control system is in place to mitigate the risk of material errors, fraud, waste, and abuse.

Government Accountability Office (GAO) Standards for Internal Control in the Federal Government, dated November 1999, "define the minimum level of quality acceptable for internal control in government and provide the basis against which internal control is to be evaluated. These standards apply to all aspects of an agency's operations: programmatic, financial, and compliance" (GAO Standards for Internal Controls, 1999, p. 7). The GAO further states that in trying to better achieve government agencies' missions and program results – and therefore improve accountability – a key factor is to implement appropriate internal control. The five GAO standards for internal control are:

1. **Control Environment:** Management and employees should establish and maintain an environment throughout the organization that sets a positive and supportive attitude toward internal control and conscientious management.
2. **Risk assessment:** Identification and analysis of relevant risks associated with achieving the objectives, such as those defined in strategic and annual performance plans developed under the Government Performance and Results Act, and forming a basis for determining how risks should be managed.
3. **Control Activities:** Internal control activities help ensure that management's directives are carried out. The control activities should be effective and efficient in accomplishing the agency's control objectives. Control activities are an integral part of an entity's planning, implementing, reviewing, and accountability for stewardship of government resources and achieving effective results.
4. **Information and communication:** Information should be recorded and communicated to management and others within the entity who need it and in a form and within a time frame that enables them to carry out their internal control and other responsibilities.
5. **Monitoring:** Internal control monitoring should assess the quality of performance over time and ensure that the findings of audits and other reviews are promptly resolved.

Automated systems control includes general controls and application controls. General controls include security management, logical and physical access, configuration management, segregation of duties, and contingency planning. Application controls, sometimes referred to as business process controls, are those controls that are

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incorporated directly into computer applications to help ensure the validity, completeness, accuracy, and confidentiality of transactions and data during application processing. Application controls include controls over input, processing, output, master data, application interfaces, and data management system interfaces.

10 United States Code (USC), § 16301, 2 January 2010, Education loan repayment program: Members of Selected Reserve. This law provides guidance on the ARNG SLRP. It identifies the types of loans, amounts, and other requirements.

DoD Financial Management Regulation (FMR), Volume 7A, Chapter 2, March 2009, Repayment of Unearned Portion of Bonuses and Other Benefits. This regulation provides general provisions, conditions under which repayment will not be sought, and Disposition of Unearned Portions of Bonuses, Special Pay, Educational Benefits, or Stipends.

DoD Financial Management Regulation (FMR), Volume 7A, Chapter 9, September 2008, Special Pay – Enlistment and Reenlistment Bonus – Enlisted Members. This regulation addresses enlistment Bonus, Selective Reenlistment Bonus, Regular Reenlistment Bonus, Retention Bonus for Members Qualified in a Critical Skill, Recoupment of Enlistment, Reenlistment, and Retention Bonuses, and Table 9-1 - Computation of Regular Reenlistment Bonus (37 U.S.C. 308).

DoD Financial Management Regulation (FMR), Volume 7A, Chapter 56, January 2010, Selected Reserve Accession, Affiliation, Enlistment, and Reenlistment Bonuses. This regulation addresses general provisions, eligibility, terminations, amounts, and repayment of these incentive bonuses.

Army Regulation (AR) 11-2, Managers' Internal Control Program, Appendix B, Government Accountability Office Standards for Internal Control in the Federal Government, 4Jan10. This appendix covers GAO's internal control standards, which are Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring.

Army Regulation 135-7, Incentive Programs, 15 April 1996, this regulation establishes a single reference for incentives authorized within the Army National Guard and the Army Reserve. This regulation covers incentive benefits, and identifies eligibility criteria and entitlement, termination, suspension, and recoupment requirements.

National Guard Regulation (NGR) 600-7, Personnel General, Selected Reserve Incentive Programs Procedures, 26 March 1999. This publication outlines various rules and requirements for the SRIP, including Reenlistment and Affiliation Bonus and



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Student Loan Repayment. Rules for recoupment are explained in Chapter 2, Non-Prior Service Enlistment Bonus, Chapter 3, Reenlistment/Extension Bonus, and Chapter 4, Affiliation bonus.

During Fiscal Year (FY) 2010, guidance for these incentive programs was also issued as Education and Incentive Operational Messages (EIOMs); in FY 2010, a total of 45 EIOMs were issued (EIOMs 10-001 to 10-045). This form of guidance was issued, as needed, throughout the year for incentive programs. Please note: we used previous FY EIOMs as needed to determine eligibility and qualifications of Soldiers receiving incentive benefits.

The key criteria for eligibility for each of the programs are:

- SRIP: NGR 600-7, Personnel General, Selective Reserve Incentive Programs used in conjunction with NGB-GSE Education and Incentive Operational Messages (EIOMs)
  - Must be MOSQ
  - Must commit to a service agreement term
  - Not allowed to accept a full-time Military Technician (MilTech) or Active Guard Reserve (AGR) position
  - Contract for 6-years of service
  - Active Force Qualification Test (AFQT) score 31 or higher
  - Not enlisting as a Military Technician (MilTech) or Active Guard Reserve (AGR)
  - Completes ARNG Bonus Addendum (NGB Form 600-7-1-R-E) as part of enlistment contract
  - Contract for only one bonus
- SLRP: 10 United States Code (USC), § 16301, 2 January 2010, Education loan repayment program: Members of Selected Reserve used in conjunction with NGB-GSE Education and Incentive Operational Messages (EIOMs)
  - Enlists for 8X0 or 6X2
  - AFQT of 50 or higher
  - Secondary school graduate
  - Enlists in a critical skill
  - Assigned to a valid position vacancy
  - Not enlisting for an AGR Title 10 or Title 32 tour nor for a Military Technician
  - Completes student loan addendum (NG Form 600-7-5-R-E)
  - Loan (Promissory Note) must be over 1 year old

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- Loan must be an approved guaranteed governmental loan
  - \$20,000 lifetime limit (HPLRP is higher)
  - Promissory Note must be maintained on file
- FTA: AR 621-5, Army Continuing Education System used in conjunction with NGB-GSE Education and Incentive Operational Messages (EIOMs)
  - All Soldiers in an AGR status pursuit to Titles 10 and 32
  - No other incentive provided
  - Must be an accredited school
  - Must maintain a GPA of at least 2.0 after a certain number of credit hours completed
  - Grades required to be submitted to IM/ESO no later than 60 days after course completion or discontinuation for any reason
  - USAR and ARNG/ARNGUS personnel eligible for RC TA are Soldiers serving in an active status who are coded as a satisfactory participant - No adverse flag actions

(b) (5)

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**Discussion of Results**

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(b) (5) [Redacted]

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(b) (5) [REDACTED]

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[REDACTED]

(b) (5) [REDACTED]

***Systems Controls - iMARC Database System***

(b) (5) [REDACTED]

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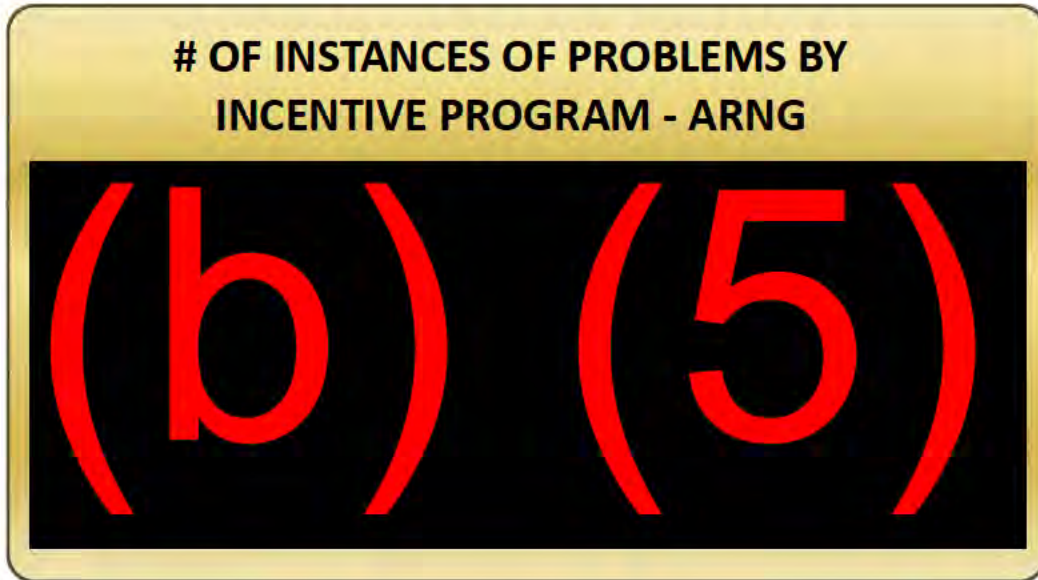


Chart 1. Number of instances of problems reported by State/Territory by ARNG incentive program.

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(b) (5)

[REDACTED]

# OF INSTANCES BY INTERNAL CONTROL - ARNG

(b) (5)

Chart 2. Number of instances reported by State/Territory by internal control (b) (5)

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[REDACTED]

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[REDACTED]

The following table (Table 1) shows the amount of potential monetary benefits (monetary effect) reported by the states/territories for each ARNG incentive program:

GUARD-WIDE AUDIT OF RECRUITING AND RETENTION PROGRAMS - ARNG				
BY RECRUITING AND RETENTION PROGRAM:				
PROGRAM	# OF INSTANCES	# OF STATES REPORTING	\$ VALUE OF MONETARY BENEFITS	TOTAL MONETARY BENEFITS BY PROGRAM
			Recoupment	Termination
SRIP	(b) (5)			
SLRP				
FTA				
OTHER*				

\* = Some States/Territories reported program categories as follows:

	<u>Recoupment</u>	<u>Termination</u>	<u># of Instances</u>	<u># of States</u>
1. SRIP/SLRP =	(b) (5)			
2. FTA/SRIP				
3. ALL =				

Table 1. Monetary benefits reported by States/Territories for each ARNG incentive program.

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(b) (5)

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SUBJECT: Nation-wide Audit of the Army National Guard's Recruiting and Retention Incentives, Report Number 2010-021A

**BY INTERNAL CONTROL ASSESSED:**

INTERNAL CONTROL ASSESSED	# OF INSTANCES	# OF STATES	\$ VALUE OF MONETARY BENEFITS	TOTAL MONETARY BENEFITS
---------------------------	----------------	-------------	-------------------------------	-------------------------

Recoupment	Termination
------------	-------------

(b) (5)

Table 2. Monetary benefits reported by States/Territories for the primary internal controls reported.

(b) (5)

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(b) (5)

- In accordance with § 708 of Title 32 of the United States Code (USC), USPFOs are responsible for the proper obligation and expenditure of all Federal funds in the possession of the National Guard of each state they are required to authenticate requirements, certify as to authority, and authorize the expenditure of funds for property, supplies, equipment, services, and payrolls. USPFOs are responsible for the accuracy of payrolls for all personnel who are compensated from federal funds. Per Title 32 USC, § 708 (b)(1), "each property and fiscal officer shall receive and account for all funds of the United States in the possession of the National Guard for which he/she is property and fiscal officer." Furthermore, § 708 (b)(2) states "each property and fiscal officer shall make returns and reports concerning those funds as required by the Secretary concerned."
- NGR 130-6/ANGI 36-2, United States Property and Fiscal Officer, Appointment, Duties, and Responsibilities, paragraph 1-4(1) states, "as agents of the CNGB, USPFOs receive and account for all funds and property of the United States in the possession of the National Guard of a specific state and ensure that federal funds are obligated and expended in conformance with applicable statutes and regulations. They make returns and reports on Federal funds and property as directed by the CNGB and the appropriate Service Secretary.

Ultimately, USPFOs work for and are responsible to the CNGB to ensure that all laws, regulations, policies, and procedures established by Congress, DoD, DA, and DAF, as implemented by the CNGB, are complied with in their state or United States territory.

(b) (5)

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(b) (5)

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Recoupment's:	<u>Program</u>	<u>Amount</u>
	SRIP	(b) (5)
	SLRP	
	FTA	
	Other	
	<u>SUBTOTAL</u>	
Terminations:	SRIP	(b) (5)
	SLRP	
	FTA	
	Other	
	<u>SUBTOTAL</u>	
TOTAL MONETARY BENEFITS:		(b) (5)

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## Recommendations

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### Recommendations for the ARNG-GSE:

(b) (5) [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

### Command Comments:

(b) (5) [REDACTED]  
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### Command Comments:

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### Command Comments:

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### Command Comments:

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**Command Comments:**



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SUBJECT: Nation-wide Audit of the Army National Guard's Recruiting and Retention Incentives, Report Number 2010-021A

This report is subject to the official command reply and follow-up process prescribed in Department of Defense (DoD) Audit Manual 7600-07-M and DoD Directive 7650.3. Please provide your response to our recommendations by 22 April 2011.

The point of contact for this memorandum report is (b) (5). He can be reached at: (703) 607-0730, or email (b) (5)

(b) (5)

Chief, Internal Review  
National Guard Bureau

CF:

Acting Director, ARNG

ARNG-RMC (ARNG-RMC-M)

TAGs, all states/territories

Chief, NGB-ZC-PF

USPFOs, all states/territories

Supervisory Auditors, all states/territories



# National Guard Bureau Internal Review



## Audit of the Army National Guard (ARNG) Recruiting and Retention Program

**Final Report No. 2008-001**

**March 2011**

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**NATIONAL GUARD BUREAU  
1411 Jefferson Davis Highway  
Arlington, Virginia 22202-3231**





# National Guard Bureau Internal Review



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**NATIONAL GUARD BUREAU**  
1411 JEFFERSON DAVIS HIGHWAY  
ARLINGTON, VA 22202-3231

REPLY TO  
ATTENTION

NGB-ZC-IR

18 March 2011

MEMORANDUM THRU Comptroller/Director of Administration and Management,  
National Guard Bureau, 1636 Defense Pentagon, Washington, DC 20301-1636

FOR Acting Director, Army National Guard, 111 South George Mason Drive, Arlington,  
VA 22204-1382

SUBJECT: Audit of the Army National Guard (ARNG) Recruiting and Retention  
Program, Final Report Number 2008-001

1. The enclosed final report contains the results of the subject audit. Our overall objective was to evaluate the adequacy and effectiveness of internal controls over the ARNG Recruiting and Retention Program as related to the Program Objective Memorandum (POM) and Planning, Programming, Budgeting, and Execution (PPBE) processes.
2. The ARNG Strength Maintenance (ARNG-GSS) and Education (ARNG-GSE) divisions needed to improve internal controls for the Recruiting and Retention, Bonus, Incentive, and Education Programs. Internal controls were either weak or inadequate to mitigate risks related to providing accurate data related to the validity of programs, performance reporting, and funding reports. The internal control weaknesses we identified increased the potential for mission failure, waste and mismanagement of ARNG resources. We address our findings in the Objectives, Conclusions, and Recommendations Section of the report. An executive summary of our results is contained in the Introduction section of the report.
3. Since the issuance of our draft report, the ARNG has renamed its division symbols. As a result, the ARNG Strength Maintenance Division, which used to be NGB-ASM, was changed to ARNG-GSS. In addition, the Education, Incentives, and Employment Division, which used to be NGB-EDU, was changed to ARNG-GSE. Please acknowledge that the organization charts starting on page 84 of this report represented the organizational structure of these organizations as of the time of our audit.
4. This report is subject to the official command reply and follow-up process prescribed in Department of Defense (DoD) Audit Manual 7600.07-M and DoD Directive 7650.3. We, therefore, plan to perform a follow-up audit in the near future to determine if



NGB-ZC-IR

SUBJECT: Audit of the Army National Guard (ARNG) Recruiting and Retention Program, Final Report Number 2008-001

management had implemented the agreed-to recommendations and whether or not the corrective actions taken improved the effectiveness of internal controls over the ARNG Recruiting and Retention Program.

5. The NGB-IR point of contact for this audit is (b) (6), Senior Auditor, 703-607-(b) (6) or, (b) (6), Chief, Audit Operations, NGB-IR, 703-607-0730, (b) (6)

(b) (6)

Encl

Chief, Internal Review  
National Guard Bureau

CF:  
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TAG, GANG  
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USPFO, WANG  
SA, WANG

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## INTRODUCTION

### WHAT WE AUDITED

---

The primary objective of this audit was to determine if adequate internal controls existed at all levels of the Army National Guard (ARNG) Recruiting and Retention program. We focused our review on processes associated with the development of the Program Objective Memorandum (POM) - Planning, Programming, Budgeting, and Execution (PPBE) processes. We also included the Bonus, Incentive, and Education programs as part of this audit because of the crucial role they play in recruiting Soldiers and maintaining end-strength for the ARNG. We established two sub-objectives for this audit:

- Determine if the POM and Planning, Programming, Budgeting, and Execution (PPBE) processes contained adequate and effective internal controls
- Determine if the internal controls over the Army National Guard Recruiting and Retention, Bonus, Incentive, and Education processes were adequate and effective

The combination of these programs are designed to provide the Army National Guard with adequate end-strength, the proper mix of critical skills, and to help specific Army National Guard units achieve specified readiness levels in preparation for deployment.

To answer these objectives, we audited internal controls associated with the funding, sampled programs, and reviewed multiple administrative processes used to achieve these goals at the NGB and State levels.

### RESULTS IN BRIEF

---

The Army National Guard generally had effective internal controls and procedures for some Recruiting and Retention, Bonus, Incentive, and Education processes; however, we identified areas that needed improvements:

#### ARNG-GSS (Recruiting and Retention):

- Relied heavily on supplemental funding and did not include "total" program costs in budget submissions - thereby misstating the actual or full program costs
- Needed to improve contract actions management and CORs needed to incorporate improved controls over record keeping, validating contractor

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payments, training, appointment Letters, and maintaining reports on contractor performance under the contract

- Needed to improve internal controls for funding processes - specifically for performing the tracking and trend analysis necessary for the numerous costly and complex programs they manage and to provide Leadership with complete and accurate program and funds reporting. In addition, no visibility of funding execution at the state level
- Needed to review all programs with similar functions or purposes to eliminate redundancy, establish efficiencies, and generate potentially millions in savings (e.g. G-RAP, NASCAR, FLW, Chopper, and ESAR all have the same primary purpose). Determine cost per accession and program return-on-investment to make informed managerial decisions and assess program benefit/cost
- Did not have processes for the development of data and information needed for PPBE/POM submissions for Leadership
- Lacked personnel/organizational structure to perform all financial functions necessary to establish necessary processes and adequate internal controls over funding execution for programs and funding (e.g. strategic analysis and contract administration)
- Unqualified and untrained personnel are working in a financial capacity in funds management and fiduciary matters – such as recruiting and retention specialists, who are “Budget Officers” for the Recruiting and Retention Command at the states and territories who manage millions of dollars annually
- Lacked standardized processes at the states and territories for managing, record keeping, and reporting of funds execution
- Needed to reevaluate criteria for making recruiter bonus payments through the Recruiter Incentive Program (RIP)
- Experienced high rate of personnel turnover in key leadership, financial, and complex program positions within the ARNG-GSS and at the states/territories
- Purchased SFRO furniture through another Directorate due to the inability to purchase it internally
- Needed to establish “Peacetime” vs “Wartime” (base vs supplemental funding) budget requirements, capabilities, and strategies
- Needed to develop a Strategic Plan



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ARNG-GSE (Bonus, Incentive, and Education):

- Relied heavily on supplemental funding for full funding of program requirements
- Needed to reevaluate the processes for the application of bonuses to critical Military Occupational Specialties (MOSs) and critical Unit Identification Codes (UICs)
- Inadequate controls over SIDPERS data input, which the iMARC system relied upon, because SIDPERS personnel at the state and territory level were entering wrong personnel codes into SIDPERS
- Needed to improve the Information Management and Reporting Center (iMARC) system's funding and tracking of personnel accuracy through more frequent monitoring, validating, and updating procedures at the state level and performing tests of controls on the system
- Needed to expand iMARC user training, to include more user and reporting information and expectations

States/Territories Visited needed to:

- Standardize funds management and record keeping requirements and certain states/territories had difficulty providing summary funding data at the Management Decision Package/Army Management Structure Code (MDEP/AMSCO) level
- Improve iMARC system management and monitoring for over-strength and over-due payments at the state level.
- Improve contract management processes
- Improve GPC processes
- Include all "unfunded" requirements (UFRs) in their budget submissions to the ARNG-GSS
- Ensure all assigned recruiting and retention specialists have some financial background and acquire fiscal law and PPBE training, which would ensure the proper stewardship of funds at the state and territory level

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We would like to point out that all the activities listed above were taking immediate actions to improve internal control weaknesses we identified during the audit. We will still include all recommendations in this report to ensure the issues we identified are resolved.

## **OTHER AUDIT MATTERS**

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**ARNG-GSS Contract Administration:** The total amount of funding for the contracts (and contract actions) let by the ARNG-GSS to support the various programs for FY 07 was 99 contract actions at \$254M. For FY 08 the number of contract actions more than doubled and the funding nearly doubled. ARNG-GSS had 237 contracts or contract actions totaling over \$474M for FY 08.

Since, we found nearly all of the work was being executed through contracts and that a significant amount of the overall funding was being executed through the contracts, we also reviewed contract administration processes which included the administrative and funding procedures used to execute these contracts/programs. To accomplish this, we examined the Contracting Officer Representative (COR) processes and internal controls for each program in our judgmental sample. We found that in certain instances CORs were not properly appointed, were not properly tracking the funding or contractor performance through validating expenses and deliverables, not performing trend analysis, or computing the Return-on-Investment (ROI) or cost per accession. In one case the COR did not complete the required training and was not properly appointed as a COR. Given the magnitude of funding, number of programs contracted out, and the number of contracts or contract actions administered by ARNG-GSS, they need to improve all internal controls associated with contract procedures. At a minimum, they should develop a contract oversight team of individuals that would oversee all of the appointed CORs, contracts, and contract actions within their division. They should examine procedures related to the contract administration, validation of contractor performance, and validation of expenses, as well as, certification of invoices, appointments, calculating ROI, cost per accession, and ensuring the COR has the proper training required and is properly appointed to the position.

**ARNG-GSE Automated System:** The ARNG-GSE uses an internally developed database to track and monitor bonuses, incentives, and education benefits for eligible individuals and learning institutions. This system is called "Information Management and Reporting Center" (iMARC) database. Although the system appears to be a good system for tracking and monitoring bonuses, incentives, and education benefits, ARNG-GSE needed to improve some of the key internal controls to ensure it is providing reliable information. In addition, ARNG-GSE was not adequately training iMARC users at the state/territory level and, therefore, users were not familiar with many of the system's important functions. The ARNG-GSE provided good training related to policy,

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regulations, and the management of programs; however, the training contained very little on iMARC's operation and reporting functions. For example, users were not familiar with the different types of useful reports the system was capable of generating. The ARNG-GSE needed to improve iMARC training by incorporating specific training on the system's operation and reporting functions to enable users to properly monitor and report on programs. During our visits to the states/territories, we also found the funding information in reports was different based on what type of report you queried. The ARNG-GSE needed to perform periodic tests of key system internal controls to mitigate the risk of invalid and unreliable data. Additionally, we found personnel at the states/territories we visited did not know the different reports they should be using to monitor the different aspects of the programs. The ARNG-GSE needed to provide information to the states/territories that is specific as to the reports needed to manage bonuses, incentives, and education benefits effectively, and to provide accurate reports to NGB leadership.

In addition, the ARNG-GSE needed to provide guidance to the states/territories regarding the correct codes to enter into the SIDPERS database since the iMARC system uses SIDPERS data to generate its reports. We found that some of the SIDPERS personnel were entering the wrong codes. The two codes that they would need to ensure they are entering properly are: 9993 – increase in end strength vs 9991 – hiring against a future loss. Since iMARC uses SIDPERS data to generate reports, it will generate reports that are not accurate unless SIDPERS personnel have properly entered the code. At this time, this causes the data and reports generated by iMARC to be inaccurate and unreliable. We will recommend that ARNG-GSE perform internal tests of controls for the iMARC database to ensure data is accurate and reliable and to provide improved training for iMARC users.

**Bonus, Incentive, and Education Personnel at the State/Territory Level:** We found that each state/territory's G-1 (Personnel) shop was supposed to provide bonus, incentive, and education personnel to manage these programs. However, we found in one instance the state/territory's Recruiting and Retention (R&R) Command (RRC) provided a person to perform these functions, which represented a conflict of interest. Personnel from the R&R Command are primarily concerned with meeting end strength goals and the goals of the Bonus, Incentive, and Education Program are concerned about the right soldier, at the right place, and at the right time. If R&R Command personnel are assigned to manage the Bonus, Incentive, and Education Program, they could be tempted to apply bonuses to Military Occupational Specialties (MOSSs) that will allow them to recruit more Soldiers, and thus meet end-strength (ES) goals versus applying bonuses strictly to under-filled or critical positions.

