

Treasury Franchise Fund

Mission Statement

To offer world-class administrative solutions that provide value to federal customers while allowing them to concentrate on their core missions.

Program Summary by Account

Dollars in Thousands

	FY 2006	FY 2007		FY 2008	
	Obligated	Estimated	Estimated	\$ Change	% Change
Consolidated/Integrated Administrative Management	\$540,586	\$595,160	\$689,460	\$94,300	15.84%
Financial Management Administrative Support Services	88,735	90,861	98,685	7,824	8.61%
Financial Systems, Consulting and Training	13,133	8,650	9,167	517	5.98%
Total Cost of Operations	\$642,454	\$694,671	\$797,312	\$102,641	14.78%

FY 2008 Priorities

- Increase efficiency and effectiveness of administrative business processes.
- Enhance the system environment of administrative operations.
- Create a stronger shared services structure for Treasury.

Table of Contents

Section 1 – Purpose	2
1A – Description of Bureau Vision and Priorities	2
1B – Program History and Future Outlook.....	3
1C – Industry Outlook	6
Section 2 – Budget Adjustments and Appropriations Language	7
2.2 – Operating Levels Table.....	7
2B – Appropriations Language.....	7
2C – Legislative Proposals.....	7
Section 3 – Budget and Performance Plan	8
3.1 – Resource Detail Table.....	8
3A – Consolidated/Integrated Administrative Management	8
3.2.1 – Consolidated/Integrated Administrative Management Budget and Performance Plan	9
3B – Financial Management Administrative Support Services	9
3.2.2 – Financial Management Administrative Support Services Budget and Performance Plan	10
3C – Financial Systems, Consulting and Training	11
3.2.3 – Financial Systems, Consulting and Training Budget and Performance Plan ...	12
Section 4 – Supporting Materials	13
4.1 – Human Resources Table	13
4A – Human Capital Strategy Description	13
4B – Information Technology Strategy	14
4.3 – PART Evaluation Table.....	14

Section 1 – Purpose

1A – Description of Bureau Vision and Priorities

The vision of the Treasury Franchise Fund is to transform the administrative support arena in the federal government by energizing a shared services business model that can offer marketplace success through competition.

The Franchise Fund businesses have been leaders in redefining the processes and methods for delivering administrative products and services that combine streamlined processes, simplified rules, full accountability, competitive costing, timely completion, and one-stop shopping for customers. Franchise Fund efforts have resulted in significant dollar savings throughout the federal government primarily through the following franchising objectives:

- Promote efficiencies in the delivery of administrative products and services
- Reduce duplication of effort
- Foster competition
- Achieve full cost/self sufficiency
- Enhance customer satisfaction

The Treasury Franchise Fund is made up of four individual franchise businesses that are rolled into three budget activities that group their offerings into similar services.

Consolidated/Integrated Administrative Management – Includes FedSource

The mission of FedSource is to provide entrepreneurial business solutions for the acquisition and financial management of common administrative services and products in support of agency missions and objectives. FedSource focuses on support services and copier/printer management.

Financial Management Administrative Support Services – Includes the Administrative Resources Center (ARC)

ARC has been providing federal government agencies with common administrative support in the areas of Accounting, Travel, Human Resources and Procurement with a focus on excellence and superior service. ARC's mission is to aid in improving overall government effectiveness by delivering responsive and cost effective administrative support to its customers, thereby improving the customers' ability to effectively discharge their mission.

Financial Systems, Consulting and Training – Includes Treasury Agency Services (TAS) and Federal Consulting Group (FCG)

Treasury Agency Services (TAS) helps agencies improve the quality of government financial management by providing information, advice, assistance, and training that is customized to meet today's environment and client agencies' requirements.

The mission of the Federal Consulting Group (FCG) is to consult with other federal government agencies to support their transformation efforts to become more efficient, effective, citizen-centric, and results-oriented. The Federal Consulting Group's three business lines--consulting, executive coaching, and measuring performance and customer satisfaction--provide federal agencies with innovative solutions using the latest management and information technology tools, techniques, and best practices.

