

report proved to be inadequate from both industry and DOD points of view. To overcome its deficiencies, individual report versions were designed by the military departments to provide their representatives with better information. These reports were limited to a small number of contractors, and thus, did not require BOB approval.

To curb the tendency toward proliferation of data gathering efforts on this subject, DOD in 1964 undertook to install a single uniform approach for DOD-wide use. The resulting contract funds status report was developed through continuous consultation with industry. These consultations started in 1964 as a part of the cost and economic information system (CEIS). During March 1966, industry, through the Council of Defense Space and Industry Associations (CODSIA), was provided a draft version of the CFSR reporting instruction. CODSIA comments and recommendations were received in May 1966, and a series of joint DOD-industry meetings was held in late summer to discuss the CODSIA recommendations. Many changes were made to the original proposal as a result of industry comments. CFSR has benefited from this exposure. It can become a useful, workable document that will serve the needs of both DOD and industry.

In gaining BOB approval, the CFSR joins the cost information reports (CIR) and the economic information system (EIS) as visible parts of the selected acquisitions information and management systems (SAIMS).

The CFSR is designed to supply the funding data that, with other performance measurement inputs, will provide information about Defense contracts to DOD managers for:

- Updating and forecasting contract fund requirements.

- Planning and decision making on funding changes in contracts.

- Developing fund requirements and budget estimates in support of approved programs.

The contractor compares current funding with estimated fund requirements and describes the relative firmness of requirements on which estimates are based. Reasons for changes in quantitative fund requirements are also to be submitted.

In view of the lead time required to adjust approved levels of funding when changes in estimated fund requirements are involved, reporting accurate information as early as possible is a matter of pronounced importance to the contracting parties (DOD and industry) who must use the information.

The CFSR will be implemented on all new contracts, which require funds status reporting, to replace reports such as the DD 1097, DD 1097 Addendum NAVWEPS 7810/4, and the contractor financial requirements estimate (CFRE). If suitable arrangements to incorporate this reporting requirement can be made, the current use of the aforementioned reports will be discontinued in existing contracts. The instructions (DOD Instruction 7800.7) include descriptions of data items which are the contractor's required input to the CFSR.

Questions concerning the implementation of CFSR should be referred to the Directorate for Assets Management Systems, Office of the Assistant Secretary of Defense (Comptroller), room 3B857, the Pentagon, Washington, D.C., 20301, telephone (202) OXford 7-7565.