## RESPONSIBILITIES AND RESOURCES

---

The responsible offices included in this audit are:

- ARNG-GSS: Managed the ARNG Recruiting and Retention programs, which included 89 programs; ARNG-GSS executed approximately \$774.7M in FY 07
- NGB-ARM (ARNG-GSE as of July 2008): Managed the ARNG Bonus, Incentive, and Education programs, which included 52 individual programs; NGB-ARM executed approximately \$1.1B in FY 07
- State and Territory United States Property and Fiscal Officers (USPFOs): Were primarily responsible for execution of funds
- State and Territory Recruiting and Retention Commands (RRCs): Managed the recruiting and retention programs and funding for their state/territory. The three states and one territory we visited executed over \$30M in FY 07
- State and Territory Bonus, Incentive, and Education Personnel: Managed the bonus, incentive, and education programs and funding for their state/territory

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## **OBJECTIVES, CONCLUSIONS, AND RECOMMENDATIONS**

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13 June 14

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## OBJECTIVE A

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Did the ARNG Recruiting and Retention, Bonus, Incentive, and Education programs support NGB's Program Objective Memorandum process and were internal controls effective to ensure adequate funding is available for NGB's recruiting and retention functions?

## CONCLUSION

---

Partially, not all processes we reviewed incorporated POM processes and some key internal controls were not adequate. This condition existed because responsible personnel did not have internal controls in place to ensure the accuracy of funding data for the POM process. Inaccurate funding data could result in inadequate funds to manage NGB's Recruiting and Retention Program, which is key in accomplishing National Guard's objectives and goals for end-strength.

## BACKGROUND

---

The ARNG-GSS (Strength Maintenance Division) manages the Recruiting and Retention programs and the ARNG-GSE (Education Division) manages the Bonus, Incentive, and Education programs, except for the Health Professional Officer Enlistment Bonuses (HPOEB), which is managed by the NGB-ARS (Office of the Chief Surgeon).

The ARNG-GSS is a very large and very complex division that implements a significant number of ARNG strength maintenance programs and processes. A significant amount of strength management functions lie in recruiting and retaining Soldiers. In FY 07, the ARNG-GSS received \$774M that was devoted to the administrative processes and programs for recruiting and retention operations. They managed 89 different programs available to ARNG recruiting force. They administered programs/functions such as:

- Advertising and marketing programs
- Accession programs
- Retention programs
- Attrition programs
- Recruiter incentive programs

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- Recruiting personnel management functions at the NGB and for the states and territories
- Recruit sustainment programs

The overall mission of the ARNG-GSS is to acquire, manage, and distribute ARNG resources; develop and administer policies and programs; and serve as the “Channel of Communication” between the Army and the National Guard of the states, territories, and the District of Columbia.

ARNG-GSS oversees the National Strength of the Army National Guard. It does this by providing the philosophy of the force, known as the strength maintenance philosophy, which builds a partnership for strength readiness between unit leaders and the recruiting and retention force. This philosophy is based upon three critical tenets of strength maintenance:

- **Recruiting Quality Soldiers:** Targeting accessions for unit vacancies and obtaining referrals from unit members
- **Retaining Quality Soldiers:** Focusing retention efforts on soldiers who are MOS qualified and available for mobilization (this includes soldiers who are working to become qualified)
- **Attrition Management:** Reducing losses of soldiers with focus on those soldiers serving in their first term of service

The ARNG-GSE manages the Bonus, Incentive, and Education Program for the ARNG, except for the Health Professional Occupations, which NGB-ARS manages. When we initially began this audit, NGB-ARM managed these responsibilities. We held our entrance conference and In-Process Reviews (IPRs) with NGB-ARM. We briefed our audit findings to the ARNG-GSE leadership.

Programs managed by ARNG-GSE included:

- Soldier Enlistment Program (includes critical skill and critical MOS)
- Soldier Reenlistment Incentive Program (SRIP)
- Anniversary Bonus Payment Program
- Student Loan Repayment Program (SLRP)
- Montgomery GI Bill Program (MGIB)

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- Officer Enlistment Program
- Officer Reenlistment Program
- Officer MGIB Program

The ARNG-GSE managed most of the funding for these programs at NGB level; ARNG-GSE provided the states and territories only a small amount of funding to administer their programs. For this reason, we focused most of our audit work for the bonus, incentive, and education programs on the administrative processes. We address our recommendations pertaining to these programs to ARNG-GSE.

The primary guidance used by ARNG-GSS Recruiting and Retention Division is NGR 601-1, Personnel Procurement; Army National Guard Strength Maintenance Program dated 28 April 2006.

For our review, we included applicable guidance related to funding processes included in DFAS 37-1 and 37-100, the DoD FMRs, U.S. Code, GAO Standards of Internal Control, OMB Cir A-123, FMFIA, GRPA, and AR 11-2.

## **DISCUSSION**

---

In this section we discuss four areas:

- POM/PPBE Processes
- Recruiting and Retention Programs, Bonus, Incentive and Education programs and Sample Selection
- Funding Amounts and Internal Controls
- Achievement of Program Objectives

### **POM/PPBE Processes**

The ARNG-GSS Division did not have clear defined Program Objective Memorandum (POM) process within its operations. In the next sections, we will discuss the POM administrative processes and associated internal controls, recruiting and retention programs, funded amounts, and the achievement of program objectives.

## **Administration of the POM Process and Internal Controls: ARNG-GSS**



We requested and analyzed information and documentation related to the POM process and internal controls at each activity included in the audit. The ARNG-GSS Recruiting and Retention Division personnel did not have a POM specific process; however, they were able to pull data needed for POM reporting purposes from multiple databases and other sources of information and provided POM input to NGB-ARA, ARNG's proponent for the POM process. Overall, ARNG-GSS needed to improve its ability to monitor, track, and report on all programs individually in terms of ROI, program success, and perform trend analysis of program execution to develop reasonable, reliable, and accurate reporting data in support of the overall POM processes.

During the last five to ten years since the start of the wars in Iraq and Afghanistan, recruiting and retention became a highly visible and monitored program across all services due to the difficulty related to recruiting and retaining Soldiers. The recruiting function also included processes for applying bonuses, incentives, and education benefits provided to Soldiers.

Congress had provided more than triple the funding it had given prior to the wars in Iraq and Afghanistan for additional operations implemented by ARNG. One problem we identified while working in ARNG-GSS is that the workload had tripled based on additional funding received for Overseas Contingency Operations (OCO; formerly Global War on Terrorism or GWOT); although ARNG-GSS's workload substantially increased, its workforce at ARNG-GSS was not augmented. Because of the substantial increase in funding, ARNG-GSS had implemented several new programs to facilitate the recruiting and retention of Soldiers. In addition, the number of recruiting and retention personnel at the states/territories had been drastically increased. The additional programs and the increase in personnel at the states/territories required a proportional increase in program internal controls, to include additional monitoring of funds, programs, and personnel. The ARNG-GSS division did not keep pace with the additional management responsibilities required to manage and administer the additional programs, funding, and personnel. As a result, it was not performing adequate statistical analysis, trend analysis, contract management and other internal control functions.

When we began this audit, we reviewed the processes at the ARNG-GSS that supported NGB's POM function. After we realized that ARNG-GSS personnel did not have a specific POM process, we tried to understand the ARNG-GSS activities that facilitated input into NGB's POM process for recruitment and retention of Soldiers. The table on the next page shows information and processes performed or provided by ARNG-GSS and how the role these activities played in the overall NGB Planning, Programming, Budgeting, and Execution System (PPBES).

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<b>POM PROCESSES AND SUPPORTING DOCUMENTATION AT ARNG-GSS</b>			
<b>PLANNING</b>	<b>PROGRAMMING</b>	<b>BUDGET FORMULATION</b>	<b>BUDGET EXECUTION</b>
<a href="#">CMDR'S PLAYBOOK</a>  MISSION LETTERS	MMPEG BUILDER  RBUILDER  Examples:  <a href="#">ASM07-003</a> <a href="#">ASM07-008</a> <a href="#">ASM07-009</a>	FORCE STRUCTURE ALLOWANCE "FAIR SHARE" MODEL  <a href="#">TDA WORKSHEET</a>  ACQUISITION PLANNING BOARD	<a href="#">CONTRACT ROSTER/LEDGER</a>  RM ONLINE REPORTS  <a href="#">TDC CODES</a> <sup>1</sup> (2060/2065)  RESOURCE MGMT WORKSHEET  PER REPORT  <a href="#">804 REPORT</a>

1. Type Duty Codes

After examining these processes and related documents, we found internal controls were not effective and adequate to mitigate the risk of inaccurate and unreliable data used to provide input into NGB's POM. For example, we were unable to obtain accurate and reliable funding data, return-on-investments (ROIs), or cost per accession for individual programs. The following paragraphs provide our perspectives as to why ARNG-GSS processes as of the time of our audit did not provide a reasonable assurance that data used for POM input were accurate and reliable.

**Planning Phase.** This phase of PPBE includes the definition and examination of alternative strategies, the analysis of changing conditions and trends, threat, technology, and economic assessments in conjunction with efforts to understand both change and long-term implications of current choices. It is a process for determining requirements (both current and future). This process also involves developing a Strategic Plan to accomplish mission goals and objectives, which should be aligned with the Strategic Planning Guidance (SPG). The SPG is based on the National Military Strategy (NMS), Defense and NGB policies, which identify the overall national mission. The end-product of this phase is the *Joint Planning Guidance*, which is used to execute the programming phase (next phase of the PPBE process).

ARNG-GSS Planning: When we asked ARNG-GSS personnel for a Strategic Plan, they provided us with their Commander's Playbook as their Strategic Plan. This document did not provide a strategic plan that met PPBES expectations. The strategic plan of ARNG-GSS should address recruiting and retention trends, opportunities,



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threats, technology, and long-term implications of choices from a macro level. In addition, it did not note overall goals and objectives of NGB and did not state how it was meeting ARNG/NGB strategies. Furthermore, ARNG-GSS did not have strategic planning personnel for POM purposes and did not structure its resource management functions properly given the rate of operations that existed at the time of our audit, based on its needs and requirements. The resource management functional area needed significant improvements to meet requirements. The ARNG-GSS Division needed to establish a team that performs strategic planning and other related functions on a continual basis. The latter would provide NGB's leadership with a reasonable assurance that the recruitment and retention function is being managed effectively and efficiently to ensure adequate funding to support all programs that are essential to accomplishing NGB's goals and objectives relating to end strength and readiness.

**Programming Phase:** This phase of PPBES includes the definition and analysis of alternative force structures and support systems together with multi-year resource implications and the evaluation of various tradeoff options. It is a process for balancing and integrating resources among the various programs according to certain priorities. This phase involves the actual development of the POM. *The activity develops a balanced set of programs for forces, funding, and manpower within resource constraints and projected over six years.* The POM may also include partially funded or unfunded programs, their justifications, and risk assessments related to not funding the program(s). Issuance of the POM concludes the programming phase.

**ARNG-GSS Programming:** For this phase, ARNG-GSS entered data in the RBuilder/MMBuilder, which in turn, provided the supporting data for the actual NGB POM. Personnel from NGB-ARA then developed and provided the POM to NGB, DA, and DoD Leadership. The ARNG-GSS structure for POM reporting was not a structured process with definitive actions that personnel performed regularly and with the purpose of supporting POM reporting. Personnel from ARNG-GSS treated development of POM data as an additional duty that was tasked to Resource Management personnel to accomplish on an "as needed basis" to just meet POM reporting requirements. Personnel from ARNG-GSS did not describe or illustrate their specific programs, alternatives, funded and unfunded programs, their justifications, and risk assessments relating to not having sufficient funds to support all programs and its impact on ARNG's end strength and readiness.

**Budgeting Phase:** This phase of PPBES includes the formulation, justification, execution, and control of the budget. It is a process for convincing OSD and Congress to provide the necessary resources in accordance with the law. The budgeting phase occurs concurrently with the programming phase. The activity submits budget estimates as part of the POM process within Joint Programming Guidance (JPG) budget constraints. The budgeting phase contains a biennial budget projection where one year is the current year (CY) and the second year is the budget year (BY).

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**ARNG-GSS Budgeting:** ARNG-GSS formulated its budget based on known requirements; however, the budgeting process that existed at ARNG-GSS at the time of our audit did not contain adequate internal controls over formulating, monitoring, and executing individual programs and associated funds. In addition, ARNG-GSS did not adequately monitor funding execution for individual programs or funds provided to the states and territories; in addition, ARNG-GSS was not determining cost per accession or performing trend analysis for proper program oversight. Furthermore, the states and territories did not identify all unfunded requirements based on future years' needs due to limitations that ARNG-GSS placed on them regarding budget submission policy and budget template (Obligation Plan).

**Execution Phase:** This phase of PPBE is when an activity performs reviews of the programming and budgeting phases, which measure actual performance against planned performance. The primary purpose is to provide feedback to senior leadership on the effectiveness and efficiency of programs. These reviews may lead to recommendations to adjust resources, performance, and/or programs to achieve desired performance goals. When taken together, these processes would support NGB's leadership priorities, guidance, and policies.

**ARNG-GSS Execution Phase:** We were unable to obtain information or documentary evidence from ARNG-GSS regarding the execution phase for the specific programs and processes we reviewed. As stated above, ARNG-GSS was not tracking individual programs, performing trend analysis, or measuring actual performance against planned performance. As a result, ARNG-GSS was unable to assess individual program performance.

**Administration of the POM Process and Internal Controls: ARNG-GSE**

We determined that ARNG-GSE (originally NGB-ARM during the review) had the necessary supporting structure and capabilities to perform trend analysis, compile and generate needed reports in accordance with the PPBE processes. The documentation the ARNG-GSE provided showed they were performing the tracking, trend analysis, and projecting future requirements as required for all their programs. The ARNG-GSE also created the Justification Book (J-Book) Exhibits and the President's Budget (Pres Bud) submissions and provided them to NGB-ARA for the POM submissions. We did not identify any internal control problems related to the POM or funding processes for the ARNG-GSE. However, we did identify internal control problems at the states, the iMARC database accuracy and training provided, the process of identifying critical MOSs and UICs, and the applicability of bonuses when ARNG transferred Soldiers - not at ARNG-GSE's own request. Personnel from ARNG-GSE was working the latter issue, but had not completed that initiative as of the time of our audit.

### **Administration of the POM Process and Internal Controls: States/Territories**

During our audit site visits, we found the states/territories were not aware of POM requirements and did not compile data with the intent of supporting POM requirements. ARNG-GSS and ARNG-GSE did provide guidance related to information or data needed for POM submissions during FY 07.

After reviewing ARNG-GSS's recruiting and retention processes related to the POM, we determined internal controls were not adequate and effective to mitigate the risk of mismanagement of programs or funds. We were unable to obtain accurate funding data and return-on-investments (ROIs) for several individual programs – some of which had program costs between \$15M and \$50M for an individual program. In addition, personnel from ARNG-GSS did not perform trend analysis of individual programs to determine program performance over time.

The internal control weaknesses we identified existed because since the start of the Iraq war, recruiting became very difficult and the primary focus was on meeting recruiting end-strength goals and not on ensuring the adequacy and effectiveness of internal controls to mitigate risks to mission and mismanagement of funds. These weaknesses need to be corrected to ensure adequate internal controls are in place and operating as intended and that programs support the overall goals and objectives of the mission and NGB.

Our recommendations for improving internal controls to ensure NGB management obtain accurate and reliable funding data to support the POM process start on page 33 of this report. Implementation of these recommendations will assist management in acquiring the necessary recruiting and retention funds to support the necessary programs that facilitate successful accomplishment of National Guard end-strength goals and objectives.

### **Recruiting and Retention, Bonus, Incentive, and Education Programs and Our Judgmental Sample**

The ARNG had 157 Recruiting and Retention, Bonus, Incentive, and Education programs. The ARNG-GSS managed 89 individual programs, the ARNG-GSE managed 53 individual programs, and the NGB-ARS manages 15 individual programs for health professionals. For our review, we only audited the ARNG-GSS and ARNG-GSE programs because they represented 142 of the 157 programs, or 90%. We focused the audit more on ARNG-GSS's responsibilities because we determined ARNG-GSE had a more effective system of internal controls, which could be relied upon to mitigate risks to mission and mismanagement of funds. In addition to having a weaker system of internal controls, ARNG-GSS's programs were more complex and

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more discretionary than those of ARNG-GSE. In the next sections, we will discuss in more detail the overall programs and the results of our review as related to our judgmental audit sample of four key ARNG-GSS programs.

**Recruiting and Retention, Bonus, Incentive, and Education Programs**

As stated above, ARNG-GSS managed 89 of 157 programs (57%), ARNG-GSE managed 53 (34%), and NGB-ARS managed 15 (9%). The following tables identify the number and type of each program category by Directorate.

<b>ARNG-GSS Programs (Recruiting and Retention)</b>	
<b>Types of R&amp;R Programs and Resources</b>	<b>Number of Programs</b>
National Recruiting Programs	2
National Mktg. Retention Programs	11
Resource Programs (Battalion and below)	8
Retention Programs	7
Accession Programs	15
Ad Material Resources	9
Ad Programs	14
Recruiting and Retention Events (sponsored by ARNG)	13
Officer Strength Maintenance Programs	10
<b>TOTAL ARNG-GSS R&amp;R PROGRAMs:</b>	<b>89</b>

<b>ARNG-GSE Programs (Bonus, Incentive, and Education)</b>	
<b>Types of Bonus, Incentive, &amp; Education Programs</b>	<b>Number of Programs</b>
Enlistment Bonuses	19
Reenlistment Bonuses	6
Education Programs	8
Officer Enlistment Bonuses	7
Officer Reenlistment Bonuses	5
Officer Education Incentives	8
<b>TOTAL ARNG-GSE BONUS &amp; INCENTIVE PROGRAMS</b>	<b>53</b>

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<b>NGB-ARS Programs (Bonus, Incentive, and Education)</b>	
<b>Health Professional Bonus and Incentive Programs</b>	<b>Number of Programs</b>
Health Professional Officer Enlistment Bonuses	6
Health Professional Officer Retention Bonuses	6
Health Professional Officer Education Incentives	3
<b>TOTAL NGB-ARS HEALTH PROFESSIONAL BONUS AND INCENTIVE PROGRAMS:</b>	<b>15</b>

**Our Judgmental Sample of Programs:**

Because of our preliminary review of the ARNG-GSS programs, we found the ARNG-GSS initiated approximately four new programs between FY 04 to FY 06 to reverse the downward trend of recruiting for achieving end-strength goals. The ARNG-GSS was successful in reversing the downward trend from FY 04 to FY 06 after implementing the four programs. We decided to review these four new programs as part of our audit: 1) Guard-Recruiter Assistance Program (G-RAP), 2) Recruiter Incentive Program (RIP), 3) Every Soldier A Recruiter (ESAR), and 4) Recruit Sustainment Program (RSP). We examined each program for overall management, funding, and internal controls.

The total dollar value of the four programs we reviewed was \$54,853,983.95, which represented approximately 22% of total funding ARNG-GSS executed in FY 07 for programs. The ARNG-GSS managed the program and the ARNG-GSE pays out the benefits associated with the RIP and ESAR programs via the National Guard Pay and Allowance (NGPA) appropriation.

In determining our sample of programs to include in our review, we considered the following criteria:

- Programs that were important for helping the ARNG-GSS meet mission goals and objectives based on the three-tenet strength maintenance mission: accessions, attrition, and retention
- Inherent risk associated with the amount of funding



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- Program potential (we used an end-strength trend chart provided by ARNG-GSS to identify programs that had a high potential of being a contributing factor in turning the recruitment process around after the ARNG started experiencing problems meeting recruitment goals and objectives)
- Program visibility (concern and/or review by external activities such as DoD, DA, DODIG, GAO, AAA, etc), and
- Age of the program (to examine internal controls related to new programs)

**Recruiting and Retention (ARNG-GSS) Judgmental Sample of Programs**

We selected a judgmental sample of four programs at the ARNG-GSS based on the criteria listed in the previous section. The programs selected were 1. Guard – Recruiter Assistance Program (G-RAP), 2. Recruiter Incentive Program (RIP), 3. Every Soldier A Recruiter (ESAR), and 4. Recruit Sustainment Program (RSP). Two of these programs totaled \$54,181,017 (excluding the RIP and ESAR programs) or 21.3% of total program/contract funding (\$254,128,312) executed by ARNG-GSS for FY 07. The ARNG-GSE executed the pay portion of the two remaining programs in a contract for \$2.1M, which was not broke down into individual program costs and therefore we could not determine the individual costs of the RIP and ESAR programs.

The following information provides some background and results of our review for these programs:

**G-RAP (Guard – Recruiter Assistance Program)**

***Background:*** This program was implemented to maintain readiness and strength requirements while preparing for tomorrow's challenges; the G-RAP promoted strength from within by recognizing and rewarding those who helped the ARNG achieve its goals. Any ARNG member was able to sign up to be a "Recruiter Assistant". Recruiting Assistants (RA's) earned additional income, assisting ARNG's recruiting efforts by identifying well-qualified men and women for service in ARNG. They earned \$2,000 for each new recruit who enlisted and reported to basic training. Guard Recruiting Assistants were embedded in their respective communities and were uniquely positioned to identify potential Soldiers among the people they already knew. Since the G-RAP program for the enlisted was considered successful, the ARNG developed a spin-off the G-RAP program for officers entitled, "G-RAP-O;" this program is specifically designed to enhance the recruiting potential for officers.

This program had one of the highest amounts of funding in FY 07 when counting all of its parts and when compared to the other non-advertising/marketing contracts/programs and was developed to acquire accessions. It had over \$50M provided to the G-RAP in

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FY 07. We included and examined both parts of this program – G-RAP-E (Enlisted) and G-RAP-O (Officer) during our review.

**Review Results:** We determined this program to be an outstanding initiative that greatly assists the ARNG-GSS in meeting their end-strength goals and that it achieved significant results for the ARNG. However, we had difficulty in identifying the total program costs for the contract amounts identified in FY 07 and FY 08. The funds associated with the G-RAP program were not adequately tracked due to a lack of clear descriptions in the contract tracking reports. In addition, the COR did not maintain adequate and detailed supporting documentation. As a result, we were not able to compute accurately and confidently compute the total amount of funding applied to the contract or program. We also were unable to properly identify the cost associated with each sub- element for the sub-programs (e.g. the G-RAP-O verses the G-RAP-E portion). Administrative and overhead costs charged to the contract were just aggregate figures and were not broken down into their sub-elements. The administrative overhead also needed to be tracked by sub-element/function. The number of accessions acquired under the G-RAP for enlisted recruits increased by 1,530 (5.47%) overall from FY 07 to FY 08. We computed a simple cost per accession for the G-RAP program and in FY 07 we found the ARNG expended \$1,796 per accession under this program.

We requested the Return-On-Investment (ROI) data and found ARNG-GSS was not tracking individual programs or subcomponent costs of the program to obtain, monitor, and track ROIs. Management needed this information to note trends in program outcomes and expenses over time and to make informed managerial decisions. This is required by multiple DoD guidance: The Federal Manager's Financial Integrity Act (FMFIA), the Government Performance and Results Act (GPRA), and regulations such as the OMB Circular A-123. From FY 07 to FY 08, there was an increase of 1,530 accessions and a decrease in funding from \$50,159,304 to \$41,781,677 during the same period. We tried to perform an analysis of the G-RAP enlisted accessions, but were unable to identify all G-RAP enlisted contract expenses due to a lack of documentation. The ARNG-GSS division needed to monitor, track, and report on program costs and compute ROIs and trends for future analysis and POM development.

**Recruiter Incentive Program (RIP)**

**Background:** This is a pilot program provided through Army G-1, which is meant to enhance military recruiting. This program was aimed at increasing the volume of enlistments into the Army National Guard through sustained "over-production" of the recruiting force. The program provided monetary incentives to ARNG recruiters and area recruiting and retention Non-Commissioned Officers-In-Charge (RRNCOIC's) for the overproduction of enlistments (*performing above set recruiting goals for recruiters*). This review also looked at RIP-O – Recruiting Incentive Program for Officers.

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**Review Results:** The ARNG-GSS did not track ROIs for individual programs, and therefore was unable to assess and determine which specific program(s) provided the accessions that helped meet goals and objectives in FY 07 and FY 08. The ARNG-GSS always reported aggregate or cumulative amounts for accessions, retention, and attrition. As stated above, ARNG-GSS needed to significantly improve internal controls over the proper tracking and validating of individual and sub-element program results. The latter is very important if NGB wants to continue to receive funding for the program and, thus, continue to execute it well into the future.

In addition, the RIP provided recruiters incentives (bonuses), in some cases, for just performing their normal mission by allowing bonuses for normal performance. For example, under RIP, if the normal or average write-rate (this is the number of new recruits a recruiter must bring into the ARNG per month and is not associated with this program) is 1.5 recruits per month, recruiters who successfully accomplished this rate received a bonus for just meeting the normal requirements of their job. Recruiters who continued to meet the 1.5 recruits rate each month for three consecutive months received another bonus for "each" quarter they met the three consecutive month goal. Furthermore, Recruiters who accomplished the 1.5 recruits per month rate for 6 consecutive months, received yet an additional semi-annual bonus. Finally, recruiters who accomplished the goal for the entire year received another annual bonus. In addition, the RRNCOIC also received a RIP bonus payment if all of their team members met their quotas. If RIP continues into the future, ARNG-GSS should re-evaluate how the incentive(s) for the RIP are calculated. ARNG-GSS should not be awarding recruiters who simply meet their normal job objectives or quotas. NGB should award only recruiters whose performance is exceptional or exceeding their job performance objectives. The ARNG-GSS division needed to reevaluate the program's internal controls. The program should be used to provide performance awards only to recruiters who excel in their performance by exceeding their performance objectives or quotas and continuing to demonstrate good work ethics. Finally, ARNG-GSS will have to start capturing, tracking, and monitoring program results and statistics for POM development and to facilitate informed management decision-making.