1B – Program History and Future Outlook

Demonstrated Success – Eliminating Duplication

Shared Platform & Services

The Administrative Resource Center (ARC) has reduced the number of federal administrative systems by providing access to an integrated system platform for accounting, travel, procurement, and personnel functions. In addition, ARC acts as a shared service provider for many customers providing full-service transaction processing and reporting. ARC, a Center of Excellence for Financial Management, now provides:

- 31 organizations with administrative accounting services
- 38 organizations with travel services
- 30 organizations with procurement services
- 25 organizations with personnel services

The consolidation of these federal customers onto a shared systems platform has provided substantial savings to the federal government. These organizations now get better system license costs because the vendors offer large volume discounts. These organizations also share the costs associated with operations and maintenance. In addition to the cost savings, these organizations are upgraded to the latest version of the software simultaneously as opposed to each organization managing their upgrade independently.

In the past, the Department of the Treasury had a decentralized administrative service environment. There were 14 different bureaus and organizations within Treasury running their own accounting, procurement, and travel systems on various platforms. Each organization trained separate staffs to manage their systems and process their transactions. With the evolution of the Administrative Resource Center (ARC), Treasury has now moved to a shared services environment where 11 of the 14 entities share systems on a single integrated platform. In addition, many of the bureaus take advantage of ARC's experienced staff to process their transactions and provide their reporting.

Consolidating Agency Needs

FedSource has consolidated multiple requirements from several offices within the same agency into one procurement vehicle. For example, FedSource has combined copier equipment, software for the copy center, and placements to run the copy center– all for

one price. They were able to give the customer one agreement for multiple services eliminating the need for the agency to seek several vendors. FedSource became “one-stop” shopping. In another example, FedSource established a single “master agreement” for one of its customers that eliminated the need for separate agreements for each of its customer’s offices. That alone saved the customer agency time and reduced its administrative burden significantly. This not only proved to be a time saver, it also facilitated cost savings for the customer.

Demonstrated success – timeliness & accuracy

Timely Financial Information

The Administrative Resource Center has always been among Treasury's best in quality and timeliness of financial reporting. ARC continues to strive to set the example for efficiency and quality in the area of financial reporting. With Oracle’s reporting tool (Discoverer), federal managers have real-time data at their fingertips any day of the month. By closing their customer’s books by the third business day following each month, timely financial data (such as unobligated balances) is quickly in the hands of federal managers for decision-making. By closing the year-end books five business days after year-end, federal managers have the data necessary to provide year-end reporting well ahead of their counterparts in other agencies.

There is no better test for the accuracy and quality of financial data than an annual financial statement audit. Externally, ARC has helped its customers receive over 87 consecutive clean audit opinions. ARC also maintains an exceptional internal control structure. Each year ARC undergoes a SAS 70 audit that verifies the entire control structure from disbursement processing to financial reporting. Each agency saves money on its annual financial statement audits because their auditors can rely on the work done during ARC’s SAS 70 Audit.

Demonstrated Success – Efficiency

Efficiency is the ability to perform well or achieve a result without wasting energy, resources, effort, time or money. Competition, a cornerstone of the franchising concept, has been the impetus behind improving government efficiency. Competition has increased the focus of service providers on the needs of the customer, introduced the need for market solutions (instead of administrative bureaucracy), decentralized authority, and improved efficiency by delivering better services at lower costs in the most effective manner.

Reducing Overhead Costs

Many customers have realized reduced pricing, rebates, and volume discounts as a result of the economies of scale and improved efficiency of FedSource’s services. In order to remain competitive, FedSource continues to find ways to reduce its operating (overhead) costs. FedSource is able to give a price reduction when obtaining large orders because in most instances its operating costs remain fairly constant. This is best illustrated by looking at its operating percentage, which quantifies operating costs as percentage of

total revenue. The increase in revenue has outpaced the increase in operating costs. As a result, FedSource's operating percentage has steadily decreased from 7 percent in FY 1998 to 3.7 percent in FY 2006 representing a 47 percent reduction.