**Every Soldier A Recruiter (ESAR)**

**Background:** This program was based on the premise that Soldiers make the best recruiters. While there may be only one RRNCO per unit, there are at least 120 Soldiers in that unit, many of whom live, work, go to school, and contribute every day in their community. This program expands the outreach exponentially. It attempted to get every Soldier involved in the recruiting effort to acquire accessions for the ARNG.

The ESAR program was implemented as a pilot program during the first quarter of FY 2006. The ARNG-GSS implemented the program through a contractor, which provided the services needed to initiate, maintain, and report on the program. The ARNG-GSS managed the program. The contractor developed a website, monitored and managed

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Soldier referring activities, closely tracked the transfer of qualified applicants to RRNCOs, provided performance reports, web-based training, and other support for the program.

We found that since the program's inception in the first quarter of FY 06, it was responsible for generating 31,167 referrals that resulted in 7,421 accessions; 5,846 of the 7,421 recruits went to Basic Combat Training (BCT) and 4,415 completed the Advanced Individual Training (AIT). In FY 07, the program generated 11,395 referrals, resulting in 2,910 accessions; 1,992 were shipped to BCT and 1,354 completed AIT. For FY 08, there were 12,039 referrals, 2,837 accessions, 2,747 shipped to BCT and 2,517 completed AIT. We could not determine the specific amount of funding applied to the ESAR program because the contract used for the program was combined with a couple of other programs and the costs were not broken out by individual programs. The total cost of the contract was \$2.1 million.

**Review Results:** We selected this program to review because it was rather new and one of the programs initiated to offset the negative impact the wars had on recruiting and end-strength. We were unable to determine the cost per accession for this program due to a lack of documentation regarding actual cost of the program. Under the program, a referring Soldier was paid \$1,000 when a potential recruit shipped to BCT and another \$1,000 when the potential recruit completed AIT. The accession numbers listed above were the potential recruits that completed BCT and AIT; data were not kept on the number of potential recruits referred by Soldier recruiters who shipped to BCT, but did not complete AIT. Management of the program was not as effective and efficient as possible because ARNG-GSS managed part of it (program management) and ARNG-GSE managed another portion (funding and payment). There was no formal agreement in place to ensure personnel from ARNG-GSS and ARNG-GSE were properly administrating the contract. The condition that existed at the time of our audit prevented a directorate from ensuring the validity of expenditures and the efficiency of program execution. For internal control and program management purposes, NGB should combine these functions under one primary program manager and COR.

**Recruit Sustainment Program (RSP)**

*Background:* The RSP was designed to reduce potential recruit losses in the training pipeline by providing basic military knowledge while recruits await basic combat training (BCT) and advanced individual training (AIT). The ARNG was also using a contract to manage this program. The objective of the program was designed to reduce Training Pipeline Losses (TPLs) by introducing newly enlisted recruits to the military environment, and to ease their adjustment to Basic Combat Training (BCT) and Advanced Individual Training (AIT). The program focuses on helping new recruits become mentally and physically fit, highly trained, and prepared to join their units.

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Referred to US Army Audit Agency

[REDACTED]  
[REDACTED]  
[REDACTED] We found that USAAA performed a thorough audit of the ARNG RSP and we agreed to and relied on much of the data contained in the report. However, we decided to include the program in our audit to verify actions were being taken to implement USAAA recommendations and to determine if other program attributes may have needed to be included in the USAAA audit from a National Guard perspective.

Referred to US Army Audit Agency

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

- [REDACTED]
- [REDACTED]  
[REDACTED] [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]  
[REDACTED]

Referred to US Army Audit Agency

[REDACTED] Overall, in our opinion, the AAA audit was thorough and provided key recommendations that NGB should implement. Personnel responsible for managing the program informed us that they were implementing the USAAA recommendations.

Although USAAA had performed a thorough audit of this program, we decided to also determine if the COR for the contract had the knowledge and training necessary to effectively administer the contract. We found the COR did not have a written appointment letter on file, as required by the Federal Acquisition Regulation (FAR), and could not provide documentary evidence of acquisition or contract training. A COR who is not appointed in writing to ensure he or she is aware of the responsibilities of a COR and who is not knowledgeable of contracting procedures represents an internal control weakness. ARNG-GSS must ensure a COR who is well trained and properly appointed in writing is assigned to administer the program's contract.

**ARNG-GSE Programs**

The ARNG-GSE did not have individualized control over several aspects of the programs as they should have. The ARNG-GSE managed programs at the macro level.



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In most cases, the transactions they performed affected Soldiers' pay or payments for bonuses and educational benefits. We obtained supporting funding documentation to ensure ARNG-GSE was properly determining current and future requirements for programs and tracking program performance, requirements, and developing the Program Objective Memorandum (POM) data needed to report to leadership. We did not identify any significant problems with the overall funding processes or POM development for these programs. We did identify some other areas within the specific programs that needed improvements.

For the ARNG-GSE, we did not choose individual programs to review; instead, we reviewed the overall administrative and funding processes for multiple programs at the state and territory level. This approach provided us with an opportunity to examine the administrative and funding processes related to monitoring, tracking, and reporting on program processes and funding.

### **Funding Amounts and Internal Controls**

In FY 07 the ARNG-GSS and ARNG-GSE managed funding in 13 MDEPs, 9 AMSCOs, and 14 TDCs, which consisted of both 2060 (NG Pay & Allowances) and 2065 (NG Operations and Maintenance) types of funding. The total funding associated with our review was \$1.97B and entailed 142 individual programs.

The ARNG-GSS received \$774M for R&R operations in FY 07. It managed 89 different programs available to ARNG recruiting force. In FY 07, the ARNG-GSS provided \$388.5M (approximately 50%) to the states and territories to execute their R&R programs.

The ARNG-GSS did not have adequate processes or internal controls in place for tracking, monitoring, and reporting on the funding they received during the FY. Some of the primary tasks that needed improvements involved monitoring, tracking, analyzing, reporting, performing trend analysis, tracking individual program return-on-investments (ROIs), administering contracts, and performing strategic analysis for POM purposes.

We found that obtaining accurate funding reports was difficult mainly because the ARNG-GSS did not have enough adequate internal controls or processes in place. In addition, the division did not have enough personnel assigned to the resource management functions to perform all necessary tasks.

In the ARNG-GSS (and ARNG-GSE), contracts were utilized for program execution for nearly all of their programs. The services contractors provided included monitoring, tracking, and reporting on results of the programs. Contractors were providing most of this data. In examining the individual programs selected for review, we found CORs were not adequately performing contract oversight as required. We found ARNG-GSS needed to implement improvements in areas such as COR processes, funding reports,

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contract administration, cost per accession, and Return-on-Investments (ROIs) to enhance the effectiveness and efficiency of operations and mitigate risks to mission and mismanagement of funds.

The three states and one territory we visited during our audit received the following funding amounts from ARNG-GSS in FY 07 for their R&R programs:

	<b>FY 07 Funding*</b>	<b>After Our Adjustments**</b>
State 1	\$3,254,700	\$4,423,100
Territory	\$3,909,400	\$4,171,300
State 2	\$6,549,287	\$10,677,900
State 3	\$10,332,800	\$10,797,200
<b>TOTAL</b>	<b>\$24,046,187</b>	<b>\$30,069,500</b>

*\* Based on funding reports provided.*

*\*\* Added/deleted amounts that were inaccurate based on supporting documents provided during the audit.*

The adjustments column of the table reflects adjustments management had to make to funding reports because of our findings during the audit.

In accordance to a "Cheat Sheet" provided by the ARNG-GSE, which showed all of their programs and associated costs, ARNG-GSE's total requirements cost for FY 07 was \$1.2B. The ARNG-GSE managed nearly all of these funds at the NGB level and did not distribute the funding to the states or territories. As a result, we audited the general administrative processes at ARNG-GSE. We also reviewed the iMARC database, which is the database used for tracking and reporting on personnel, bonuses, incentive, and education processes at the ARNG-GSE and at the state/territory levels.

ARNG-GSE compiled various reports for reporting to Leadership (NGB, DA, DoD, and Congress) annually. The ARNG-GSE had the necessary supporting structure, capabilities, and support staff to perform trend analysis, compilations, and to generate needed reports for the POM process.

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**ARNG-GSE PROGRAMS AND FUNDING:**

<i><b>General Category &amp; # of program's</b></i>	<i><b>Cost (in millions)</b></i>	<i><b>Percentage of funding</b></i>
Enlisted Bonuses and Incentives:		
Enlistment Bonuses (19)	\$583.1M	48.7%
Reenlistment Bonuses (6)	\$303.3M	25.3%
Education Incentives (8)	<u>\$164.2M</u>	<u>13.7%</u>
<b>33 TOTAL ENLISTED PROGRAMS (48.5%)</b>	<b><u>\$1,051M</u></b>	<b><u>87.8%</u></b>
<u>Officer Bonuses and Incentives:</u>		
Enlistment Bonuses (7)	\$45.9M	3.8%
Reenlistment Bonuses (5)	\$ 7.3M	0.6%
Education Incentives (8)	<u>\$57.1M</u>	<u>4.8%</u>
<b>20 TOTAL OFFICER PROGRAMS (29.4%) (not including health professional programs)</b>	<b><u>\$110.3M</u></b>	<b><u>9.2%</u></b>
<b>Total 53 (77.6%)</b>	<b>\$1.2 million</b>	<b>97%</b>

**NGB-ARS PROGRAMS AND FUNDING:**

<i><b>General Category &amp; # of program's</b></i>	<i><b>Cost (in millions)</b></i>	<i><b>Percentage of funding</b></i>
Health Professional Officer:		
Enlistment Bonuses (6)	\$17.0M	1.4%
Retention Bonuses (6)	\$ 8.5M	0.7%
Education Incentives (3)	<u>\$10.4M</u>	<u>0.9%</u>
<b>NGB-ARS Total 15 (Health Professional only)</b>	<b>\$35.9 million</b>	<b>3%</b>

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ARNG-GSE managed 97% of the Bonus, Incentive, and Education programs for ARNG, NGB-ARS managed the health professional officer bonus, incentive, and education programs, which accounted for 3% of the total funding provided for these programs.

**Achievement of Program Objectives**

The following data show ARNG-GSS's goals and actual achievements during FY 07 and FY 08:

<b>FY</b>	<b>Program Objective</b>	<b>Goal</b>	<b>Actual</b>	<b>Percentage</b>
<b>2007</b>	End Strength	350,000	352,707	100.80%
	Accession	70,000	66,652	<b>95.20%</b>
	Retention	37,578	37,718	100.40%
	Attrition	18.0%	NA	18.40%
<b>2008</b>	End Strength	351,300	360,351	102.60%
	Accession	63,000	65,192	103.50%
	Retention	31,889	29,618	<b>92.90%</b>
	Attrition	18.0%	NA	<b>17.00%</b>

**FY 07 ARNG-GSS Goal and Achievement Summary:**

End Strength – goal achieved; 100.80%; Accessions – goal was not achieved; under by 3,348, or **95.20%**; Retention - goal achieved 100.40%; Attrition percentage was under the goal by 0.40% (more than 18% of Soldiers left the ARNG through attrition).

As the above data depict, accessions was the only goal ARNG-GSS did not meet in FY 07; however, ARNG-GSS still met its ES goal of 350,000.

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**FY 08 ARNG-GSS Goal and Achievement Summary:**

End Strength – goal over achieved, 102.60%; Accessions goal over achieved, 103.50%; Retention goal not achieved, 92.90%, under by 2,271; and Attrition goal was exceeded by 1.00%.

As the above data depict, ARNG-GSS did not meet its intended goal for retention for FY 08.

Overall, ARNG-GSS had met its end strength goals for FY 07 and FY 08; however, its personnel needed to pay more attention to the ARNG-GSS strength maintenance 3-tenant mission goals for accessions, retention and attrition individually.

FY 07 accession, retention, and attrition goals and actual performance for the audit sites we visited:

FY 07 RECRUITING AND RETENTION GOALS FOR STATES AND TERRITORIES VISITED					
STATE OR TERRITORY	ACCESSION* GOAL/ACTUAL	%	RETENTION* GOAL/ACTUAL	%	ATTRITION* GOAL/ACTUAL
Washington State	1,187/1,075	90.6%	783/505	<b>64.5%</b>	18%/19.5%
Puerto Rico	264/204	<b>77.3%</b>	239/192	<b>80.3%</b>	18%/11.7%
Georgia	1,213/1,388	114.0%	595.9/519	<b>87.0%</b>	18%/20.4%
Pennsylvania	2,569/2,275	<b>88.0%</b>	1,611.9/1,050	<b>65.1%</b>	18%/19.5%

All of the activities visited during our audit needed to make some improvements in order to accomplish their retention and attrition goals. Puerto Rico and Pennsylvania also needed to improve on the accession goals for FY 07.



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FY 07 & 08 end-strength goals and actual performance for the audit sites we visited:

FY 07 & FY 08 RECRUITING AND RETENTION END STRENGTH GOALS FOR STATES AND TERRITORIES VISITED				
STATE OR TERRITORY	END STRENGTH* FY07 GOAL/ACTUAL	%	END STRENGTH* FY08 GOAL/ACTUAL	%
Washington State	6,060/6,019	99.30%	6,037/6,040	100.00%
Puerto Rico	7,125/7,142	100.20%	7,280/7,287	100.10%
Georgia	9,883/10,193	103.10%	10,345/10,403	100.60%
Pennsylvania	15,283/14,725	96.30%	14,981/15,002	100.20%

As the above table shows, Washington and Pennsylvania did not meet the FY 07 end-strength goals; however, both were above 96%. In FY 08, all audit sites met their end-strength goals.

FY 08 accession, retention, and attrition goals and actual performance:

FY 08 RECRUITING AND RETENTION GOALS FOR STATES AND TERRITORIES VISITED					
STATE OR TERRITORY	ACCESSION* GOAL/ACTUAL	%	RETENTION* GOAL/ACTUAL	%	ATTRITION* GOAL/ACTUAL
Washington State	603/591	98.0%	398.1/329	<b>82.6%</b>	18.5%/18.1%
Puerto Rico	575/534	92.9%	551.5/574	104.1%	18.5%/11.7%
Georgia	385/576	149.6%	207.4/186	<b>89.7%</b>	18.5%/20.7%
Pennsylvania	2,237/2,112	94.0%	1,140.6/785	<b>68.8%</b>	18.5%/17.6%

For FY 08, the GAARNG significantly over-achieved its accession goal; however, it was not meeting its retention and attrition goals. The WAARNG and PAARNG both needed to improve meeting their retention goals as well.

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The following table shows the differences in total goals set by the ARNG-GSS from FY 07 to FY 08 for the activities we visited:

<b>COMPARISON OF FY 07 &amp; FY 08 RECRUITING AND RETENTION GOALS FOR STATES AND TERRITORIES VISITED</b>				
<i>STATE OR TERRITORY</i>	<i>END STRENGTH FY07 /FY08</i>	<i>ACCESSIONS FY07/FY08</i>	<i>RETENTION FY07/FY08</i>	<i>ATTRITION FY07/FY08</i>
Washington State*	6,060/6,110	1,187/1,066	783/726	18/18.5%
Puerto Rico	7,450/7,450	1,345/1,077	956/946	18/18.5%
Georgia	10,000/10,400	2,194/1,760	1,241/1,037	18/18.5%
Pennsylvania	15,500/15,275	3,163/3,063	1,968/1,599	18/18.5%

The next table is a summary of the changes made to the goals by the ARNG-GSS from FY 07 to FY 08 for each activity using the information from the previous table:

<b>CHANGES IN GOALS BETWEEN FY 07 &amp; FY 08 FOR STATES AND TERRITORIES VISITED</b>				
<i>STATE OR TERRITORY</i>	<i>END STRENGTH CHANGE</i>	<i>ACCESSIONS CHANGE</i>	<i>RETENTION CHANGE</i>	<i>ATTRITION CHANGE</i>
Washington State*	50	-121	-57	0
Puerto Rico	0	-268	-10	0
Georgia	400	<b>-434</b>	-204	0
Pennsylvania	-225	-100	-369	0

The ARNG-GSS needs to review their processes for reassigning goals annually. We feel in Georgia's case, they should not have adjusted the FY 07 goals for accession. Since Georgia significantly exceeded the end strength goal in FY 08 (150%) and were significantly under for the accession and retention goals, the ARNG-GSS should have instead encouraged additional efforts be made towards meeting the accession and retention goals for FY 08.

## RECOMMENDATIONS AND COMMENTS

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This section contains specific recommendations and a summary of command comments for each recommendation. The verbatim command comments are in Annex C.

### For The ARNG-GSS

- A-1 Recommendation:** Include all requirements in budget submissions and requests from the ARNG-GSS and from the states/territories to establish all requirements in the base funding request. This recommendation is to comply with reporting the cost of all requirements for all recruiting and retention programs. In addition, develop peacetime versus wartime requirements for budgeting purposes. This specifically relates to establishing a base funding amount versus what would be needed in the event of war and/or operational missions when additional funding may be needed to offset the difficulty in recruiting Soldiers under those circumstances.

**Management Comments:** Concur; ARNG-GSD has developed peacetime versus wartime requirements in FY10-15 POM and continued in FY12-17 POM process. ARNG-GSD revamped its POM moving all peace time funding supplemented with Global War on Terror (GWOT) funding into the base budget. As of FY 2010, ARNG-GSD no longer receives GWOT funding. Funding allocated in FY 12-17 POM has reduced ARNG-GSD funding by 20%. If in the future ARNG-GSD receives additional funding due to war Operations Tempo (OPTEMPO) the plan is to review each state accordingly to determine who needs to be funded for end strength shortfall (enlistments and retention) and mobilization rotations. Reporting data has improved to review funding execution and unfunded requirements (UFRs) based on OPTEMPO. This is accomplished through a monthly funding and manning status report (LES) that goes to all States, mid-year reviews and monthly review of execution statements. ARNG-GSD also has programs in place for states to provide documentation and reports of how funding is being executed at the state level. There is also a team that has been put in place to do state visits and on-site auditing. Date completed: February 2010.

**NGB-ZC-IR Assessment:** Management's actions meet the intent of the recommendation; however, ensure the NGB-GRD has visibility of the unfunded requirements from the states and territories as well.

- A-2 Recommendation:** Establish a contract oversight team to monitor and provide general guidance on contract administration, and ensure Contract Officer

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Representatives (CORs) are properly appointed, trained, and are performing their COR duties in accordance with the FAR and other laws and regulations (specifically, monitoring contractor performance and progress, program expenses, certifying invoices, and total cost/accession).

**Management Comments:** Concur; a Contract Management Section has been established that includes one Officer and two Non-Commissioned officers. The section has issued guidance on proper Purchase Request submission procedures and requirements for Statement of Works/Performance Work Statements. The section also tracks and monitors all CORs and ensures they have the required training and appointment letters to include DD Forms 577s and other documentation as required. Additional training will be addressed as areas are identified that appear to have a material weakness. Date Completed: April 2010. All PGMs are required to submit a cost benefit analysis (CBA) when requesting renewal of contracts or submissions of new ones. An analysis cell is also being stood up. This section will monitor and review deliverables and ROIs. They will present all findings and recommendations thru their chain-of-command. Date to be completed by: EOM July 2011.

**NGB-ZC-IR Assessment:** Management's actions meet the intent of the recommendation.

- A-3** **Recommendation:** Establish an analysis team to monitor, track, validate, perform trend analysis, return-on-investment, and compile other data needed for individual programs such as G-RAP, RIP, ESAR, and RSP to ensure the proper management of all programs and resources and to support NGB's POM processes and to validate and justify each program's existence as well as total requirements.

**Management Comments:** Concur; a contract with Oak Ridge Laboratory was issued to assist with this area to include reviewing the GAO report and providing program recommendations. However, the programs listed above have either ended (RIP/ESAR) or have been or will be reduced significantly (GRAP – will reduce/RSP has been reduced). An analysis team has been established to review and analyze programs in order to determine if programs meet the established and whether they further justify the program existence. Two additional personnel have been hired in the Resource Management Branch and will be able to track and provide the services listed A-3. Date Completed: April 2010. The Contract Management Section reviews each Purchase Request to ensure there are no duplicate requirements. It is also the responsibility of the Branch Chiefs to review for redundancy and return on investment (ROI). This responsibility will be formalized in policy memos and are being reviewed for implementation. Date to Be Completed: EOM January 2011

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**NGB-ZC-IR Assessment:** Management's actions meet the intent of the recommendation.

- A-4** **Recommendation:** Perform a complete review of existing programs for recruiting and retention to ensure programs are not duplicative and statistics are available to make informed management decisions regarding cost per accession and ROI to reduce or eliminate programs that are not cost effective.

**Management Comments:** Concur; per response in A2, CBAs are required before renewing any contract to ensure cost effectiveness and ROI. NGB-GSS is reviewing current programs not only for ROI but for programs that are in effect duplicate in effort (such as GRAP and ESAR). This and the reduced funding for the next FYs have resulted in the termination of 20% of ineffective programs. Major programs such as NASCAR and FLW are being reviewed for effectiveness and what can be revamped to ensure the marketing of the programs produce solid results in enlistments and retention. Date to be completed by: EOM August 11.

**NGB-ZC-IR Assessment:** Management's actions meet the intent of the recommendation.

- A-5** **Recommendation:** require training for resource management personnel performing financial functions at ARNG-GSS and the states/territories (RRS) to provide an adequate understanding of financial management and fiscal law applications. In order for these personnel to perform these functions, they should have at a minimum:

- Financial background
- Appropriate finance and budget related training. At a minimum, the following courses should be satisfactorily completed: Budget Officer courses, fiscal law, and PPBES
- Take refresher training as needed (e.g. fiscal law refresher every 5 years)

**Management Comments:** Concur; there are requirements in place for all individuals that handle finance within ARNG-GSD. PPBES course is required as well a formal Fiscal Law Course every 5 years and refresher training every year thereafter. The ARNG-GSD Resource Management Branch will track these individuals training and maintain documentation of that training. In addition



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ARNG-GSD Resource Management Branch sends their personnel to include the State RRSs to other training when available, for example: Cost Benefit Analysis Training, RRS Course at PEC, GFEBs, RMOOnline, Dataware House, Micro-Soft Office, etc... ARNG-GSD will draft memorandum identifying minimal training requirements for RRS and required documentation to be kept on file. The RRS course is mandatory for all RRSs assigned to each RRF and the course is reviewed annually to ensure updated material and programs are being instructed. All course documentation for the RRSs will be on file with the RRS as an inspectable item. Date to Be Completed: EOM December 2010

**NGB-ZC-IR Assessment:** Management's actions meet the intent of the recommendation.

- A-6 Recommendation:** Establish standard tracking, monitoring, and reporting processes at the ARNG-GSS and the states/territories for reporting on programs, funding, personnel, and other reporting mechanisms needed to compile necessary reports to provide to leadership. Also, establish standardized feedback reporting from the states and territories that would allow them to provide additional information, data, or situations that affect their ability to meet their mission goals (in addition to what is currently required and specifically any unfunded programs needed).

**Management Comments:** Concur; the monthly funding and manning status report (LES) was developed internally and is used as a standard reporting document for this Division and all States, and sent out monthly. States submit changes/corrections to the LES back to ARNG-GSD, as well as ARNG-GSD updates with new Director's Strength Readiness Overview (DSRO) and budget information. Each State is contacted monthly by ARNG-GSD Resource Management Branch to discuss any issues or concerns. The meetings are done in person, by telephone or video teleconference. Since this audit the LES has been morphed and grown. It is standard for every state - however not every state receives money in certain programs so in that instance a program title will show zero amounts. As our reporting requirements change so will the LES as it is a living document. Date completed: February 2010.

**NGB-ZC-IR Assessment:** Management's actions meet the intent of the recommendation. Please ensure "progress reports" towards meeting goals are also included in the reviews.

- A-7 Recommendation:** Reevaluate the Recruiter Incentive Pay program (RIP) to adjust performance measures to capture recruiter performance that is above the normal requirements of the mission for incentive award purposes.

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**Management Comments:** Concur; the Recruiter Incentive Pay Program no longer exists. ARNG-GSD is currently looking at re-establishing the program to utilize as an incentive for low density MOS's. However, the findings of this audit will utilize to provide insight and shape the new policy to ensure the incentives meet the desired outcome. Oct 2010 for possible implementation of RIP like program which is minimal in cost compared to RIP of the past several FYs. Date CBA to be completed: EOM September 2011.

**NGB-ZC-IR Assessment:** Management's actions meet the intent of the recommendation.

- A-8 Recommendation:** Amend the current organizational structure as needed to facilitate strategic planning, strategic analysis, and POM development. In addition, the organizational structure should include the contract oversight team mentioned in this audit report.

**Management Comments:** Concur; as mentioned previously in A2, a Contract Management Section has been added to ARNG-GSD Resource Management Branch and two additional personnel have been hired to assist with planning, analysis and POM development. Date Completed: April 2010

**NGB-ZC-IR Assessment:** Management's actions meet the intent of the recommendation.

*(recommendations 9 and 10 were removed by NGB-ZC-IR)*

- A-11 Recommendation:** Provide guidance to the states/territories to help them maintain funding visibility and accountability to the ARNG-GSS for funds management in accordance with ARNG-GSS expectations.