Private Sector Accountability

FedSource worked with two of its largest vendors to enhance the methods in which they invoice the government. This enabled FedSource to easily review each invoice for accuracy, which saved more than ten days of staff time each month. In addition FedSource receives many invoices electronically, which allows their system to automatically check it against the contract for errors. As a result, FedSource is able to provide its customers with a more timely and accurate bill. In this case, the government and the private sector have become more efficient.

Awards and Public Recognition

- In 2005 the Administrative Resource Center was recognized as a Center of Excellence in the Financial Management Line of Business.
- The Administrative Resource Center received the Certificate of Achievement for a Government Travel Management Program from the Society of Government Travel Professionals (SGTP) for implementing the commercial, off-the-shelf software to automate the relocation process as part of the e-Travel implementation

Future Outlook

Through FY 2008 the Fund will maintain its commitment to excellence and will continue to meet or exceed all strategic goals and benchmarks. Additionally, the Fund should continue to see controlled growth.

Creating Opportunities through Innovation

Government business has significant needs when it comes to information. Making information actionable is central to an entity's performance. The ability to collaborate and share ideas, to make better-informed decisions, and to connect with customers relies on effectively managing information. At the same time, reducing costs remains a long-term priority. For these reasons, the importance of information technology as a strategic asset has never been greater. Franchise Fund is collaborating with its private sector partners to create high-impact solutions that integrate across the organization, such as using technology to give its customers desktop access to critical information. Focusing on its customer's needs fuels its passion for innovation. Franchise Fund believes innovative technology has the power to eliminate obstacles and create opportunities. As such, Franchise Fund will focus much of its efforts in FY 2007 and beyond to further developing its on-line offerings.

Raising the Bar

Although Franchise Fund is proud of its marketplace success and track record of delivering innovation, quality and results to its clients, the time has come for us to raise

the bar in the industry once again. The designation of the Treasury Franchise Fund as a “Center of Excellence” in Financial Management will open new doors. Not only will this designation help expand the Fund’s Administrative Resource Center’s current target audience of small to mid-level agencies but it should provide the pathway to compete for the business of large cabinet level agencies. To ensure the Fund can meet these new opportunities the Fund has been making substantial investments today to enhance the power and value of its integrated system platform. The Franchise Fund is optimistic about its long-term growth opportunities.

1C – Industry Outlook

There is a positive outlook for the shared services sector in the federal government. The success of the Treasury Franchise Fund and its private sector counterparts is providing government leaders with a basis for looking at shared services providers to supply administrative resources. The Fund anticipates further growth in this sector due to the development of the Financial Management Line of Business and the Fund’s status as a Center of Excellence.

Section 2 – Budget Adjustments and Appropriations Language

2.2 – Operating Levels Table

Dollars in Thousands

Treasury Franchise Fund	FY 2006 Obligated	FY 2007 Estimated	FY 2008 Estimated
FTE	645	827	909
Object Classification:			
11 Personnel Compensation.....	\$39,310	\$43,158	\$48,625
12 Personnel Benefits.....	11,107	14,864	16,777
13 Ben. Former Personnel.....	109	0	0
21 Travel and Transportation of Persons.....	1,522	1,255	1,308
22 Transportation of Things.....	195	163	165
23 Rents Communications, Utilities, and Misc. Charges.....	3,790	2,486	2,544
24 Printing and Reproduction.....	247	93	95
25 Other Services.....	574,093	620,914	716,896
26 Supplies and Materials.....	1,215	2,092	2,143
31 Equipment.....	12,451	9,534	8,676
32 Land and Structures.....	(1,652)	106	78
42 Insurance Claims and Indemnities.....	0	0	0
43 Interest.....	66	5	5
Total.....	\$642,454	\$694,671	\$797,312
Budget Activities:			
Consolidated/Integrated Administrative Management.....	\$540,586	\$595,160	\$689,460
Financial Management Administrative Support Services.....	88,735	90,861	98,685
Financial Systems, Consulting and Training.....	13,133	8,650	9,167
Total.....	\$642,454	\$694,671	\$797,312

2B – Appropriations Language

The Treasury Franchise Fund receives no appropriated funds from Congress.