**Management Comments:** Concur; in addition, of the Published Budget Guidance (PBG) sent out at the beginning of each year and the monthly LESs, ARNG-GSD utilizes Strength Maintenance Operational Messages (SMOMs) as needed to provide guidance on existing or new programs/policies. Quarterly reviews are conducted with each state to ensure they are executing their programs. States not meeting execution goals are given a suspense date to improve the execution or have the funds withdrawn and distributed to another State. Standardized reporting has been implemented with the programs used by ARNG-GSD and the field to include RM Online, RAM II, GKO, AFCOS, and Network Fleet. The LES also provides the state standardized feedback at the NGB level and states in turn respond to the data. NGB-GSD also has in place the Full Time Support Management Control System (FTSMCS) web-based program that allows standardized reporting for all AGR positions, TDA and T32

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funding (personnel). GFEBS is also coming on-line which will provide more visibility than we have now with RM Online and NGB Online. NGB-GSD is in the process of the NGR 601-1 rewrite to implement previous SMOMs and update policy to current day and future recruiting initiatives, TDA changes, and Resource limitations. This should eliminate the need for excessive SMOMs sent to the field, stream line the data to one citation with exceptions to policy to be reviewed at the NGB level. Date to be completed: EOM October 2011.

**NGB-ZC-IR Assessment:** Management's actions meet the intent of the recommendation.

**For The ARNG-GSE**

- A-12 Recommendation:** Improve the processes for applying bonuses to MOSs and UICs. Specifically, maintain approval and assignment of bonuses for the majority of the MOS's and UIC's within the ARNG-GSE. In addition, request/obtain and utilize percentage fill reports from the states and territories in determining the eligibility for MOS's and UIC's to qualify for bonuses.

**Management Comments:** Concur. The Selective Reserve Incentive Program (SRIP) Fiscal Year 2010 (FY10) Policy realigns the Army National Guard (ARNG) Bonus and Incentive Program from an end-strength focus to an organizational readiness focus. Implementation of the SRIP FY10 policy is pending Information Management and Reporting Center (IMARC) automation upgrades to restrict bonus eligibility to valid vacancies in critical skills or units contingent on the State, Territory, or District being below authorized end strength. The IMARC system will use the Automated Unit Vacancy System (AUVS) data to determine if a requested bonus is for a valid vacancy for a critical unit or skill. The legacy Critical Unit Identification Code (CUIC) and Critical Military Occupational Specialty (CMOS) bonus lists will be discontinued under SRIP FY10. The Non-Prior Service (NPS) and Prior Service (PS) bonuses will be applied uniformly for valid enlisted vacancies below 80% fill. Implementation of the SRIP FY10 is expected no later than 01 July 2010.

**NGB-ZC-IR Assessment:** Management's actions meet the intent of the recommendation.

- A-13 Recommendation:** Coordinate with all states and territories to ensure POCs at the states and territories perform periodic updates in the iMARc database so eligible Soldiers or individuals do not experience problems receiving benefits such as bonuses and education payments. For example, set requirements for the monitoring of the Over-Strength and Over-Due Payments reports.

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**Management Comments:** Concur. The current Information Management and Reporting Center (IMARC) does not perform automated quality control measures to verify and validate bonus eligibility at any point in the bonus or incentive management cycle. To remedy this limitation, IMARC data is currently being compared to multiple SIDPERS/TABDB-G/ATRRS data sets to confirm the accuracy of IMARC data prior to payment of incentives. The cross-referencing is currently achieved through the manual referencing of data bases with manual follow up by ARNG-GSE personnel and/or State, Territory, or District Incentive Managers. The next step will be an upgrade of IMARC to support the 100% automation of the quality control process with State, Territory, or District Incentive Managers charged with resolving IMARC records "flagged" due to data mismatches with external database systems prior to transmittal of records to ARNG-GSE for payment. Although not fully implemented at this time, the automation of bonus eligibility and payment quality assurance steps will all but eliminate problems with Soldiers receiving late bonus and education payments. The automated quality assurances will also validate and verify over-strength position fill using Automated Unit Vacancy System (AUVS) and SIDPERS data to ensure a Soldier is in a valid position to maintain bonus eligibility, etc. Implementation of IMARC automation upgrades is expected no later than 30 September 2010.

**NGB-ZC-IR Assessment:** Management's actions meet the intent of the recommendation.

- A-14 Recommendation:** Provide additional iMARC training to all POCs at the states and territories that include training on user input and reporting requirements.

**Management Comments:** Concur. The Education Support Contract (W9133L-09-D-004) with period of performance through 09 September 2010 addresses the training requirements of the State, Territory, and District Incentive Managers through the update of the Incentive Manager Course conducted at the National Guard Professional Education Center (NG-PEC) and through direct customer support and assistance to the Incentive Managers on a regional basis. The improvements to Incentive Manager training are being developed through a Critical Task Selection Board (CTSB) composed of Subject Matter Experts (SMEs) examining initial qualification training requirements, sustainment training requirements, and refresher training requirements necessary to manage the bonus and incentive program at the State, Territory, District, and/or National level. The CTSB is also studying the most appropriate training delivery method considering onsite, distance learning, and residence formats. The goal of the updated curriculum is to provide effective duty position functional training as well as IMARC system user tools and reporting capabilities to improve overall program management. Implementation of the improved Incentive Managers Course is expected no later than 30 September 2011.

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**NGB-ZC-IR Assessment:** Management's actions meet the intent of the recommendation.

- A-15 Recommendation:** Provide the states/territories information for SIDPERS personnel related to identification of correct codes to be used in the SIDPERS database and how these codes affect iMARC reporting. Specifically, codes 9991, enlistment against a potential loss and 9993, excess to authorized strength for a unit (over-strength).

**Management Comments:** Concur. The pending upgrades to the Information Management and Reporting Center (IMARC) will all but eliminate SIDPERS coding issues through the automation of quality control measures between IMARC data and SIDPERS/TABDB-G data. The utilization of Automated Unit Vacancy System (AUVS) data to verify valid vacancies will also reduce issues with SIDPERS coding issues related to pending losses and authorized over-strength positions. Also, the incorporation of State, Territory, and District SIDPERS data tables within the IMARC system will support effective program analysis in the areas where the State, Territory, and District are allowed to establish their own specific SIDPERS coding conventions. Implementation of IMARC automation upgrades is expected no later than 30 September 2010.

**NGB-ZC-IR Assessment:** Management's actions meet the intent of the recommendation.

- A-16 Recommendation:** Modify contract number W912JB-06-D-4014 to use separate funding lines for separate programs to allow cost/benefit analysis and to enable the proper tracking of each programs costs. These programs are specifically, the RIP and ESAR programs contract.

**Management Comments:** The Recruiter Incentive Program (RIP) and Every Soldier A Recruiter (ESAR) programs are currently suspended since they were not extended beyond the two year pilot phase. The referenced contract is an ARNG-GSS IDIQ. The move of ASM and EDU to IDIQ contract vehicles supports the use of separate task orders with multiple CLINs for each unique requirement. This detailed approach supports appropriate return-on –investment and related cost benefit analysis to the individual program and/or task level. The improved business practices are maintained through the Education Division Contracting Officer's Representative (COR) assigned to the Resource Branch. The same functions are performed by the ASM Contracting Cell. Implementation occurred during Fiscal Year 2009 (FY09).

**NGB-ZC-IR Assessment:** Management's actions meet the intent of the recommendation.



## OBJECTIVE B

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Were internal controls over the ARNG Recruiting and Retention, Bonus, Incentive, and Education programs adequate and effective?

## CONCLUSION

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Partially, internal controls were in place; however, additional controls needed to be implemented to ensure programs and processes are effective and efficient because management did not have internal controls in place to provide visibility and accountability throughout the budget execution process. In addition, responsible personnel for the Government Purchase Card (GPC) Program were not executing it in accordance with established policies and procedures. As a result, funding data provided to NGB leadership were inaccurate and unreliable, and internal controls we identified with execution of the GPC Program could result in mismanagement, waste of resources, or fraudulent activities.

## BACKGROUND

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To answer this objective, we examined the programs and processes for adequate internal controls to minimize the risk of fraud, waste, mismanagement and abuse. This required that we apply regulations and guidance associated with internal controls. We reviewed and applied the Comptroller General Standards for Internal Control, Federal Manager's Financial Integrity Act (FMFIA), OMB Circular A-123, Management's Responsibility for Internal Controls, and Government Performance and Results Act (GPRA) which require the Heads of agencies (and thus management) to install adequate internal controls and to develop strategic plans. Specifically,

### **The Comptroller General Standards for Internal controls requires:**

1. General Standards, Control Objectives – Internal control objectives are to be identified or developed for each agency activity and are to be logical, applicable, and reasonably complete; and
2. Specific Standards, Documentation – Internal control systems and all transactions and other significant events are to be clearly documented, and the documentation is to be readily available for examination.
3. Specific Standards, Separation of Duties – Key duties and responsibilities in authorizing, processing, recording, and reviewing transactions should be separated among individuals.

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4. Specific Standards, Supervision – Qualified and continuous supervision is to be provided to ensure that internal control objectives are achieved

**The Federal Manager's Financial Integrity Act requires:**

1. Obligations and costs are in compliance with applicable law.
2. Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation.
3. Revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the assets.

**OMB Circular A-123, Management's Responsibility for Internal Control**

1. Management is responsible to develop and maintain effective internal control.
2. The Chief Financial Officers Act requires agencies to both establish and assess internal control related to financial reporting.
3. Agency managers should continuously monitor and improve the effectiveness of internal control associated with their programs.
4. The FMFIA and OMB Circular A-123 apply to each of the three objectives of internal control: effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations.

**The Government Performance and Results Act requires:**

**SECTION 3. STRATEGIC PLANNING.**

**Sec. 306. Strategic plans**

(a) No later than September 30, 1997, the head of each agency shall submit to the Director of the Office of Management and Budget and to the Congress a strategic plan for program activities. Such plan shall contain-

- (1) a comprehensive mission statement covering the major functions and operations of the agency;
- (2) general goals and objectives, including outcome- related goals and objectives, for the major functions and operations of the agency;

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(3) a description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technology, and the human, capital, information, and other resources required to meet those goals and objectives;

(4) a description of how the performance goals included in the plan required by section 1115(a) of title 31 shall be related to the general goals and objectives in the strategic plan;

(5) an identification of those key factors external to the agency and beyond its control that could significantly affect the achievement of the general goals and objectives; and

(6) a description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations.

(b) The strategic plan shall cover a period of not less than five years forward from the fiscal year in which it is submitted, and shall be updated and revised at least every three years.

(c) The performance plan required by section 1115 of title 31 shall be consistent with the agency's strategic plan. A performance plan may not be submitted for a fiscal year not covered by a current strategic plan under this section.

(d) When developing a strategic plan, the agency shall consult with the Congress, and shall solicit and consider the views and suggestions of those entities potentially affected by or interested in such a plan.

(e) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of strategic plans under this section shall be performed only by Federal employees.

(f) For purposes of this section the term 'agency' means an Executive agency defined under section 105, but does not include the Central Intelligence Agency, the General Accounting Office, the Panama Canal Commission, the United States Postal Service, and the Postal Rate Commission.

We applied these regulations and guidance to assess the internal controls over the ARNG Recruiting and Retention and Bonus, Incentive, and Education programs and processes

## DISCUSSION

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In this section, we discuss two areas:

- State and Territory Review Results
- Critical MOSs and UICs

### State and Territory Review Results

The states and territory we visited during our review had internal controls in place; however, some improvements were still needed. This section will provide an overview of what was audited and then cover each of the four individual site visits we made during our review.

For the Recruiting and Retention processes at the states and territories we visited, we examined how the Recruiting and Retention Command (RRC) executed the funding provided by the ARNG-GSS and the accountability of those funds. We found that a significant amount of the funding provided to the states and territories was non-discretionary and went to cover costs for Active Duty Special Work/Active Duty Operational Support (ADSW/ADOS) personnel, Store Front Recruiting Office (SFRO) leases, and General Services Administration (GSA) vehicle expenses. We also found that most of the discretionary funding was executed for contracts, Government Purchase Card (GPC) purchases, and Recruiter direct expenses. The two main discretionary costs were for contracts and GPC purchases. As a result, we performed a cursory review of the contract and GPC funding and administrative processes during our visit. Recruiter direct expenses represented a very small amount of the overall funding provided.

For the GPC process, we reviewed the overall administrative process, proper record keeping, utilizing and maintaining transactions in Access online (AXOL) [the GPC database that replaced the Customer Accounting and Reporting Environment (CARE) database which requires all transactions to be entered into the database and allows visibility purchases], Appointment Letters and training for Cardholders and Approving Officials.

For bonus, incentive, and education processes, we examined:

- The overall administrative processes, funds accountability, iMARC usage and reporting (database that captures information related to eligible benefit recipients for bonuses, incentives, and education)

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- Over-due payment reports and over-strength reports and processes
- Percentage fill by Military Occupational Specialty (MOS) and Unit Identification Code (UIC)
- Processes for the application of bonuses to critical MOSs and UICs
- iMARC usage

**Washington Army National Guard (WAARNG)** – During our visit to the WAARNG R&R Command (RRC), we found the R&R Specialist (RRS), the Budget Officer for the R&R Command, and the Budget Officer at the USPFO could not provide complete and accurate funding reports by MDEP and AMSCOs that accounted for all funding received from ARNG-GSS.

The funding documentation provided by WAARNG personnel showed they received a total of \$3,788,500 from NGB in FY07. Our analysis of all funding WAARNG received from NGB during FY 07 totaled \$4,423,100. Personnel from ARNG-GSS also provided multiple funding reports for each state and territory visited during the audit; we determined the funding amounts of these reports were also inaccurate. Management at both the state level and at the ARNG-GSS needed to make significant internal control improvements to provide visibility over funding processes to ensure the accuracy and reliability of funding reports and accountability of funds.

**Contract Processes:** The contract process we reviewed contained adequate internal controls and the contract we reviewed contained an allowable scope, properly obligated funds, and the cost was reasonable.

**GPC Processes:** GPC processes needed significant improvements. Seventy-five percent of the FY 07 sample documentation requested contained errors or did not comply with regulatory requirements, Access online (AXOL) transaction logs were not being utilized or maintained, and AXOL reports were not available.

The GPC processes and transactions we reviewed for FY 07 did not have an adequate audit trail and transaction logs or reports were not able to be provided during our audit. Three out of four (75%) of the FY 07 GPC purchase transactions we judgmentally selected for audit did not contain the invoices, paid bills, and/or other receipts required. In addition, transaction-supporting documentation was not complete and cardholders or Billing Officials did not input transactions into the AXOL database as required by GPC Guidance (AR 715-XX, Apr 06). As a result, transaction log reports, cardholder reports, and Approving/Billing Official transaction approvals were not available. However, we found significant improvements with the GPC Program in FY 08 implemented by a new Approving/Billing Official. Because of these improvements, four out of four FY 08 GPC transactions we audited had adequate supporting documentation. However, we still



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were not able to obtain Access-Online transaction logs, summary report, or an audit trail for the Approving Official (AO) actions.

Conflict of Interest: A Non-Commissioned Officer (NCO) at the RRC was performing two duties; one duty involved GPC Approving Official and cardholder duties; the second duty involved serving as a coordinator for processing bonus payments and Montgomery GI Bill education reimbursements for the bonus, incentive, and education programs. For internal control purposes and in accordance with GAO internal control standards, performing these two duties represented a conflict of interest between the R&R mission objectives and the bonus, incentive, and education mission objectives. The R&R mission is primarily concerned with meeting ARNG end strength objectives, whereas the bonus, incentive, and education mission is to put the right Soldier, at the right time, and at the right place through the application of bonuses as incentives. In other words, R&R is about meeting end strength requirements and bonus, incentive, and education benefits are tools used to improve readiness through filling critical MOSs and critical UICs to properly staff the ARNG with the right mix and apply bonuses and incentives necessary to appropriate job skills or units to ensure ARNG readiness. The reason this presents a conflict of interest and requires a "separation of duties" is the potential temptation by R&R personnel to apply bonuses to "easily recruited" positions to meet end strength goals and not towards MOSs or UICs that would need the application of incentives to meet readiness requirements. Recruiters are provided an incentive (bonus) for meeting their goals and objectives. In our opinion, management needed to segregate the duties of the bonus, incentive, and education programs and those of the R&R Command functions. Most audit sites we visited had these duties segregated.

Bonus, Incentive, and Education processes: The bonus, incentive, and education processes needed some improvements. We found R&R personnel were inputting data into the iMARC database for bonus, incentive, and education benefits and the Over-Strength report was overstating actual over strength.

During our visit, the R&R NCO assisted us in reviewing the Over-Strength and Over-Due Payment reports and immediately implemented corrective actions for all deficiencies we identified during the audit. The deficiencies related to the large Over-Strength Report were a result of SIDPERS personnel entering wrong codes into SIDPERS, which inflated the report and misstated the over-strength numbers. The SIDPERS personnel had two basic options when entering the status of new recruits: one, enter status code 9991, which signified a Soldier was hired as an offset to an anticipated loss; and two, enter status code 9993, which signified that it was an actual over strength hire. An offset to an anticipated loss (status code 9991) did not show up as over strength on the iMARC Over-Strength Report (iMARC converted a SIDPERS status of 9993 to an iMARC code of 999K for over strength). In this instance, SIDPERS personnel entered the code 9993 for over strength verses the right code of 9991 for a hire against a potential future loss, which inflated the amount of over strength identified in the iMARC Over Strength Report.

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The RRC NCO also explained why some of the entries were on the Overdue Payments Report and provided some requested examples. After reviewing the examples provided, it was determined everything on the updated iMARC Over-due Payments report was valid and all required payments were paid.

Education Program: The Education Support Officer (ESO) utilized the information Management and Reporting Center (iMARC) system to enter data from the Soldier's request to payments made for educational expenses.

Basic process –

1. Soldier submitted request, DA Form 2171, Request for Tuition Assistance – Army Continuing Education System.
2. Education Support Officer (ESO) requested validation/confirmation from school for classes and cost.
3. ESO determined amount to pay (may include multiple students).
4. ESO made payment to school.

(Process flowcharts for the bonus, SLRP, and FTA are located in annex G)

SIDPERS data input needed some improvements. SIDPERS personnel were entering data codes inaccurately and when the iMARC system pulled information from the SIDPERS database, the Over Strength reports were inflated and were showing too many Soldiers were entered as over strength instead of being hired against anticipated losses.

**Puerto Rico ARNG (PRARNG)** - Internal controls over funding needed improvements at ARNG-GSS and the territory. After our analysis of the six different funding reports, we determined the PRARNG received a total of \$4,171,300 for FY 07. The three funding reports provided by ARNG-GSS and three from the PRARNG were not accurate.

During our visit to the PRARNG R&R Command (RRC), we found the RRS position responsibilities were divided between two NCOs (E-7s). One NCO monitored, tracked, and reported on the 2060 (NGPA) funding, which was for personnel funding and the other NCO monitored, tracked, and reported on 2065 (OMNG) funding, which was for operational and maintenance type expenses. Both were doing a very good job and we identified only minimal discrepancies.

Contract Processes: We did not note any internal control weaknesses related to the contract administration process, funding, scope, or reasonableness of costs.

GPC Processes: The GPC processes and transactions we reviewed for FY 07 needed improvements. The AXOL transaction logs and reports were not being maintained and were not provided during our audit. GPC funding and purchases for a RRC can amount

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to hundreds of thousands of dollars annually and adequate and proper internal controls are essential for proper management of these funds and processes.

Bonus and Incentive Processes: The bonus, incentive, and education processes contained adequate controls. We found bonus, incentive, and education personnel were inputting data into the iMARC database for bonus, incentive, and education benefits, maintaining records, and monitoring as needed to ensure bonuses and educational benefits were paid and up-to-date.

We again found the large Over-Strength Report was a result of G-1 SIDPERS personnel; as explained earlier, SIDPERS personnel were entering wrong codes into SIDPERS. The latter resulted in inflated reports and misstated the over-strength numbers.

Georgia ARNG (GAARNG) – We encountered some differences in the funding report the GAARNG provided, the four reports the ARNG-GSS provided, and the final amount that we calculated as the amount of funding actually received for FY 07. We reviewed and validated the amounts based on the various reports and determined that \$10,677,900 was the amount of funding the GAARNG received during FY 07. The GAARNG RRC provided FY 2007 Funding Summary as of 30Sep07 during our visit in July 2008, which showed \$9,616,485.

Contract Processes: We reviewed multiple contracts valued over \$546M awarded by the GAARNG for RRC programs. We did determine that most of the key internal controls were in place; however, we identified an internal control problem with the Separation of duties for the contract process. During our review, we found the RRS requests and certify funds for contract actions. The GAO internal Control Standards for the control environment requires a separation of duties to minimize the risks associated with fraud, waste, abuse, or mismanagement of resources. Before we left, the Recruiting and Retention Commander developed and signed a new policy memorandum, dated 10 July 2008, re-assigning the request function from the RRS to a Non-Commissioned Officer (NCO) within the command to perform this function. As a result, we did not include any recommendation in our report to address this issue since it has already been corrected on the spot.

Bonus and Incentive Processes: The FY 07 bonus and incentive processes at the GAARNG **were not auditable**. Controls were not in place and the chief at the time of our visit could not provide data we needed to conduct our audit. She stated she had just taken over this responsibility and was not able to implement all of her improved processes as of the time of our visit in July 2008. She stated that because of her planned improvements, she expected the process to be much better in FY 08. Internal controls were not adequate for FY 07 Bonus and Incentive processes, but were improved significantly for FY 08.

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During our visit, Bonus and Incentive personnel provided an updated iMARC Over-Due Payment Report, which showed significant improvements from the initial iMARC Overdue Payment Report provided in October 2007 by NGB-ARM. Over-Due payments decreased dramatically from 46 as of October 2007 to 1 when we visited in July 2008. In addition, we requested and obtained the Over-Strength report to compare differences and validate the amount of over-strength for the state. This report was also used to evaluate how the critical bonuses were applied within the state. The iMARC Over-Strength Report provided by the NGB-ARM in October 2007 showed 659 over-strength and the updated one we obtained during our visit in July 2008 showed only 300, which showed that the GAARNG had improved significantly on the reported over-strength by lowering the over-strength by over 300 individuals (50%). Again, as with other states or territories we visited, we found the large Over-Strength Reports provided were partially a result of G-1, SIDPERS personnel entering wrong codes into SIDPERS for recruiting against a potential loss. This issue inflated the report and misstated the over-strength numbers making these reports unreliable.

In addition, we found the iMARC database was not reliable for funding purposes given the different amounts of funding provided by the different reports that can be generated and given that training for the iMARC system and its reporting capabilities had not been adequate. ARNG-GSE, however, was working on improving the training to include more training on user needs and the system's reporting process.

Pennsylvania ARNG (PAARNG) – the PAARNG received \$10,797,200 in Recruiting and Retention funding in FY 07.

Contract Processes: After reviewing the contract processes, we determined they contained adequate internal controls.

GPC Processes: The GPC processes and transactions we reviewed for FY 07 needed minor improvements. Responsible personnel from PAARNG had most controls in place; however, the AXOL transaction logs and reports were not being utilized and maintained and were not provided during our audit. GPC funding and purchases for a RRC could amount to millions of dollars annually and adequate and proper internal controls are essential for proper management of these funds and processes.

The FY 07 bonus and incentive process controls were in place and operating as intended.

During our visit, the Bonus, Incentive, and Education personnel provided an updated iMARC Over-Due Payment Report, which showed significant improvements from the initial iMARC Overdue Payment Report provided in October 2007 by the NGB-ARM. Over-Due payments decreased dramatically (62%) from 50 as of October 2007 to 19 when we visited in July 2008. In addition, we requested and obtained the Over-Strength report to compare differences and validate the amount of over-strength for the state.

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This report was also used to evaluate how critical bonuses were applied within the state. The iMARC Over-Strength Report provided by the NGB-ARM in October 2007 showed 134 over-strength. Again, as with other states or territories we visited, we found the large Over-Strength Reports provided were partially a result of G-1, SIDPERS personnel entering wrong codes into SIDPERS for recruiting against a potential loss.

After reviewing the Bonus and Incentive, and Education processes and the examples provided, we determined internal controls were adequate for FY 07, but they were significantly improved for FY 08 since a new ESO took over bonus and incentive operations.

### **Critical MOSs and UICs**

As part of our review, we evaluated the processes for identifying critical military occupational specialties (MOSs) and critical unit identification codes (UICs) designated by the ARNG-GSE, which administered and provided oversight for the bonus, incentive, and education programs.

Management and internal controls over the processes for critical MOSs and UICs needed improvements. Specifically, managing, monitoring, providing oversight, and applying bonuses associated with critical MOSs and UICs needed to be more dynamic and not fixed over extended periods of time; states and territories needed to continuously monitor and periodically provide status reporting back to ARNG-GSE. Many of the "critical/bonus" MOSs were significantly overfilled (above 125%). Once a MOS is at its intended readiness level, ARNG-GSE should not allow any further bonuses to be applied to that specific MOS until the percentage fill rate drops below 125%. In addition, we verified that bonuses were even being paid to individuals who were not assigned to primary slots, which is one of the established requirements to pay a bonus. In order to meet this requirement, Commands were moving Soldiers from a secondary to a primary slot to allow Soldiers to claim the bonus. The intent of limiting the bonuses to primary slot holders is to avoid "stacking" Soldiers in individual MOSs and rotating them, as needed, to put them in a primary slot upon their bonus anniversary date payment. When Soldiers' anniversary date is coming due, they were rotated into a primary slot (if needed) to collect the bonus. The ARNG-GSE needed to develop and apply guidance to control and limit this process as much as possible. Establishment of effective internal controls to mitigate the risk of over recruiting for individual MOSs would also allow management to put funds to better use by moving funds from a critical MOS that is filled (above 125%) to MOSs that are not filled.

In accordance with established procedures, the states and territories were allowed to identify a selected number of critical MOSs in their state or territory. The latest guidance provided on this topic was Education, Incentive Operational Message (EIOM) number 08-057\_20080822, dated 22 September 2008. This guidance identified selected states and territories by groups (4 groups total) and identified how many critical



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MOSs each group can identify. Group 1 was allowed to identify 19 individual MOSs, Group 2 was allowed to identify 27 individual MOSs, Group 3 - 31 individual MOSs, and Group 4 - 36 MOSs. After the state or territory submitted the MOSs identified back to ARNG-GSE, ARNG-GSE then selected the top 20 MOSs identified by the state or territory and considered an additional 10 MOSs based on NGB priorities. Personnel from ARNG-GSE should play a larger role in determining the critical MOSs and UICs. More discretion needed to be employed by ARNG-GSE, which should make the final approval on most MOSs and UICs eligible for "critical" or "bonus" designation.

The number of critical MOSs the states and territory we visited identified was:

- Puerto Rico, Group 3, up to 31 MOSs
- Washington State, Group 3, up to 31 MOSs
- Georgia and Pennsylvania, Group 4, up to 36 MOSs

Bonuses were normally paid as an initial payment, and then in installments as needed, as a Soldier completed certain requirements to fulfill the contract obligation. An initial payment was normally paid upon acceptance of the contract terms; subsequent payments were made on the anniversary dates or upon completion of some expected performance. In accordance with established regulations and guidance, an anniversary or subsequent payment could not be made unless the affected Soldiers were occupying their primary slot. The primary slots were based on the number of individuals authorized in accordance with the Table of Distribution and Allowances (TDA). A specified number of slots were designated as primary and any additional slots were designated as secondary. In order to be eligible for an anniversary bonus payment, Soldiers had to be assigned to their primary MOS at that time. In many instances, we verified that many slots designated as a critical MOS were over-filled and, as a result, management had to assign affected Soldiers into other than their primary MOS. When these Soldiers were close to reaching their bonus anniversary date, management had to rotate them back into their primary MOS just to be able to receive their bonus payment. Management repeated this process for all Soldiers who needed to be placed in a primary slot to receive their bonus payment. Once a unit was at or above the 125% fill rate, NGB should no longer allow recruiting personnel to offer bonuses to new recruits or reenlistments for that MOS. This will require the recruiting and retention, as well as, the bonus and incentive personnel to monitor the fill rates closely at the states and territories. The primary intent of providing bonuses was not to offer everyone in a specific MOS designated as critical a bonus. It was meant to be applied until the MOS was no longer "critical," meaning the fill rate was at 100 to 125% (125% for readiness purposes).

In addition, the states and territories we visited during this audit did not have a standard way of pulling data related to the percentage filled for MOS or UIC for reporting purposes. In terms of adequate internal controls, ARNG-GSE should provide guidance

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to all states and territories on how to pull data for these reports and establish standardized metrics and reporting for all of the ARNG. NGB management needed to incorporate a process for determining if the states and territories are properly applying the bonuses to the agreed upon MOSs and UICs and in accordance with the fill rate of each MOS.

We will cover each state or territory in separate paragraphs below.

**State/Territory Critical MOS/UIC Results:**

**Georgia:** The critical MOSs, in accordance with guidance issued by ARNG-GSE, for the Georgia Army National Guard (GAARNG) were:

Critical MOSs	11C, 13D, 15U, 35K, 21V, 21W, 21K, 63J, 25C, 35P, 35T, 35H, 92W, 45G, 35M, 94E, 35N, 21J, 92G, 52D, 11B, 13B, 13F, 21B, 21E, 31B, 92R, 94F, 88M, & 92F
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+ the six additional MOSs listed on the GAARNG Critical MOS List: 25U, 35F, 35G, 35L, 68W, & 74D (36 total)

However, upon obtaining and reviewing a GAARNG Critical MOS List dated 16 Jun 08 – 30 Sep 08, we found that numerous MOSs (6 each) were on the GAARNG Critical MOS Bonus List and not on the ARNG Policy 07-05 / 07-06 Critical MOS List. In total, the GAARNG provided a list of 36 critical MOSs and the NGB-ARM critical MOS list only showed 30 critical MOSs. Later guidance, however, allowed Georgia to select 36 critical MOSs.

We requested and the GAARNG provided a report titled, “GAARNG RRB’s MOS Fill List”, which showed each MOS and the sub-divisions of that MOS and the percentage each sub-division is filled. We determined the number of critical MOSs that were below 100% (under filled), between 100-125% (met guidance), and above 125% (overfilled). The following list shows how many of the critical MOSs were significantly under filled or over filled (this list includes the MOS and its sub-categories such as 11B10, 11B20, 11B30, etc):

Number under-filled (under 100%) – 219 (**42%**)

Number that was OK - based on 100% - 88 (**17%**)

Number that was - Based on 101-125% - 39 (**7%**)

Number over-filled – (over 125%) – 180 (**34%**)

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As the above data show, most of the critical MOSs fell into the under-filled category with 42% and the next highest category was the over-filled with 34%. Only 24% fell into the 100% - 125% range. Most of the MOSs (76%) were either significantly under-filled or over-filled. The under-filled MOSs may have been due to variables that were not under the control of the RRC or the NGB; however, the over-filled MOSs could have been controlled better with closer monitoring and not applying bonuses after recruiting for the critical MOSs reached the readiness goal of 125%. The missions of ARNG-GSS and ARNG-GSE were very different missions and must remain independent when determining priorities for the different missions. Personnel from ARNG-GSS and ARNG-GSE should communicate concerns with each other and consider each other's input, but ultimately needed to apply priorities and guidance applicable to each separate mission.

Critical UIC's: The NGB ARNG Policy # 07-05, Critical UIC List dated 10 August 07 – 31 May 08 and 10 August 07 – 30 September 2008 provided a list of all the critical UICs for all states and territories. The GAARNG had a total of 37 critical UICs identified for that period and was denoted on the ARNG Policy as the first three alpha-numeric characters of the UIC. The NGB listed seven of these 3-digit alphanumeric UICs for the GAARNG: P9Y, QV3, PDA, PDB, PC2, VBM, and P9Z. The GAARNG provided their Critical UIC Bonus List dated 8 January 2008 to 30 September 2008, which listed 34 units in these categories.

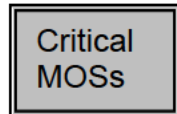
We were provided two Critical Unit Identification Code (UIC) Lists: 1) ARNG Policy # 07-05 Critical UIC Lists dated 10 August 07 – 31 May 08 as of 1 May 2008; and 2) lists dated 10 August 07 – 30 Sep 08 as of 1 August 2008. The only change was a later reduction in the number of critical UICs by two: PC2 and VBM. The GAARNG RRC provided a Critical UIC List Percentage Fill as of July 08 during our visit. The Critical UIC List Percentage Fill provided by the GAARNG RRC was based on the earlier NGB guidance that included the two UICs that were eliminated as of August 2008. This list provided the UICs for 34 units and the Critical UIC List Percentage Fill Report only identified 33 units. We based our analysis on the 33 units identified in the Critical UIC List Percentage Fill Report above. The results of our analysis and review of the percentage filled were:

- 13 (39.4%) of the 33 critical UICs were above 125%, or over-filled;
- 10 (30.3%) of the critical UICs were between 100% and 125%, or met requirements
- 10 (30.3%) of the critical UICs were less than 100%, or under-filled

Overall, approximately 70% of the UICs were over-filled or under-filled and the other 30% were filled between 100 to 125%. Again, ARNG-GSE needed to monitor closely the fill rates for MOSs and UICs.

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**Washington State:** The critical MOSs in accordance with guidance issued by ARNG-GSE for the Washington Army National Guard (WAARNG) was:



96B, 15D, 98C, 98G, 25B, , 21W, 45B, 13D, 92A,  
25U, 92W, 63M, 13R, 63H, 52C, 92G, 21J, , 18\*,  
21R, 45K, 11B, 13B, 13F, 21B, 21E, 31B, 63B, 74D,  
88M, 92F

The WAARNG did not provide a critical MOS list during our visit.

We determined the number of critical MOSs that were below 100% (under filled), between 100-125% (met guidance), and above 125% (overfilled). The following list shows how many of the critical MOSs were significantly under filled or over filled.

219 (**87.1%**) were under 100%, or under-filled

39 (**9.7%**) were between 100-125%, or met requirements

180 (**3.2%**) were over 125%, or over-filled

As the above data show, most of the critical MOSs fell into the under-filled category (87.1%). Only 9.7% fell into the 100% - 125% range. During our analysis of the critical MOSs for the WAARNG, we found many MOSs that were not designated as a critical MOS (non-critical MOSs) were not filled to 100% as well.

The WAARNG had 31 critical UICs identified for this period. The NGB listed eight of these 3-digit alphanumeric UICs for the WAARNG. The ARNG Policy Critical UIC List had the following UICs identified: PJ7, PRG, PRJ, PRV, QYQ, QYT, TN6 and 83X.

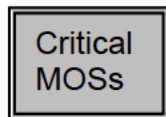
Personnel from WAARNG provided two Critical Unit Identification Code (UIC) lists: 1) ARNG Policy # 07-05 Critical UIC Lists dated 10 August 07 – 31 May 08 as of 1 May 2008; and 2) lists dated 10 August 07 – 30 Sep 08 as of 1 August 2008. There were no changes in the two documents for the WAARNG. The WAARNG RRC provided a WAARNG MOS Fill List as of May 08, which did not include one critical UIC, which was 83X on the ARNG Critical UIC List. We based our analysis on the 30 units identified in the Critical MOS Fill List Report above.

- 1 (3.2%) of the 30 critical UICs were above 125%, or over-filled
- 2 (6.5%) of the critical UICs were between 100% and 125%, or met requirements
- 28 (90.3%) of the critical UICs were less than 100%, or under-filled

Overall, approximately 90% of the UICs were under-filled and the remaining 10% were filled between 100 to 125%.

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**Puerto Rico**: The critical MOSs in accordance with guidance issued by ARNG-GSE for the Puerto Rico Army National Guard (PRARNG) were:



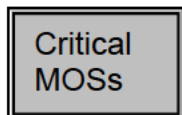
11C, 13D, 14M, 19D, 21D, 21F, 21J, 25C, 25U, 27D,  
63J, 13F, 52C, 52D, 68W, 89B, 92A, 92G, 92Y,  
92W, 11B, 13B, 13F, 21B, 21E, 31B, 63B, 74D,  
88M, 92F

We determined the number of critical MOSs that were below 100% (under filled), between 100-125% (met guidance), and above 125% (overfilled). The following list shows critical MOSs that were significantly under filled or over filled.

19 (70%) were under 100%, or under-filled  
6 (22%) were between 100-125%, or met requirements  
2 (7%) were over 125%, or over-filled

As the above data show, most of the critical MOSs fell into the under-filled category (70%) and 22% fell into the 100% - 125% range. During our analysis of the critical MOSs for the PRARNG, we found many MOSs that were not designated as a critical MOS (non-critical MOSs) were not filled to 100% as well (63%). The PRARNG did not have any critical UICs identified for this period.

**Pennsylvania**: The critical MOSs in accordance with guidance issued by the ARNG-GSE for the Pennsylvania Army National Guard (PAARNG) was:



11B, 11C, 13B, 13D, 15Q, 19D, 19K, 21B, 21E, 25B,  
25C, 25Q, 25U, 25S, 35F, 35K, 42A, 44C, 52D, 63B,  
63H, 68W, 74D, 88M, 89B, 92A, 92F, 92G, 92W, 92Y

We determined the number of critical MOSs that were below 100% (under filled), between 100-125% (met guidance), and above 125% (overfilled). The following list shows critical MOSs that were significantly under filled or over filled.

23 (**77%**) were under 100%, or under-filled  
6 (20%) were between 100-125%, or met requirements  
1 (**3%**) were over 125%, or over-filled

As you can see from the above data, most of the critical MOSs fell into the under-filled category (77%). Only a total of 20% fell into the 100% - 125% range and 3% were over 125% filled.



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During our analysis of the critical MOSs for the PAARNG, we found many MOSs that were not designated as a critical MOS (non-critical MOSs) were not filled to 100% as well.

Our results based on the total MOSs were:

Number under-filled (under 100%) – 108 (**73%**)

Number that was OK - Based on 100-125% - 25 (**17%**)

Number over-filled – (over 125%) – 15 (**10%**)

These are very similar percentages to the critical MOSs in the previous paragraph. The NGB ARNG Policy # 07-05, Critical UIC List dated 10 August 07 – 31 May 08 and 10 August 07 – 30 September 2008 provided a list of all the critical UICs for all states and territories. The PAARNG had a total of 30 critical UICs identified for this period: The NGB listed 16 of these 3-digit alpha-numeric UICs for the PAARNG in FY 08: P1V, P1W, P21, P23, P25, PG0, PGU, PGW, TU2, XB9, ZFX, XB8, PGQ, PGR, PGZ, and X4B.

Personnel from PAARNG provided two Critical Unit Identification Code (UIC) Lists: 1) ARNG Policy # 07-05 Critical UIC Lists dated 16 June 07 – 31 March 08 as of 6 August 2007; and 2) lists dated 10 August 07 – 30 Sep 08 as of 14 July 2008 (0930). Both of these documents were included in the previous hyperlink under item #1 above.

The PAARNG did not provide a percentage fill report for the critical UICs; we, therefore, unable to provide an analysis of critical UICs for PAARNG.

## RECOMMENDATIONS AND COMMENTS

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This section contains specific recommendations and a summary of command comments for each recommendation. The verbatim command comments are in Annex C.

### For The ARNG-GSE

- B-1 Recommendation:** Establish improved controls over the critical MOS and UIC processes. Specifically, controls over monitoring, managing, oversight, and applying/determining bonuses associated with classification of critical MOS's and UIC's. These controls must ensure ARNG-GSE approves and manages all bonuses; however, determining eligibility and selecting critical MOSs need to be derived from an analysis of percentage fill reports from the states and territories.

**Command Comments:** Concur. The ongoing Decentralized State Incentive Program (DSIP) pilot study incorporates the Readiness Prediction Model (RPM) and the Automated Unit Vacancy System (AUVS) to bonus to the individual paragraph/line number level based on near "real time" strength readiness requirements. A critical MOS and/or UIC is determined on a daily basis for valid vacancies using personnel readiness metrics to include overall percentage fill for a given State/Territory, UIC, and/or MOS. The DSIP is currently limited to Kentucky, Alaska, Hawaii, Guam, Puerto Rico, and the Virgin Islands. Expansion of the DSIP is contingent on refinement of the automated program management tools. Implementation is anticipated within 12 months pending automation systems capabilities and OSD approval of an RPM based Selective Reserve Incentive Program (SRIP). In the meantime, SRIP FY10 implementation on/around 01 July 2010 will incorporate critical enlisted bonuses for MOS's below 80% strength with the MOS remaining on the bonus list until reaching 100% fill IAW ARNG-GSE position fill metrics to prevent over strength position bonuses, etc. Implementation of automated tools is TBD and manual checks and balances will be maintained by ARNG-GSE personnel pending full implementation of the DSIP.

**NGB-ZC-IR Assessment:** Management's actions meet the intent of the recommendation.

- B-2 Recommendation:** Ensure Bonus, Incentive, and Education positions are independent of the RRC and that personnel are appointed at each state/territory.

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**Command Comments:** Concur. The strategy to resolve these issues is to be developed (TBD) pending coordination with NGB-ARM, NGB-ARF, and NGB-ARP regarding State Education Office full-time support, TDA positions, and related policies to determine an effective “way ahead”. The intended result of the NGB staffing will be a State Education Office template to allocate an appropriate level of TDA positions and full-time support authorizations to conduct essential program tasks. A review of SMARTBOOK DA PAM 611-21, Table 11-28 Standards of Grade National Guard Recruiting and Retention Battalion (RRB) will also be staffed to determine if the currently required Marketing and Education Outreach Section (Paragraph 5) personnel can be employed without violating the recommended separation of bonus, incentive, and education functions from the RRB chain-of-command in order to achieve applicable GAO internal control standards. Implementation of the solutions is TBD with strategy development expected NLT 31 December 2010.

**NGB-ZC-IR Assessment:** Management’s actions meet the intent of the recommendation.

**For The States and Territories**

**B-4 Recommendation:** WAARNG – a separation of duties is required for R&R personnel and Bonus, Incentive and Education personnel. Personnel from the R&R Command must not be assigned to Bonus, Incentive, and Education duties. In accordance with the Military Personnel Management Office (MPMO) staffing guidance, the G-1 must select personnel outside of the R&R Command for these positions.

**Command Comments:** The audit found there appeared to be a conflict of interest with the Incentive Manager working within Recruiting and Retention Command. The concern for a conflict of interest and undue influence by the RRM is not possible with the procedures utilized by NGB to process bonuses. The eligible MOSs are directed by NGB, not the RRM. If a Soldier qualifies for a bonus, the MEPS Guidance Counselor inputs the Soldier’s information into iMARC to request a control number. Staffing Guidance referenced in the recommendation could not be identified. (paraphrased by Auditor for brevity, please see verbatim comments in Annex C for the full response)

**NGB-ZC-IR Assessment:** Management’s actions and/or response does not meet the intent of the recommendation. The Recruiting and Retention Commander (as well as other leaders of the NG at every state/territory) play instrumental roles and have significant influence in the process for providing bonus information applicable to enlistment, re-enlistment, critical MOSs, and critical UICs to NGB and, in most cases, are approved by NGB for implementation. Therefore, a separation of duties is imperative for good internal

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control mechanisms. We still feel the WAARNG should implement the recommendation as written above. The ARNG-GSE concurred with the same recommendation and will be implementing a separation of duties between the incentive programs and the RRC (please see ARNG-GSE recommendation B-2 above)

- B-5 Recommendation:** WAARNG – Improve funding reports provided by the USPFO to the RRC Commander. They should be similar to the example provided during the audit, which summarized funding categories by MDEP and AMSCO.

**Command Comments:** Concur, the Washington Financial Manager will continue to provide the RRC Commander financial reports/data as required.

**NGB-ZC-IR Assessment:** Management's action only meets the intent of the recommendation if better financial reporting is accomplished in accordance to the audit recommendation above. During our visit, the RRC did not have accurate summary (snapshot) financial reporting for the RRC Commander. We requested a financial report that can be produced from RM Online several times during the audit from the RRC and the USPFO and it was never provided. We even provided an example of the report we were requesting. Again, we expected the RRC Commander to have this snapshot view of the funding provided to the RRC since it has been receiving millions of dollars to execute recruiting and retention programs.

- B-6 Recommendation:** GAARNG – Develop sound processes for monitoring, analyzing, and reporting on the Bonus and Incentive processes. This process was not auditable during our review. In addition, ensure an audit trail is available as required in reporting and internal control regulatory guidance.

**Command Comments:** Concur. The GAARNG Education Services and Incentive Programs Office has implemented several procedures to ensure monitoring, accountability, and reporting of Bonus and Incentive programs. In 2009 a Lean Six Sigma project was completed that significantly reduced the amount of resources including time needed to process Non-Prior Service (NPS) bonuses – the majority type of bonus we process. As a result of this project, several methods were put in place, not only for NPS bonuses but for other incentive programs as well. We have created a manual backup system to catch any errors of iMARC database system.

**NGB-ZC-IR Assessment:** Management's actions appear to meet the intent of the recommendation; however, since the processes were not auditable during

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our visit, our recommendation is meant to ensure auditable processes are developed and maintained. We will review processes during the follow-up audit.

- B-7 Recommendation:** GAARNG – Reissue appointment letters to appointed officials of the GPC Program. The appointment letter should at a minimum resemble DD Form 577, Appointment Letter. The primary purpose of the appointment letter is to have all appointed officials countersign all required forms or agreements to ensure an understanding of their responsibilities and applicable guidance related to their duties.

**Command Comments:** Concur. The GAARNG Education Services and Incentive Programs is in compliance with GAARNG in reference to rules and regulations of the GPC program. The requirement is to fill out and sign both a Certificate of Sub-delegation and a Certificate of Understanding, which both myself as Certifying Official and SSG Angelia Countryman both possess. We are willing to do a DD Form 577 if required.

**NGB-ZC-IR Assessment:** Management's actions appear to meet the intent of the recommendation; however, as stated in the recommendation above, at a minimum Appointment Letters need to include responsibilities, applicable guidance related to performing the duties, and a counter-signature to attest to understanding and accepting the duties associated with the positions.



## AUDIT SCOPE AND METHODOLOGY

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We conducted our audit in accordance with generally accepted governmental auditing standards from February 2008 to May 2009 and included such tests of internal controls we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The scope of our review included all aspects of the ARNG Recruiting and Retention, Bonus, Incentive, and Education programs from FY 2007 to FY 2008.

We did not test the reliability of computer-generated data from the iMARC database used for identifying and reporting on personnel and funding related to bonus, incentive, and education benefits. However, we did not use the iMARC data as a basis for any of our findings in the report except for a finding related to the iMARC data being unreliable. Although we used other computer-generated data during the audit, our findings are based on source documents. Therefore, we did not feel it necessary to test the reliability of the computer generated data.

To accomplish our audit objectives, we interviewed personnel at NGB and the states and territory we visited. We analyzed recruiting and retention funding and personnel data source documents and reports provided by personnel at NGB and the states and territory we visited.

## **ACTIVITIES INCLUDED IN THE AUDIT**

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The following activities were included in our review:

ARNG-GSS, Army Strength Maintenance

NGB-ARM, (ARNG-GSE as of July 2008)

Washington State ARNG

Georgia ARNG

Puerto Rico ARNG

Pennsylvania ARNG

## VERBATIM COMMAND COMMENTS

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**NATIONAL GUARD BUREAU**  
1411 JEFFERSON DAVIS HIGHWAY  
ARLINGTON VA 22202-3231

ARNG-GSS

30 November 2010

MEMORANDUM FOR Chief, National Guard Bureau, ATTN: NGB Internal Review (NGB-ZC-IR)

SUBJECT: Response to Audit of the Army National Guard (ARNG) Recruiting and Retention Program, Report Number 1008-001

1. Enclosed is the official reply to the audit report on the ARNG Recruiting and Retention Program for consideration. Recommendations and suspense dates for completion are as stated in the response.
2. ARNG Strength Maintenance Division is committed to improving processes that will provide clear oversight of expenditure of funding for all recruiting and retention activities. We truly appreciate your time and effort in reviewing our practices and your recommendations for improvement.
3. POC is (b) (6) at 703-607-5305 or (b) (6)

(b) (6)

LTC, MS  
Chief, Strength Maintenance Division

Chief, Strength Maintenance Division

Official Command Response

*Reference Audit of the Army National Guard Recruiting and Retention Program (Audit Number 2008-001) p35-36*

**Objective -** Determine if the Program Objective Memorandum (POM) and Planning Product Budgeting Execution System (PPBES) processes contained adequate and effective internal controls and determine if the internal controls over Army National Guard Recruiting and Retention, Bonus Incentive and Education (hereby referred to as Army National Guard Strength Maintenance Division (ARNG-GSS)) processes and effective.

**Conclusion -** The ARNG-GSS generally had effective internal controls and procedures for some Recruiting and Retention, Bonus, Incentive and Education processes; however areas were identified that needed improvement.

**A-1 Recommendation:** Include all requirements in budget submissions and requests from the ARNG-GSS and from the states/territories to establish all requirements in the base funding request. This recommendation is to comply with reporting the cost of all requirements for all recruiting and retention programs. In addition, develop peacetime versus wartime requirements for budgeting purposes. This specifically relates to establishing a base funding amount versus what would be needed in the event of war and/or operational missions when additional funding may be needed to offset the difficulty in recruiting Soldiers under those circumstances.

**Management Comments:** Concur; ARNG-GSS has developed peacetime versus wartime requirements in FY10-15 POM and continued in FY12-17 POM process. ARNG-GSS revamped its POM moving all peace time funding supplemented with Global War on Terror (GWOT) funding into the base budget. As of FY 2010, ARNG-GSS no longer receives GWOT funding. Funding allocated in FY 12-17 POM has reduced ARNG-GSS funding by 20%. If in the future ARNG-GSS receives additional funding due to war Operations Tempo (OPTEMPO) the plan is to review each state accordingly to determine who needs to be funded for end strength shortfall (enlistments and retention) and mobilization rotations. Reporting data has improved to review funding execution and unfunded requirements (UFRs) based on OPTEMPO. This is accomplished through a monthly funding and manning status report (LES) that goes to all States, mid-year reviews and monthly review of execution statements. ARNG-GSS also has programs in place for states to provide documentation and reports of how funding is being executed at the state level. There is also a team that has been put in place to do state visits and on-site auditing. Date completed: February 2010.