2C – Legislative Proposals

The Treasury Franchise Fund has no legislative proposals for FY 2008.

Section 3 – Budget and Performance Plan

3.1 – Resource Detail Table

Dollars in Thousands

Description	FY 2006	FY 2007	FY 2008	% Change
	Actual *	Estimated	Estimated	FY 2007 to FY 2008
	AMOUNT	AMOUNT	AMOUNT	AMOUNT

Summary of Revenue and Expenses:

Revenue:				
Consolidated / Integrated Administrative Mgt.	\$517,315	\$600,000	\$700,000	16.67%
Financial Management Administrative Support	83,966	91,000	97,800	7.47%
Financial Systems, Consulting & Training	12,226	8,700	9,400	8.05%
Total Revenue	\$613,507	\$699,700	\$807,200	15.36%
Expenses:				
Consolidated / Integrated Administrative Mgt.	\$509,185	\$595,160	\$689,460	15.84%
Financial Management Administrative Support	90,516	90,861	98,685	8.61%
Financial Systems, Consulting & Training	10,254	8,650	9,167	5.98%
Total Expenses	\$609,955	\$694,671	\$797,312	14.78%
Net Results	\$3,552	\$5,029	\$9,888	96.59%

Customer Growth

Consolidated / Integrated Administrative Mgt.	2,870	2,870	3,000	4.53%
Financial Management Administrative Support	59	61	63	3.28%
Financial Systems, Consulting & Training	239	263	290	10.27%
Total Customer Growth	3,168	3,194	3,353	4.98%

* Data is from the FY 2006 Statement of Net Cost. That data is on the accrual basis instead of the cash basis presentation in the President's Budget.

3A – Consolidated/Integrated Administrative Management (\$689,460,000 from reimbursable programs): The purpose of the Consolidated/Integrated Administrative Management budget activity is to provide government customers with entrepreneurial business solutions for the acquisition and financial management of common administrative services and products in support of agency missions and objectives. The Consolidated/Integrated Administrative Management activity includes FedSource which offers a “first choice” option or alternate source for the acquisition of these services and products in a fast, cost effective manner while continuing to assure quality and customer service.

FedSource uses numerous cost saving vehicles to generate or enhance efficiency and effectiveness in agency customer programs. FedSource consolidates multiple requirements from several offices within the same agency into one procurement vehicle, providing the customer one agreement for multiple services, and eliminating the need for the agency to seek several vendors. FedSource can establish a single “master agreement”

for its customers that eliminate the need for separate agreements for each of its customer's offices, saving the customer agency time and significantly lowering administrative burden.

FedSource customers realize reduced pricing, rebates, and volume discounts as a result of economies of scale and improved efficiency of FedSource's services. FedSource is able to give a price reduction to customers obtaining large orders because in most instances operating costs remain fairly constant. In order to remain competitive, FedSource continues to find ways to reduce operating (overhead) costs. FedSource has consolidated its Acquisition Center to help ensure compliance with the numerous procurement rules and regulations, and continues to adapt its organization structure and product and service lines to enhance delivery of administrative services. FedSource expects to continue to be one of the most efficient and effective procurement options for the federal government. Continued growth will enable FedSource to demand even lower prices from their vendors based on increased buying power derived from all their customers.