**A-2 Recommendation:** Establish a contract oversight team to monitor and provide general guidance on contract administration, and ensure Contract Officer Representatives (CORs) are properly appointed, trained, and are performing their COR duties in accordance with the FAR and other laws

and regulations (specifically, monitoring contractor performance and progress, program expenses, certifying invoices, and total cost/accession)

**Management Comments:** Concur; a Contract Management Section has been established that includes one Officer and two Non-Commissioned officers. The section has issued guidance on proper Purchase Request submission procedures and requirements for Statement of Works/Performance Work Statements. The section also tracks and monitors all CORs and ensures they have the required training and appointment letters to include DD Forms 577s and other documentation as required. Additional training will be addressed as areas are identified that appear to have a material weakness. Date Completed: April 2010. All PGMs are required to submit a cost benefit analysis (CBA) when requesting renewal of contracts or submissions of new ones. An analysis cell is also being stood up. This section will monitor and review deliverables and ROIs. They will present all findings and recommendations thru their chain-of-command. Date to be completed by: EOM July 2011.

**A-3 Recommendation:** Establish an analysis team to monitor, track, validate, perform trend analysis, return-on-investment, and compile other data needed for individual programs such as Guard Recruiter Assistance Program (GRAP), Recruiter Incentive Program (RIP), Every Soldier a Recruiter (ESAR), and Recruit Sustainment Program (RSP) to ensure the proper management of all programs and resources and to support NGB's POM processes and to validate and justify each program's existence as well as total requirements.

**Management Comments:** Concur; a contract with Oak Ridge Laboratory was issued to assist with this area to include reviewing the GAO report and providing program recommendations. However, the programs listed above have either ended (RIP/ESAR) or have been or will be reduced significantly (GRAP – will reduce/RSP has been reduced). An analysis team has been established to review and analyze programs in order to determine if programs meet the established and whether they further justify the program existence. Two additional personnel have been hired in the Resource Management Branch and will be able to track and provide the services listed A-3. Date Completed: April 2010. The Contract Management Section reviews each Purchase Request to ensure there are no duplicate requirements. It is also the responsibility of the Branch Chiefs to review for redundancy and return on investment (ROI). This responsibility will be formalized in policy memos and are being reviewed for implementation. Date to Be Completed: EOM January 2011

**A-4 Recommendation:** Perform a complete review of existing programs for recruiting and retention to ensure programs are not duplicative and statistics are available to make informed management decisions regarding cost per accession and ROI to reduce or eliminate programs that are not cost effective.

**Management Comments:** Concur; per response in A2, CBAs are required before renewing any contract to ensure cost effectiveness and ROI. NGB-GSS is reviewing current programs not only for ROI but for programs that are in effect duplicate in effort (such as GRAP and ESAR). This and the reduced funding for the next FYs have resulted in the termination of 20% of ineffective programs. Major programs such as NASCAR and FLW are being reviewed for effectiveness and what can be revamped to ensure the



marketing of the programs produce solid results in enlistments and retention. Date to be completed by: EOM August 11.

**A-5 Recommendation:** Require training for resource management personnel performing financial functions at ARNG-GSS and the states/territories Recruiting and Retention Specialists (RRS)(manage the resources for each Recruiting and Retention Force (RRF)) to provide an adequate understanding of financial management and fiscal law applications. In order for these personnel to perform these functions, they should have at a minimum:

- o Financial background
- o Appropriate finance and budget related training. At a minimum, the following courses should be satisfactorily completed: Budget Officer Courses, Fiscal Law, and PPBES
- o Take refresher training as needed (e.g. fiscal law refresher every 5 years)

**Management Comments:** Concur; there are requirements in place for all individuals that handle finance within ARNG-GSS. PPBES course is required as well as a formal Fiscal Law Course every 5 years and refresher training every year thereafter. The ARNG-GSS Resource Management Branch will track these individuals training and maintain documentation of that training. In addition ARNG-GSS Resource Management Branch sends their personnel to include the State RRSs to other training when available, for example: Cost Benefit Analysis Training, RRS Course at PEC, GFEBs, RMOOnline, Dataware House, Micro-Soft Office, etc... ARNG-GSS will draft memorandum identifying minimal training requirements for RRS and required documentation to be kept on file. The RRS course is mandatory for all RRSs assigned to each RRF and the course is reviewed annually to ensure updated material and programs are being instructed. All course documentation for the RRSs will be on file with the RRS as an inspectable item. Date to Be Completed: EOM December 2010

**A-6 Recommendation:** Establish standard tracking, monitoring, and reporting processes at the ARNG-GSS and the states/territories for reporting on programs, funding, personnel, and other reporting mechanisms needed to compile necessary reports to provide to leadership. Also, establish standardized feedback reporting from the states and territories that would allow them to provide additional information, data, or situations that affect their ability to meet their mission goals (in addition to what is currently required and specifically any unfunded programs needed).

**Management Comments:** Concur; the monthly funding and manning status report (LES) was developed internally and is used as a standard reporting document for this Division and all States, and sent out monthly. States submit changes/corrections to the LES back to ARNG-GSS, as well as ARNG-GSS updates with new Director's Strength Readiness Overview (DSRO) and budget information. Each State is contacted monthly by ARNG-GSS Resource Management Branch to discuss any issues or concerns. The meetings are done in person, by telephone or video teleconference. Since this audit the LES has been morphed and grown. It is standard for every state - however not every state receives money in certain

programs so in that instance a program title will show zero amounts. As our reporting requirements change so will the LES as it is a living document. Date completed: February 2010.

**A-7 Recommendation:** Reevaluate the Recruiter Incentive Pay program (RIP) to adjust performance measures to capture recruiter performance that is above the normal requirements of the mission for incentive award purposes.

**Management Comments:** Concur; the Recruiter Incentive Pay Program no longer exists. ARNG-GSS is currently looking at re-establishing the program to utilize as an incentive for low density MOS's. However, the findings of this audit will utilize to provide insight and shape the new policy to ensure the incentives meet the desired outcome. Oct 2010 for possible implementation of RIP like program which is minimal in cost compared to RIP of the past several FYs. Date CBA to be completed: EOM September 2011.

**A-8 Recommendation:** Amend the current organizational structure as needed to facilitate strategic planning, strategic analysis, and POM development. In addition, the organizational structure should include the contract oversight team mentioned in this audit report.

**Management Comments:** Concur; as mentioned previously in A2, a Contract Management Section has been added to ARNG-GSS Resource Management Branch and two additional personnel have been hired to assist with planning, analysis and POM development. Date Completed: April 2010

**A-11 Recommendation:** (A-9 and A-10 are missing in original report) Provide guidance to the states/territories to help them maintain funding visibility and accountability to the ARNG-GSS for funds management in accordance with ARNG-GSS expectations.

**Management Comments:** Concur; in addition of the Published Budget Guidance (PBG) sent out at the beginning of each year and the monthly LESs, ARNG-GSS utilizes Strength Maintenance Operational Messages (SMOMs) as needed to provide guidance on existing or new programs/policies. Quarterly reviews are conducted with each state to ensure they are executing their programs. States not meeting execution goals are given a suspense date to improve the execution or have the funds withdrawn and distributed to another State. Standardized reporting has been implemented with the programs used by ARNG-GSS and the field to include RM Online, RAM II, GKO, AFCOS, and Network Fleet. The LES also provides the state standardized feedback at the NGB level and states in turn respond to the data. NGB-GSD also has in place the Full Time Support Management Control System (FTSMCS) web-based program that allows standardized reporting for all AGR positions, TDA and T32 funding (personnel). GFEBs is also coming on-line which will provide more visibility than we have now with RM Online and NGB Online. NGB-GSD is in the process of the NGR 601-1 rewrite to implement previous SMOMs and update policy to current day and future recruiting initiatives, TDA changes, and Resource limitations. This should eliminate the need for excessive SMOMs sent to the field, stream line the data to one citation with exceptions to policy to be reviewed at the NGB level. Date to be completed: EOM October 2011.



**NATIONAL GUARD BUREAU**  
111 SOUTH GEORGE MASON DRIVE  
ARLINGTON VA 22204-1382

NGB-EDU

04 June 2010

MEMORANDUM FOR Comptroller/Director of Administration and Management,  
National Guard Bureau

SUBJECT: Reply to Audit of the Army National Guard (ARNG) Recruiting and  
Retention Program, Report Number 2008-001

1. Please find attached responses to study recommendations attached as Enclosure 1.
2. The point of contact is (b) (6), Incentives Oversight Branch Chief,  
(703) 601-7651.

(b) (6)

COL

Encl 1

COL, FI  
Chief, Education, Incentives, and  
Employment Division

## NGB-EDU Response to NGB-ZC-IR Report Number 2008-001

**Recommendation A-12:** Improve the processes for applying bonuses to MOSs and UICs. Specifically, maintain approval and assignment of bonuses for the majority of the MOS's and UIC's within the NGB-EDU. In addition, request/obtain and utilize percentage fill reports from the states and territories in determining the eligibility for MOS's and UIC's to qualify for bonuses.

**Management Comments:** CONCUR. The Selective Reserve Incentive Program (SRIP) Fiscal Year 2010 (FY10) Policy realigns the Army National Guard (ARNG) Bonus and Incentive Program from an end-strength focus to an organizational readiness focus. Implementation of the SRIP FY10 policy is pending Information Management and Reporting Center (IMARC) automation upgrades to restrict bonus eligibility to valid vacancies in critical skills or units contingent on the State, Territory, or District being below authorized end strength. The IMARC system will use the Automated Unit Vacancy System (AUVS) data to determine if a requested bonus is for a valid vacancy for a critical unit or skill. The legacy Critical Unit Identification Code (CUIC) and Critical Military Occupational Specialty (CMOS) bonus lists will be discontinued under SRIP FY10. The Non-Prior Service (NPS) and Prior Service (PS) bonuses will be applied uniformly for valid enlisted vacancies with MOS fill below 80% to increase strength readiness ratings reflected on the Unit Status Report (USR). Implementation of the SRIP FY10 is expected no later than 01 July 2010.

**Recommendation A-13:** Coordinate with all states and territories to ensure POCs at the states and territories perform periodic updates in the IMARC database so eligible Soldiers or individuals do not experience problems receiving benefits such as bonuses and education payments. For example, set requirements for the monitoring of the Over-Strength and Over-Due Payments reports.

**Management Comments:** CONCUR. The current Information Management and Reporting Center (IMARC) does not perform automated quality control measures to verify and validate bonus eligibility at any point in the bonus or incentive management cycle. To remedy this limitation, IMARC data is currently being compared to multiple SIDPERS/TABDB-G/ATRRS data sets to confirm the accuracy of IMARC data prior to payment of incentives. The cross-referencing is currently achieved through the manual referencing of data bases with manual follow up by NGB-EDU personnel and/or State, Territory, or District Incentive Managers. The next step will be an upgrade of IMARC to support the 100% automation of the quality control process with State, Territory, or District Incentive Managers charged with resolving IMARC records "flagged" due to data mismatches with external database systems prior to transmittal of records to NGB-EDU for payment. Although not fully implemented at this time, the automation of bonus eligibility and payment quality assurance steps will all but eliminate problems with Soldiers receiving late bonus and education payments. The automated quality assurances will also validate and verify over-strength position fill using Automated Unit Vacancy System (AUVS) and SIDPERS data to ensure a Soldier is in a valid position to maintain bonus eligibility, etc. These improvements will be incorporated into the Management Control Program and will be subject to at least a 10% quality assurance audit of bonus payment records. Implementation of IMARC automation upgrades is expected no later than 30 September 2010.

**Recommendation A-14:** Provide additional IMARC training to all POCs at the states and territories that include training on user input and reporting requirements.

## NGB-EDU Response to NGB-ZC-IR Report Number 2008-001

**Management Comments:** CONCUR. The Education Support Contract (W9133L-09-D-004) with period of performance through 09 September 2010 addresses the training requirements of the State, Territory, and District Incentive Managers through the update of the Incentive Manager Course conducted at the National Guard Professional Education Center (NG-PEC) and through direct customer support and assistance to the Incentive Managers on a regional basis. The improvements to Incentive Manager training are being developed through a Critical Task Selection Board (CTSB) composed of Subject Matter Experts (SMEs) examining initial qualification training requirements, sustainment training requirements, and refresher training requirements necessary to manage the bonus and incentive program at the State, Territory, District, and/or National level. The CTSB is also studying the most appropriate training delivery method considering onsite, distance learning, and residence formats. The goal of the updated curriculum is to provide effective duty position functional training as well as IMARC system user tools and reporting capabilities to improve overall program management. Implementation of the improved Incentive Managers Course is expected no later than 30 September 2011.

**Recommendation A-15:** Provide the states/territories information for SIDPERS personnel related to identification of correct codes to be used in the SIDPERS database and how these codes affect IMARC reporting. Specifically, codes 9991, enlistment against a potential loss and 9993, excess to authorized strength for a unit (over-strength).

**Management Comments:** CONCUR. The pending upgrades to the Information Management and Reporting Center (IMARC) will all but eliminate SIDPERS coding issues through the automation of quality control measures between IMARC data and SIDPERS/TABDB-G data. The utilization of Automated Unit Vacancy System (AUVS) data to verify valid vacancies will also reduce issues with SIDPERS coding issues related to pending losses and authorized over-strength positions. Also, the incorporation of State, Territory, and District SIDPERS data tables within the IMARC system will support effective program analysis in the areas where the State, Territory, and District are allowed to establish their own specific SIDPERS coding conventions. Implementation of IMARC automation upgrades is expected no later than 30 September 2010.

**Recommendation A-16:** Modify contract number W912JB-06-D-4014 to use separate funding lines for separate programs to allow cost/benefit analysis and to enable the proper tracking of each programs costs. These programs are specifically, the RIP and ESAR programs contract.

**Management Comments:** CONCUR. The Recruiter Incentive Program (RIP) and Every Soldier A Recruiter (ESAR) programs are currently suspended since they were not extended beyond the two year pilot phase. The referenced contract is an NGB-ASM IDIQ. The move of ASM and EDU to IDIQ contract vehicles supports the use of separate task orders with multiple CLINs for each unique requirement. This detailed approach supports appropriate return-on-investment and related cost-benefit analysis to the individual program and/or task level. Implementation occurred in Fiscal Year 2009 (FY09).



## NGB-EDU Response to NGB-ZC-IR Report Number 2008-001

**Recommendation B-1:** Establish improved controls over the critical MOS and UIC processes. Specifically, controls over monitoring, managing, oversight, and applying/determining bonuses associated with classification of critical MOS's and UIC's. These controls must ensure NGB-EDU approves and manages all bonuses; however, determining eligibility and selecting critical MOS's need to be derived from an analysis of percentage fill reports from the states and territories.

**Command Comments:** CONCUR. The ongoing Decentralized State Incentive Program (DSIP) pilot study incorporates the Readiness Prediction Model (RPM) and the Automated Unit Vacancy System (AUVS) to bonus to the individual paragraph/line number level based on near "real time" strength readiness requirements. A critical MOS and/or UIC is determined on a daily basis for valid vacancies using personnel readiness metrics to include overall percentage fill for a given State/Territory, UIC, and/or MOS. The DSIP is currently limited to Kentucky, Alaska, Hawaii, Guam, Puerto Rico, and the Virgin Islands. Expansion of the DSIP is contingent on refinement of the automated program management tools. Implementation is anticipated within 12 months pending automation systems capabilities and OSD approval of an RPM based Selective Reserve Incentive Program (SRIP). In the meantime, SRIP FY10 implementation on/around 01 July 2010 will incorporate critical enlisted bonuses for MOS's below 80% strength with the MOS remaining on the bonus list until reaching 100% fill IAW NGB-EDU position fill metrics to prevent over strength position bonuses, etc. Implementation of automated tools is TBD and manual checks and balances will be maintained by NGB-EDU personnel pending full implementation of the DSIP.

**Recommendation B-2:** Ensure Bonus, Incentives, and Education positions are independent of the RRC and that personnel are appointed at each state/territory.

**Command Comments:** CONCUR. The strategy to resolve these issues is to be developed (TBD) pending coordination with NGB-ARM, NGB-ARF, and NGB-ARP regarding State Education Office full-time support, TDA positions, and related policies to determine an effective "way ahead". The intended result of the NGB staffing will be a State Education Office template to allocate an appropriate level of TDA positions and full-time support authorizations to conduct essential program tasks. A review of SMARTBOOK DA PAM 611-21, Table 11-28 Standards of Grade National Guard Recruiting and Retention Battalion (RRB) will also be staffed to determine if the currently required Marketing and Education Outreach Section (Paragraph 5) personnel can be employed without violating the recommended separation of bonus, incentive, and education functions from the RRB chain-of-command in order to achieve applicable U.S. Government Accountability Office (GAO) internal control standards. Implementation of the solutions is TBD with strategy development expected NLT 31 December 2010.



REPLY TO  
ATTENTION OF

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ANNEX C

DEPARTMENT OF THE ARMY  
GEORGIA ARMY NATIONAL GUARD  
HEADQUARTERS, OGLETHORPE ARMORY  
5019 HIGHWAY 42  
ELLENWOOD, GA 30294

HD-JFHQ-G1

24 August 2010

MEMORANDUM For Comptroller/Director of Administration and Management, National Guard Bureau (NGB)

SUBJECT: Response to ARNG Recruiting & Retention Program Audit Number 2008-001

1. This memorandum is to give you an idea of (b) (6) passion to attend your school in the broadcast journalism program. She is young and is filled with potential to accomplish great feats.

2. Please see the below comments as it relates to audit findings.

**B-6 Recommendation:** GAARNG – Develop sound processes for monitoring, analyzing, and reporting on the Bonus and Incentive processes. This process was not auditable during our review. In addition, ensure an audit trail is available as required in reporting and internal control regulatory guidance.

**Command Comments:** Concur. The GAARNG Education Services and Incentive Programs office has implemented several procedures to ensure monitoring, accountability, and reporting of Bonus and Incentive programs. In 2009, a Lean Six Sigma project was completed that significantly reduced the amount of resources including time needed to process Non-Prior Service (NPS) bonuses-the majority type of bonus we process. As a result of this project, several methods were put in place, not only for NPS bonuses but for other incentive programs as well. We have created a manual backup system to catch any errors of IMARC database system.

**B-7 Recommendation:** GAARNG – Reissue appointment letters to appointed officials of the GPC Program. The appointment letter should at a minimum resemble DD Form 577, Appointment Letter. The primary purpose of the appointment letter is to have all appointed officials countersign all required forms or agreements to ensure an understanding of their responsibilities and applicable guidance related to their duties.

**Command Comments:** Concur. The GAARNG Education Services and Incentive Programs is in compliance with the GAARNG in reference to rules and regulations of the GPC program. The requirement is to fill out and sign both a Certificate of Sub-delegation and a Certificate of Understanding, which both myself as Certifying Official and SSG Angelia Countryman both possess. We are willing to do a DD form 577 if required.

3. Any questions or concerns pertaining to this memo may be directed to the undersigned at (b) (6) or (404)293-6325.

//Original Signed//

(b) (6)  
MAJ, LG

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ARNG Recruiting and Retention Program (Audit Number 2008-001)

Page 71

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Record Posted to NGB Reading Room  
13 June 14

FOIA Requested Record #J-11-0035  
Released by National Guard Bureau  
Page 526 of 554

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**ANNEX C**

Education and Incentive Officer

PFO-IR (11-7a)

31 August 2010

**MEMORANDUM FOR RECORD**

**SUBJECT:** Management comments for recommendation B-7 of the ARNG Recruiting and Retention Program audit # 2008-001

1. Recommendation B-7 of the National Guard Bureau's (NGB) draft report on the Army National Guard (ARNG) Recruiting and Retention (R&R) Program recommends that the GAARNG reissue appointment letters to appointed officials of the GPC Program. The report recommends that the appointment letter should at a minimum resemble DD Form 577, Appointment Letter.
2. Since NGB's visit in 2008, the USPFO for Georgia has implemented USPFO-GA SOP 15, dated 5 March 2009. Paragraph 7(3) states that, "Billing Officials must complete DD Form 577 IAW Appendix J of this SOP." Appendix J contains instructions to complete DD Form 577.
3. In reference to recommendation B-7, we concur. Since NGB's visit in July 2008, Georgia has required all billing officials to complete DD Form 577. These actions were implemented 5 March 2009.

(b) (6)

Encl

Colonel, USAF  
USPFO for Georgia

USPFO-GA SOP 15

5 March 2009

v. Supply: All property except land or interest in land. Tangible items; for example, paper, pencils, desks, chairs, etc. The equivalent term in commercial contracting is, "Goods".

w. Tax Exemption: All purchases made using the government purchase card are, by law, exempt from state and local taxes. "U.S. GOVT TAX EXEMPT" appears on the face of each card. The Federal tax-exempt number is 58-500-2025. Tax exempt certificates may be obtained from PFO-PC or on P&C's SPortal.

## 6. PROGRAM OVERVIEW

a. The government-wide commercial purchase card, an internationally accepted VISA credit card, allows the cardholder to make purchases under Delegation of Authority by the USPFO for Georgia. The card is a distinctively designed card inscribed "UNITED STATES OF AMERICA, FOR OFFICIAL USE ONLY U.S. GOVT TAX EXEMPT" and bears the seal for the United States of America.

b. A number of unique controls have been developed for the government purchase card program ensuring the card can only be used for specific purposes and within a specified dollar limit.

c. Local purchases are still a viable means of procurement; however, they will only be used when the cost of the purchase of services/supplies is over the \$3,000.00 micro-purchase level.

## 7. ADMINISTRATION

### a. Establishing and maintaining a GPC Account.

(1) A prospective Cardholder must be nominated by their Billing Official by memorandum and completing the GPC Set-up form used by this office. Signatures will verify the individual's trustworthiness and reliability in carrying out the responsibilities inherent in holding a GPC. Officials should only nominate individuals who have demonstrated responsibility and possess the required business acumen to be entrusted with a GPC.

(2) Cardholders whose nominations have been accepted must successfully complete the required GPC and procurement ethics training and be delegated micro-purchase authority by USPFO-P&C prior to receiving a GPC. Initial training requirements include Web-Based Defense Acquisition University (DAU) DoD GPC Training Course (Instructions in App F of this SOP) and AOPC (USPFO-P&C) conducted training.

(3) Annual refresher training for all Cardholders and Billing Officials can be accomplished by local AOPC conducted classes or DAU GPC training courses. The local training is first priority with DAU Web-based training as an alternative due to the relevant changes or special local requirements not contained in the DoD training. Cardholders and Billing Officials who fail to complete annual training shall have their GPC account suspended until training is completed. Billing Officials must complete DD Form 577 IAW Appendix J of this SOP.

b. Military Standard Requisitioning and Issue Procedures (MILSTRIP) Requisition. Should be used when the quantity is over the normal consumption level.





NATIONAL GUARD BUREAU  
U.S. PROPERTY AND FISCAL OFFICE FOR WASHINGTON  
CAMP MURRAY, TACOMA, WASHINGTON 98430-5175

RTTY TO  
A: US-ONTO-

600WA-110-018

15 October 2011

MEMORANDUM FOR NGB ZC (R, AU) (b) (6)

SUBJECT: Response to recommendation B5 made in draft audit report of the Army National Guard (ARNG) Recruiting and Retention Program, Report Number 2008-001

1. The following is the response to recommendation B5: that the WA-ARNG - improve funding reports provided by the USFPO to the RRC Commander. They should be similar to the example provided during the audit, which summarized funding categories by MDP and AMSCD. Enclosed is subject report for your review and disposition.

*Concur, the Washington Financial Manager will continue to provide the RRC Commander financial reports/data as required*

2. The point of contact is (b) (6) Financial Manager, commercial (253) 512-8316.

(b) (6)

USFPO for Washington

CB  
AA-Army  
CoS-Army  
BRB/C/MJ





DEPARTMENT OF THE ARMY  
RECRUITING AND RETENTION BATTALION  
BUILDING 33, CAMP MURRAY  
YACOMA, WASHINGTON 98430-5000

NGWA-RRB-CMD

9 June 2010

MEMORANDUM FOR Supervisory Auditor, US Property and Fiscal Office for Washington,  
Building 32, Camp Murray, WA 98430

SUBJECT: Draft Audit Report for ARNG Recruiting and Retention (Audit No. 2008-001)

1. This memorandum is in response to the draft audit report for ARNG Recruiting and Retention Program (Audit Number 2008-001) findings and recommendations for Washington State, specifically B-4.
2. The audit found that there appeared to be a conflict of interest with the State Incentive Manager working within Recruiting and Retention Command. The concern was that the Recruiting and Retention Manager (RRM) could influence the State Incentive Manager to issue bonuses that would improve the state accession mission, as opposed to the directed bonuses authorized by NGB. The auditor cited that in accordance with the Military Personnel Management Office (MPMO) staffing guidance, the G-1 must select personnel outside of the Recruiting and Retention Command for such a position.
3. The concern for a conflict of interest and undue influence by the RRM is not possible with the procedures utilized by NGB to process bonuses. The eligible MOSs are directed by NGB, not the RRM. If a Soldier qualifies for a bonus, the MEPS Guidance Counselor inputs the Soldier's information into iMARC to request a control number. The incentive manager approves it in iMARC and issues a control number. The request is then forwarded to NGB/PEC for review. PEC ensures the request is valid and then sends it to DFAS to process bonus payment. At no point is there an opportunity for the incentives manager to approve and process payment for a non-qualifying MOS, as there is an additional echelon overseeing the process.
4. The staffing guidance referenced in the recommendation could not be identified. The former RRM, current G1, recalls seeing a draft used during the audit, but feels the location of the bonus/incentives manager is acceptable within RRC and sees no conflict of interest. NGB's incentives department has not seen the MPMO guidance either, but feels there is no conflict of interest as the same directorate at NGB is implementing policy for both incentives and recruiting and retention.
5. The POC for this memorandum is the undersigned at 253-512-8328.

(b) (6)

LTC, FA, WAARNG  
Commanding

## EXPLANATION OF POTENTIAL MONETARY BENEFITS

---

We believe monetary benefits are associated with this audit; however, we could not calculate them until the ARNG-GSS reviews their programs and makes necessary changes in the number of recruiting programs that target accessions. By implementing our recommendations in this report, the ARNG-GSS should realize monetary savings.

In addition, the Bonus, Incentive, and Education programs can also put funds to better use by improving the management of critical MOSs and UICs. By implementing the recommendations in this report, the ARNG-GSE will be able to save funding currently being applied to over-filled MOSs and apply them to other critical MOSs to significantly enhance and improve readiness for the ARNG. Again, we could not determine the amount of funding that could be put to better use due to the ARNG-GSE having to re-evaluate their processes for monitoring critical MOSs and implementing new policy that would provide more visibility and accountability over providing bonuses towards critical MOSs.

## POTENTIAL MONETARY BENEFITS SUMMARY FOR MULTIPLE RECOMMENDATIONS

This document states an opinion of the National Guard Bureau (NGB) Internal Review and Compliance Office and does not represent the official position of The Army or The Air Force. This document is exempt from disclosure under the Freedom of Information Act [5 USC 552(B)(5)] and should not be released outside The Army or The Air Force because opinions stated herein, if quoted outside the proper factual context, could be prejudicial to a full understanding of the subject matters to which these opinions relate.

**AUDIT REPORT NO:** 2008-001

**DATE:** 19 June 2009

**AUDIT TITLE:** ARNG Recruiting and Retention Program Internal Controls

RECOMMENDATION	* FUNDS PUT TO BETTER USE	* QUESTIONED COSTS
<u>A-3, A-4</u>		

\* Represents amounts that should accrue from implementing the recommendation and that could be reasonably estimated at time of audit, considering variable factors and assumptions. Actual benefits to be realized depend on management's acceptance of recommended actions, timeliness of actions, and the precise nature and effect of actions taken.

## Activities Receiving Copies of This Report

Chief, National Guard Bureau

Assistant Chief, National Guard Bureau

Army National Guard Chief of Staff

ARNG-GSS

ARNG-GSE

Washington State Adjutant General

Washington State RRC, Commander

Washington State USPFO

Puerto Rico Adjutant General

Puerto Rico RRC, Commander

Puerto Rico, USPFO

Georgia Adjutant General

Georgia RRC, Commander

Georgia USPFO

Pennsylvania Adjutant General

Pennsylvania RRC, Commander

Pennsylvania USPFO

NGB-ZC-IR

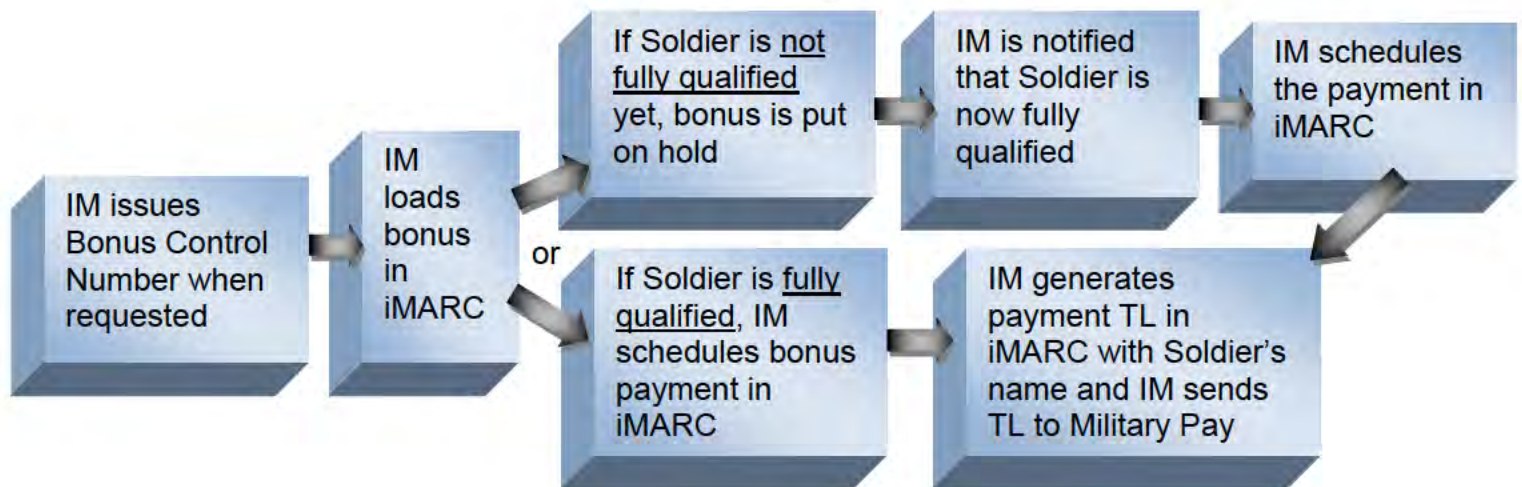
## Audit Team

Chief, Audit Operations: (b) (6)

Senior Auditor: (b) (6), CDFM



## Bonus, SLRP, and FTA Process Flowcharts

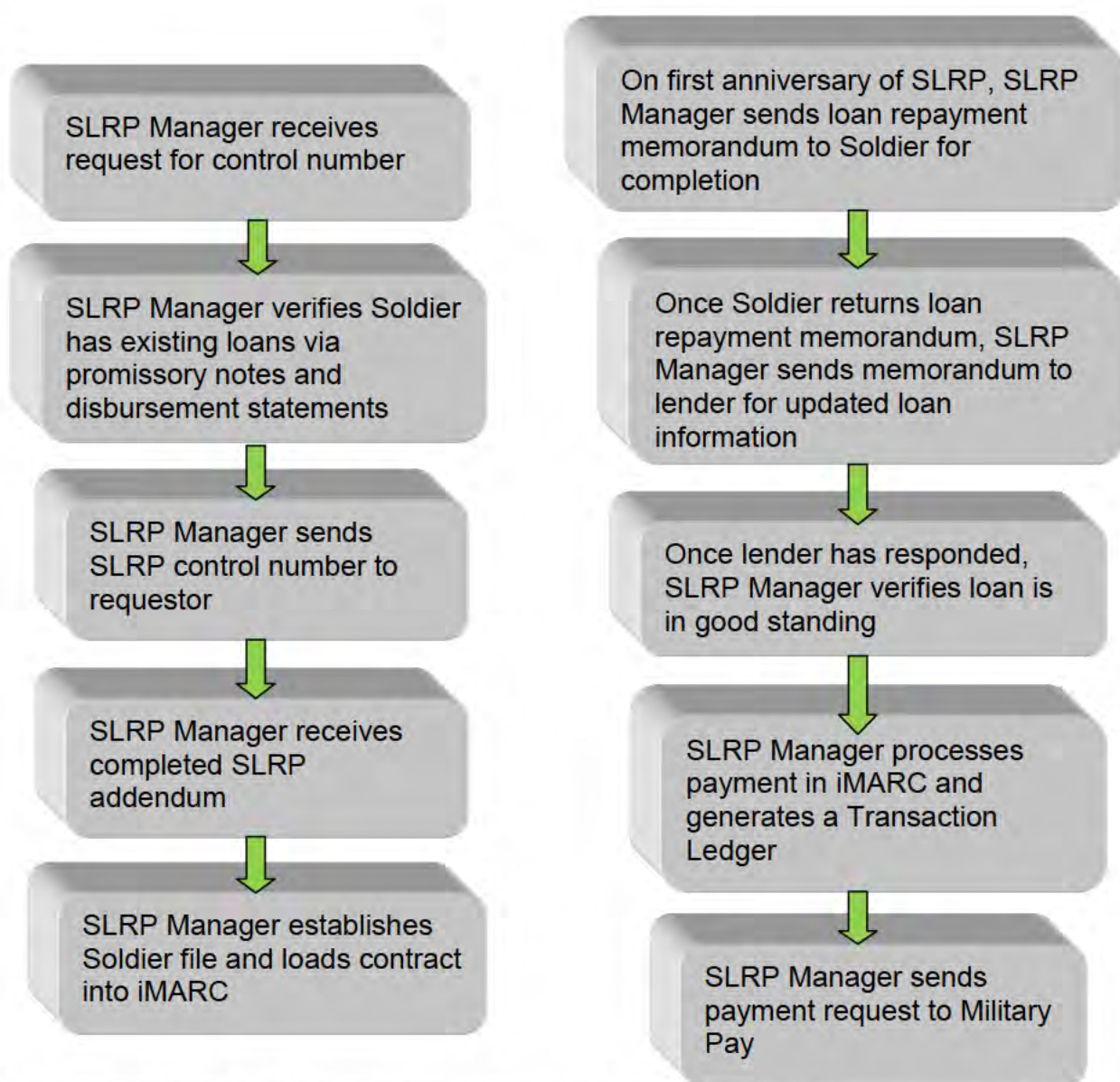
**BONUS PROCESS**

IM = Incentive Manager  
iMARC = Bonus, Incentive, and Education  
tracking database  
(tracks status of Soldiers and funding)

# STUDENT LOAN REPAYMENT PROGRAM (SLRP) PROCESS

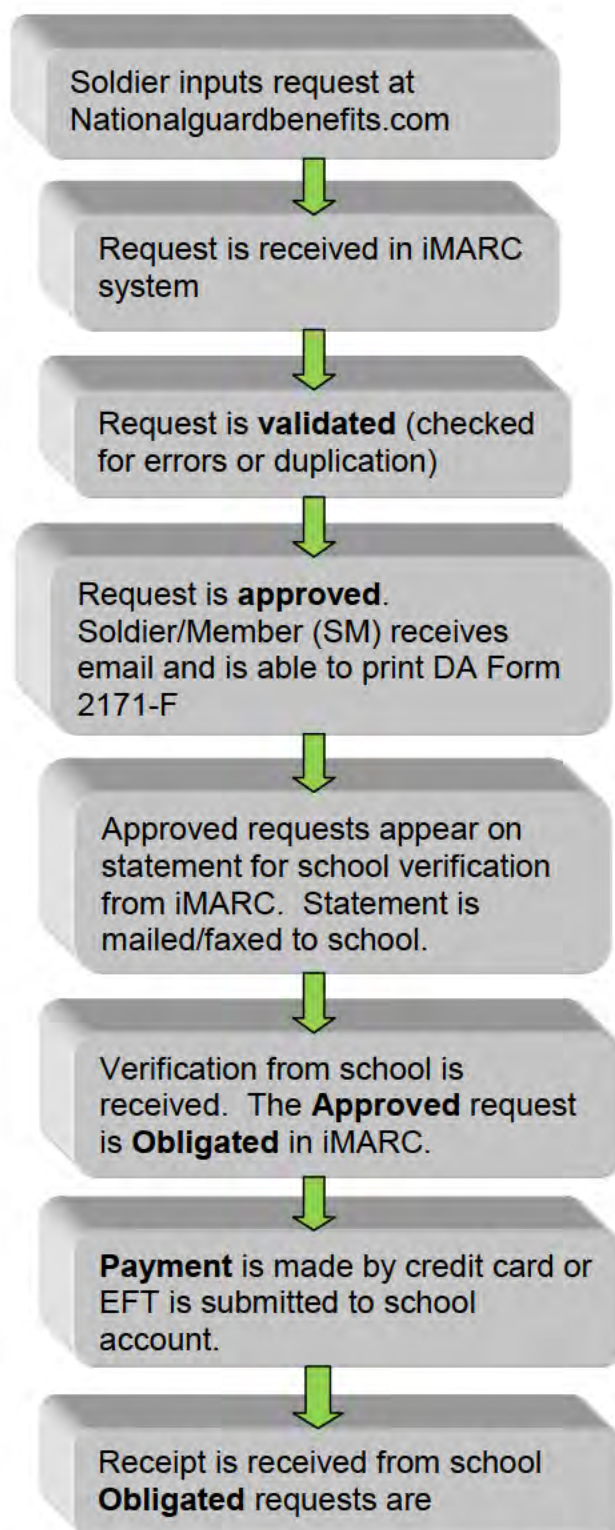
## Part one – Establish file and enter into iMARC

## Part two – Validate and make payment

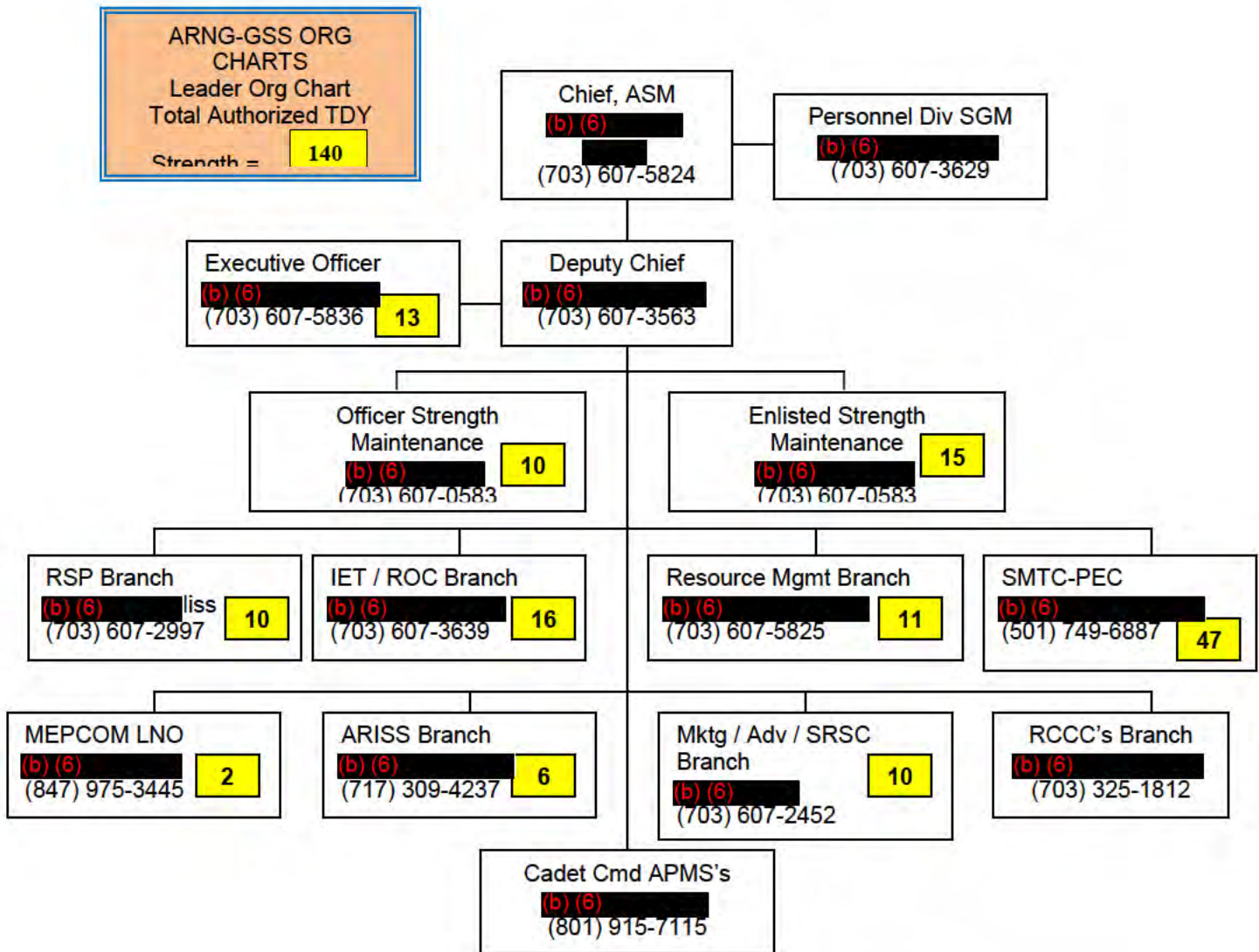




## FEDERAL TUITION ASSISTANCE PROCESS



## NGB Directorates Organizational Structures

ARNG-GSS

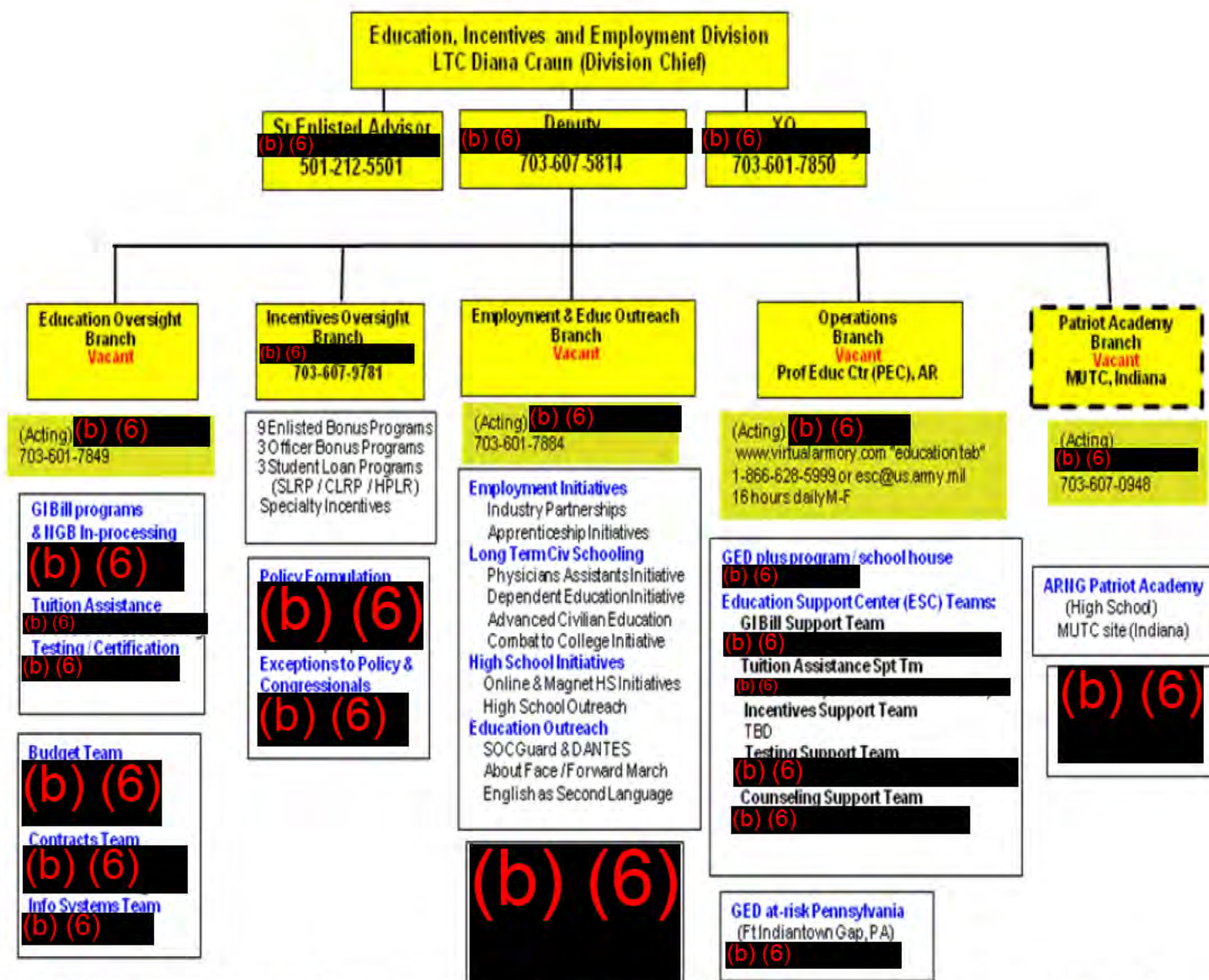


During the course of our audit, the NGB stood up a new division that has assumed all of the functions we were auditing; bonus, incentive, and education processes. The new division is titled: ARNG-GSE. We have included the new organizational chart for ARNG-GSE here:

As of 08 Dec 2008

## National Guard Bureau

## NGB-EDU Division

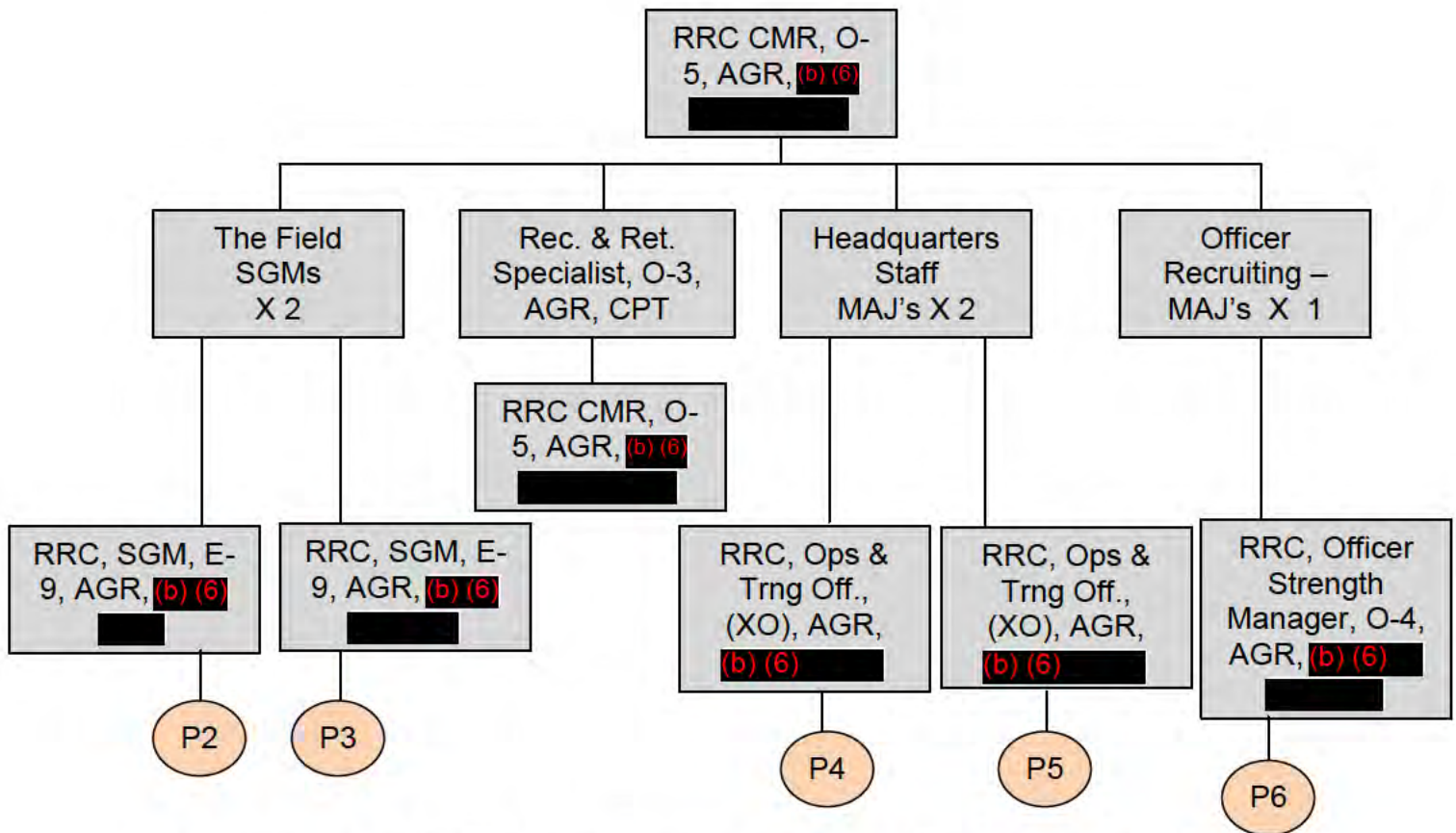




## State/Territory RRC Organizational Structures

The Washington ARNG RRC organizational structure:

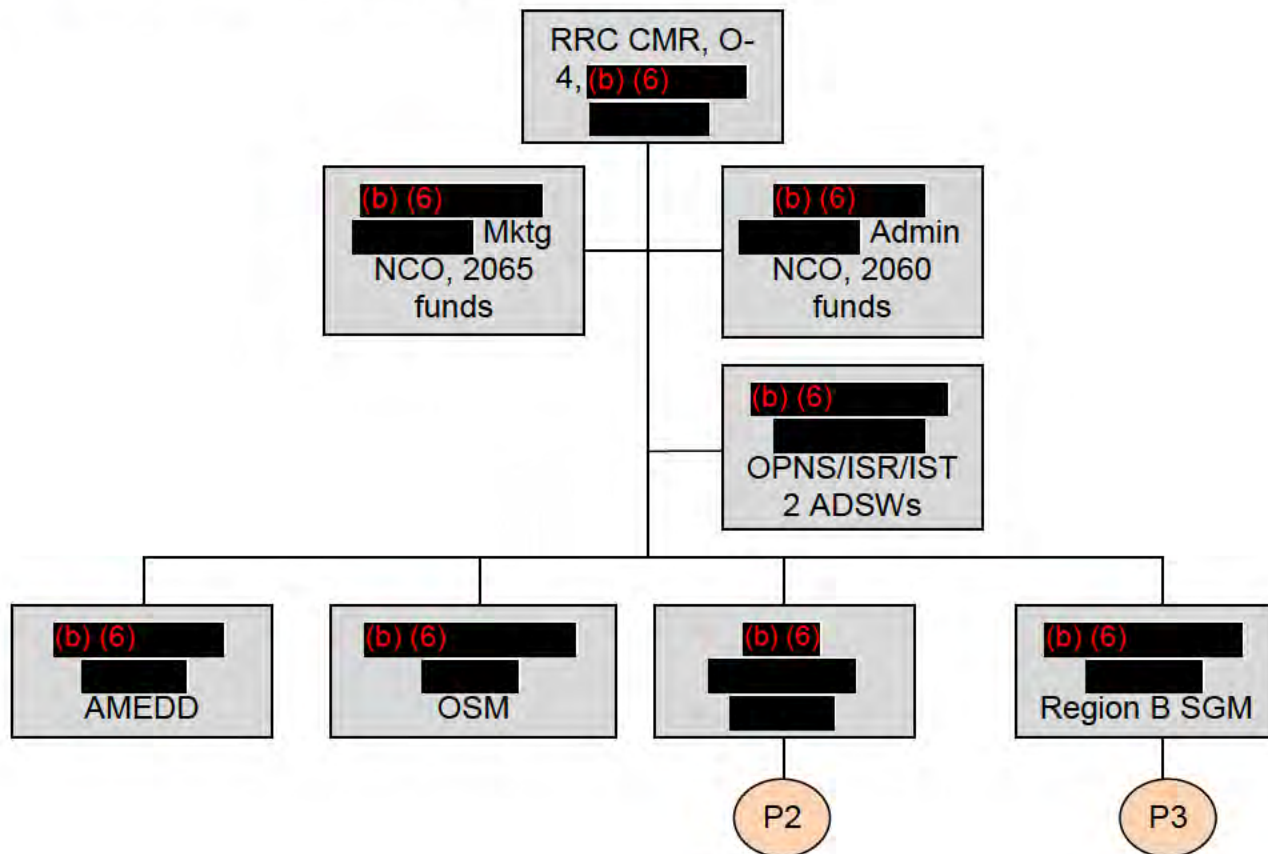
We only included a simplistic organizational chart here. For a detailed organizational chart, please click on the link under the chart below.



For connecting pages (P2-6) and organizational details please click on this link:

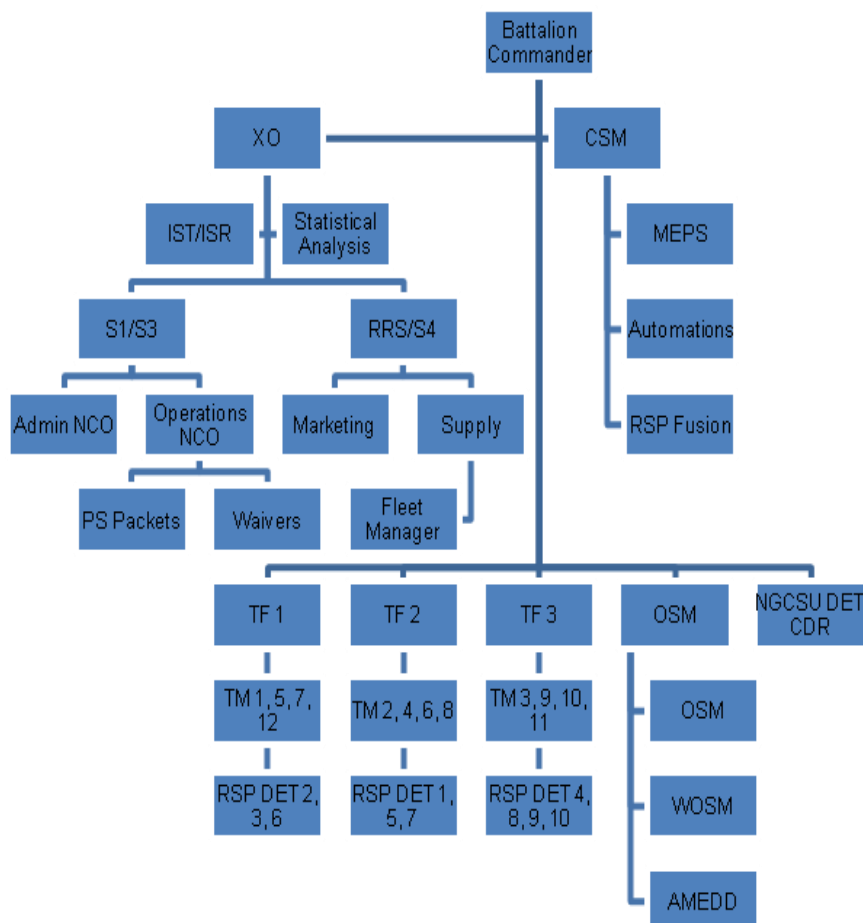
[WAARNG, RRC Organizational Flowchart](#)

The Puerto Rico ARNG RRC organizational structure



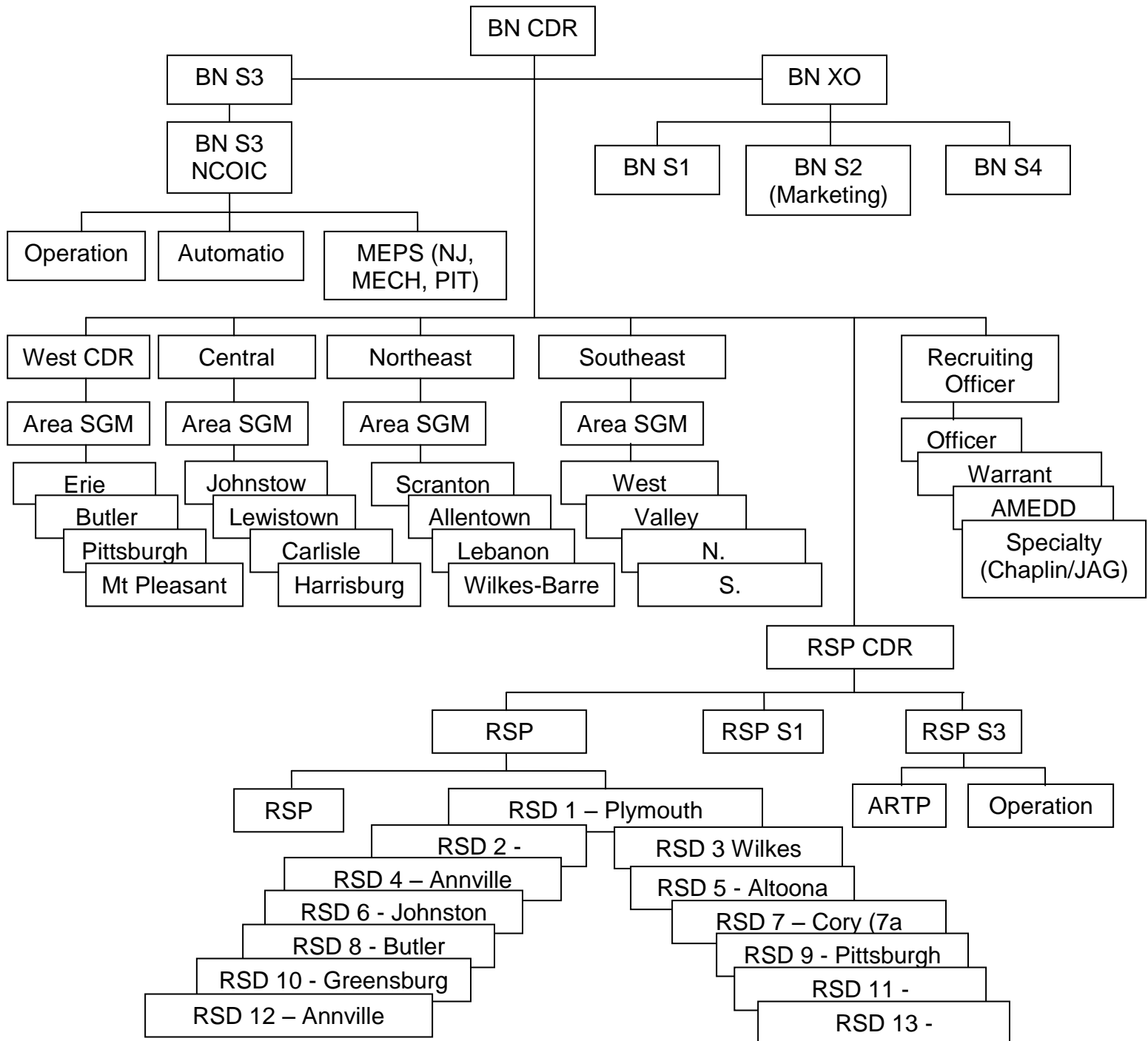
Please click this link for a detailed organization chart - [RRC Organizational Chart - PR](#)

The Georgia ARNG RRC organizational structure



Hyperlink to the GAARNG RRC organizational structure: [GAARNG RRC Organizational Structure](#)

The Pennsylvania ARNG RRC organizational structure:

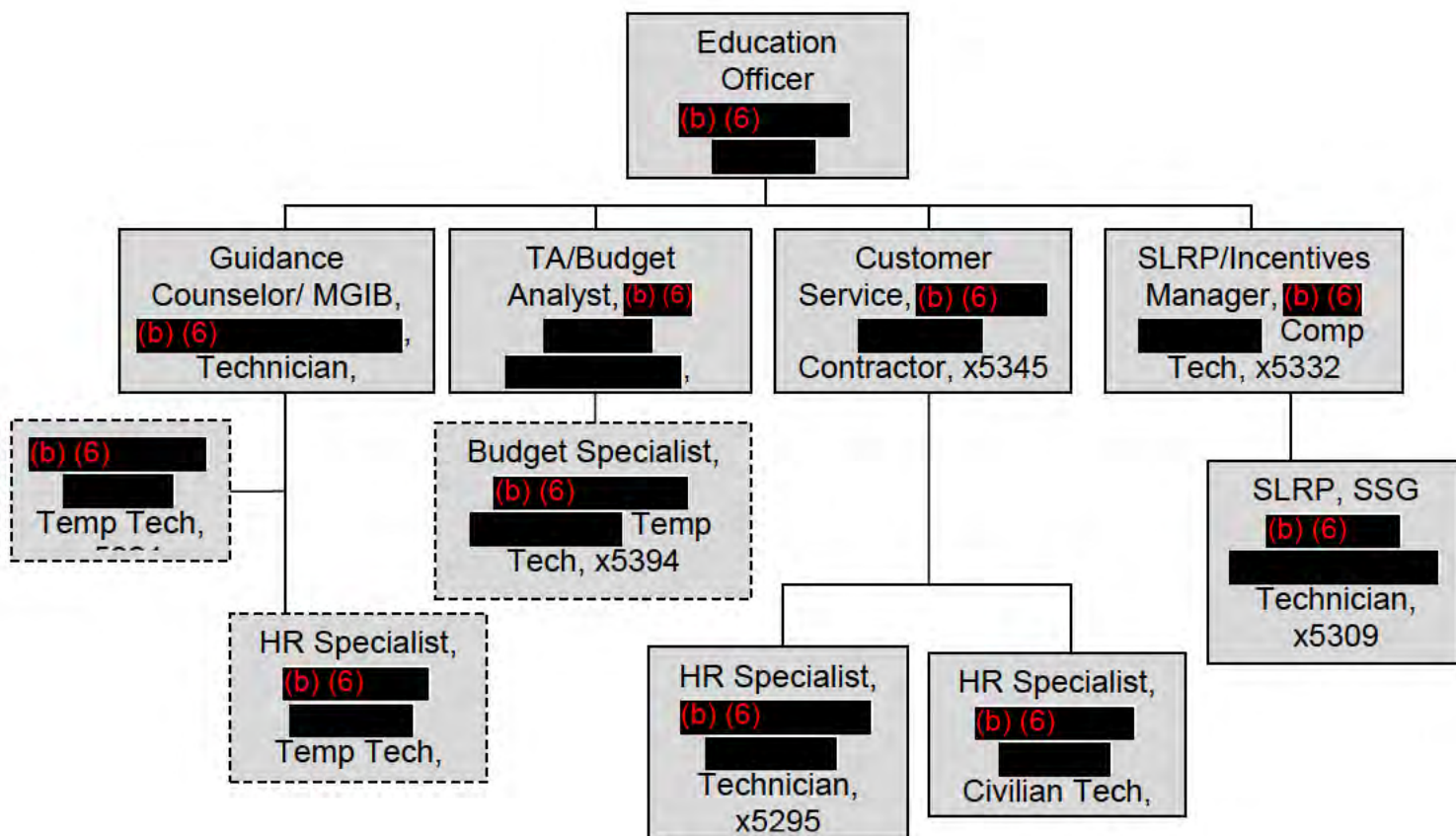


Hyperlink to the [PAARNG RRC Organizational Structure](#)



## Selected Activities' Education/Bonus Structures

GAARNG Education Incentives organizational structure:

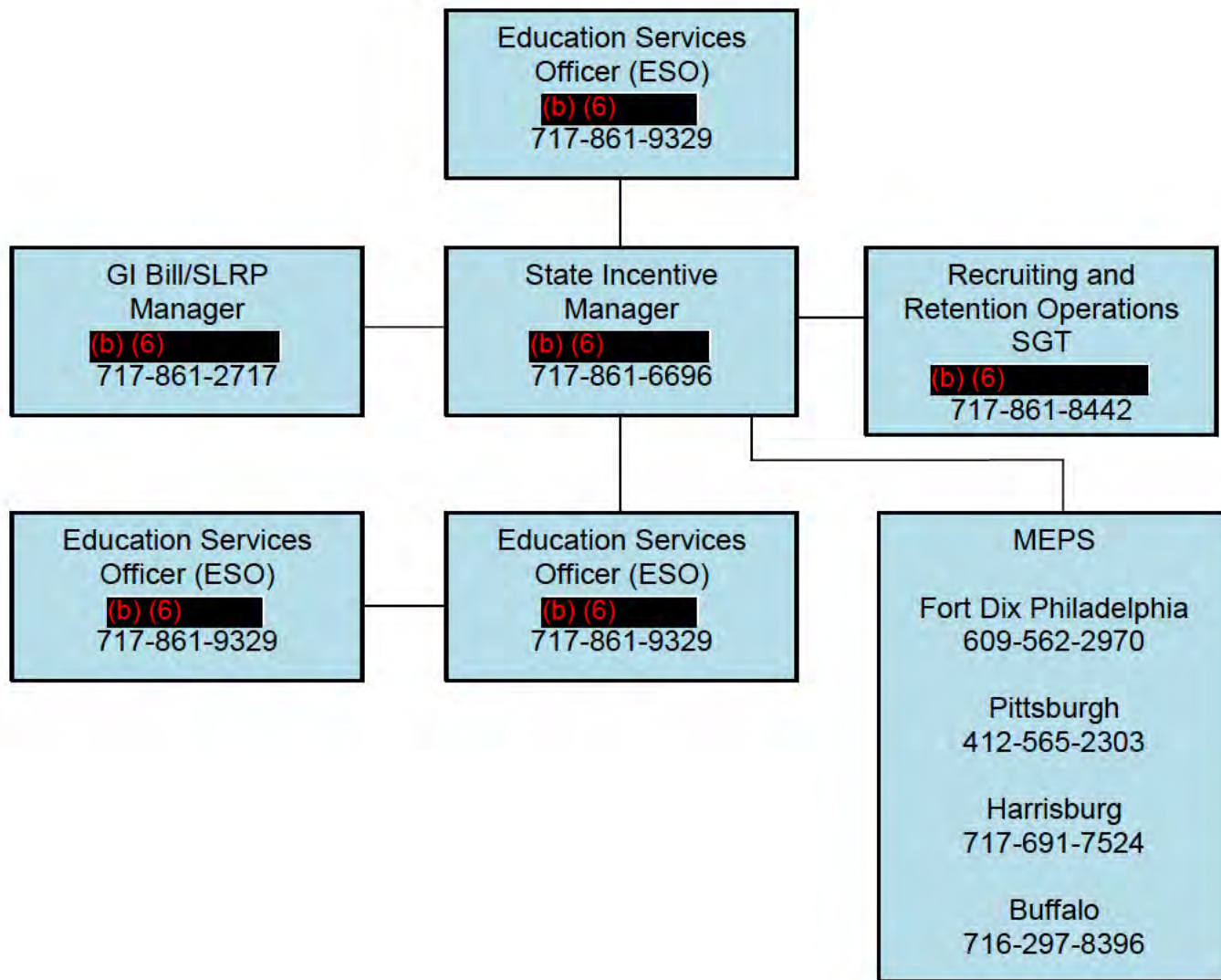


Hyperlink to the [GAARNG Education Incentives Branch Organizational Structure](#)



PAARNG Bonus and Incentive organizational structure:

**Incentive Office Flowchart**





# National Guard Bureau



## Lessons Learned NGB Incentives Process Review

**14 March 2011**

**NATIONAL GUARD BUREAU  
1636 Defense Pentagon  
Washington, District of Columbia 20301-1636**

## **Preface**

This Lessons Learned document is intended to provide staff guidance for lessons learned during the National Guard Bureau Incentives Process Review.

The document has been tailored to ensure that management, technical, and supporting processes comply with the process mapping conducted as part of the Process Review.

The Chief, ARNG Guard Strength Directorate assumes responsibility for this document and updates it as required to document and identify trends and lessons learned.

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## 1. Overview

Newspaper articles published during October 2010, discussed the challenges that the National Guard faces in regards to weaknesses in the student loan repayment and bonus areas. On 14 October 2010, General Craig R. McKinley, Chief, National Guard Bureau, directed that a NGB Process Review Team (PRT) conduct a quick review of Student Loan Repayment, Bonus and Tuition Assistance Programs in three states. The initial three states of Colorado, Washington, and Texas were supplemented with the addition of Puerto Rico.

The PRT conducted the following reviews:

LOCATION	DATES
Colorado Army National Guard	26 Oct - 10 Nov 2010
Washington Army National Guard	14-19 Nov and 28 Nov - 9 Dec 2010
Puerto Rico Army National Guard	3-20 January 2011
Texas Army National Guard	21-28 January 2011

## 2. Lessons Learned State:

### **Military Technician and Active Guard Reserve (AGR) Incentives**

#### Lesson:

- Reviewed over 400 active bonuses for military technicians and AGRs
  - 34% potential recoupment rate for military technicians
  - 13% rate for AGRs
  - Potential recoupment was greater than \$1.2 million
- Cause: Lack of coordination and communication between Human Resource and Incentive Management personnel.

Recommendation: States develop processes for coordination and communication between Human Resource and Incentive Management personnel prior to and during the hiring of fulltime personnel.



## **iPERMS Supporting Documents**

### **Lesson:**

- Interactive Personnel Electronic Records Management System (iPERMS) missing supporting incentive documents
  - Significant problem in 3 of 4 visits
  - iPERMS missing bonus addendums or reenlistment contracts needed to verify eligibility of incentive
  - Could result in erroneous recoupment action or payment of unauthorized incentives
- Cause: Lack of emphasis on iPERMS importance and attention to detail with uploading electronic personnel records.

**Recommendation:** States establish priority for electronic upload for personnel records to iPERMS.

## **Transfer Orders**

### **Lesson:**

- Identified numerous individual transfer orders that had a reason of "Individual Request"
  - Individual Request for transfer from a critical MOS or unit terminates bonus
  - Could result in erroneous recoupment action
- Cause: "Individual Request" is the default when publishing transfer orders

**Recommendation:** States must ensure that the correct reason for transfer is identified on the order

## **Administrative Errors and Attention to Detail**

### **Lesson:**

- Identified numerous administrative errors
  - Payment of incentives when not authorized
  - Acceptance of undated bonus addendums or invalid addendums dated after the reenlistment contract to support bonus
- Cause: Lack of attention to detail.

**Recommendation:** States need to ensure that incentive personnel are properly trained and supervised to improve attention to details.

### **Federal Tuition Assistance Program (FTA)**

#### Lesson:

- Reviewed 736 individuals and identified problems with 79% (581)
  - FTA approved:
    - Without degree plans
    - With missing grades
    - With GPA below minimum
    - With multiple degrees
    - For duplicate courses or courses not on degree plan
    - With outstanding recoupments
  - Obligations to pay schools not liquidated in a timely manner
  - Entering CR (credit) or incorrect grades into iMARC
  - Failure to recoup funds for failed or withdrawn courses
- Cause: Internal controls not implemented or ineffective to prevent fraud, waste, and abuse.

Recommendation: States need to implement effective controls identified in AR 621-5 and the NGB FTA Standard Operations Procedures (SOP).

#### 3. Lessons Learned NGB:

### **Bonus Termination and Recoupment**

#### Lesson:

- Reviewed 174 bonus recoupment actions valued at \$2.5m
  - Confirmed 32% resulted in debt w/DFAS of \$771k
  - Unable to verify debt for \$1.73m or 68%
- Cause: Unable to identify a process or report with DFAS to confirm accurate and timely establishment of debt for bonus recoupment

Recommendation: ARNG-RMC establish processes and reports that allow the USPFO and state to confirm accurate and timely establishment of DFAS debt for a bonus recoupment and visibility of Out of Service debt reports.

## **Termination and Recoupment Policy/Process**

### **Lesson**

- No established policies or processes for termination and recoupment of incentives, loan repayments, and Federal Tuition Assistance (FTA).
  - Confusion at USPFO/state level
  - Notification of soldier not consistent
  - No process to assist the soldier
- Cause: Process needs to involve multiple functional managers

Recommendation: ARNG-RMC and ARNG-GSE coordinate and establish recoupment policies and processes for incentives, loan repayments, and FTA that include timelines and soldier notification procedures.

## **Information Management and Reporting Center (iMARC) Data**

### **Lesson**

- Identified numerous examples of data viewed in iMARC that did not match source data from DFAS and SIDPERS
  - Incentive personnel need to verify data accuracy
  - May cause erroneous decisions
- Cause: Issue seems to be between SIDPERS and TAPDB-G. iMARC appears to pull data correctly from TAPDB-G, but TAPDB-G is not pulling correctly from SIDPERS.

Recommendation: ARNG-GSE review data links between iMARC and all source databases to ensure data accuracy and enable managers to determine if errors are input or systemic.

## **Information Management and Reporting Center (iMARC) System Controls**

### **Lesson**

- Identified numerous examples of missing or inadequate system controls for iMARC database
  - Allows status change to suspend or terminate bonus w/o changing MGIB-Kicker code
  - Allows mismatches of codes and rates
  - The Position or Personnel Category Changes report from iMARC that includes all status changes to alert managers of potential bonus eligibility changes is not a manageable report. Report needs to be a “smart report” that ignores changes that do not affect incentives
  - Program managers are not updating the iMARC Account Processing Code (APC) table

- Allows Loan Repayment amounts to exceed annual cap
- Allows Officer Accession Bonus for officers with active Loan Repayment
- Allows FTA application when GPA below 2.0 or civilian Education code equals degree plan
- Allows FTA approval when grades > 45 days overdue or degree plan not uploaded after 9 hrs of FTA use
- Allows FTA approval for duplicate courses using non-standard naming formats, courses not on a degree plan, or duplicate degrees
- Cause: System internal controls were not designed into iMARC

Recommendation: NGB use the processes developed by the PRT as the criteria for an incentive management database with effective internal controls to improve management and reduce the risk of fraud or errors. ARNG-GSE annually update the APC table in iMARC.

### **Information Management and Reporting Center (iMARC) Output Errors**

#### **Lesson**

- Identified numerous examples of errors using the outputs of the iMARC database
  - No indication of the type of Loan Repayment on the TL output (HP, C, or S)
  - Loan Repayment TL output does not include AMSCO to guide proper payment processing
  - Loan Repayment entitlement dates incorrect
  - Loan Repayments exceed annual and lifetime limits
  - Loan Repayment Terminations and Completions not properly recorded
  - Terminations do not always recoup funds as intended
  - Documentation does not identify how iMARC transactions interface with DJMS to identify what the output should be according to the system to enable managers to differentiate an input error or system glitch.
- Cause: System outputs were not designed into iMARC

Recommendation: ARNG-GSE coordinate with ARNG-RMC to develop and publish Loan Repayment user instructions for iMARC. ARNG-GSE document iMARC interface with DJMS. ARNG-GSE annually review DFAS 37-100 to ensure proper AMSCOs are included and ensure that updated AMSCOs are entered into iMARC and print out on Loan Repayment TLs.

## **ARNG Incentives Policy**

### **Lesson**

- Identified missing, confusing, or inaccurate ARNG Incentives Policy
  - MOS Conversion bonus policy very confusing and open to misinterpretation
  - No policy exists to protect soldiers assigned to MOS non-specific positions in units that mobilize individuals or teams
  - Past incentives policies changed too often
  - No published Standard Operating Procedures for incentives.
- Cause: Policies either not published or staffed properly

**Recommendation:** ARNG-GSE staff and publish policies pertaining to MOS Conversion bonuses and mobilizing of individuals and teams. ARNG-GSE develop a policy to only modify bonus eligibility/availability on a maximum of once per quarter. ARNG-GSE develop and publish Standard Operating Procedures for incentives.