3.2.1 – Consolidated/Integrated Administrative Management Budget and Performance Plan

Dollars in Thousands

Consolidated/Integrated Administrative Management Budget Activity		Includes Strategic Objectives F3A and M5B				
Resource Level	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	
	Obligated	Obligated	Obligated	Estimated	Estimated	
Financial Resources						
Appropriated Resources	\$0	\$0	\$0	\$0	\$0	
Other Resources	480,478	701,150	540,586	595,160	689,460	
Total Operating Level	\$480,478	\$701,150	\$540,586	\$595,160	\$689,460	
Human Resources						
Appropriated FTE	0	0	0	0	0	
Other FTE	80	80	111	150	150	
Total FTE (direct and reimbursable)	80	80	111	150	150	

Consolidated/Integrated Administrative Management Budget Activity		Includes Strategic Objectives F3A and M5B				
Measure		FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Customer Satisfaction Index -	Target		Baseline	71%	80%	80%
Consolidated/Integrated Administrative Mngmnt (%) (Oe)	Actual		71%	51%		
	Met		Yes	No		
Operating expenses as a percentage of revenue--Consolidated/Integrated Administrative Management (%) (E)	Target	Baseline	4%	12%	12%	12%
	Actual	4%	4%	4%		
	Met	Yes	Yes	Yes		

Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, and M - Management/Cust. Satisfaction

3B – Financial Management Administrative Support Services (\$98,685,000 from reimbursable programs): The purpose of the Financial Management Administrative Support activity is to offer value to its customers through cost savings (system acquisitions and operations and maintenance) and quality services. The Financial Management Administrative Support Services activity includes the Administrative Resources Center (ARC). ARC provides traditional administrative support functions with a focus on accounting, procurement, travel, and human resources (HR) services. This program has been very successful in meeting its mission goals as evidenced by the increasing demands for and satisfaction from their services.

ARC has reduced the number of federal administrative systems by providing access to an integrated system platform for accounting, travel, procurement, and personnel functions. In addition, ARC acts as a shared service provider for many customers providing full-service transaction processing and reporting.

The consolidation of these federal customers onto a shared systems platform has provided substantial savings to the federal government. These organizations now get better license costs because the vendors offer large volume discounts. These organizations also share the costs associated with operations and maintenance. In addition to the cost savings, these organizations are upgraded to the latest version of the software simultaneously as opposed to each organization managing its upgrade independently.

ARC already has agreements in place to add customers through FY 2008. ARC is in discussions with several agencies (small and large) to ensure work beyond FY 2008. ARC will generate substantial cost savings to these new customers through the year-one conversion phase. Customers will receive a compliant system platform at a fraction of the cost of the agency implementing their own new system. Customers also receive cost savings in out years by sharing system upgrade costs with ARC's other customers. Operations and maintenance costs are also lowered because ARC can negotiate much better system license costs with their vendors. As a result of the projected business, ARC hopes to help customers eliminate 15-20 duplicate financial related systems by FY 2008.

ARC can use the solutions that are implemented by one customer to help similar issues encountered by other customers. This "economies of scale" could not be obtained if the agencies performed their own work. ARC has also begun to re-look at their processes to streamline their procedures to gain new efficiencies.

3.2.2 – Financial Management Administrative Support Services Budget and Performance Plan

Dollars in Thousands

Financial Management Administrative Support Services Budget Activity	Includes Strategic Objective M5B				
	FY 2004 Obligated	FY 2005 Obligated	FY 2006 Obligated	FY 2007 Estimated	FY 2008 Estimated
Resource Level					
Financial Resources					
Appropriated Resources	\$0	\$0	\$0	\$0	\$0
Other Resources	64,450	74,850	88,735	90,861	98,685
Total Operating Level	\$64,450	\$74,850	\$88,735	\$90,861	\$98,685
Human Resources					
Appropriated FTE	0	0	0	0	0
Other FTE	531	580	504	667	747
Total FTE (direct and reimbursable)	531	580	504	667	747

Financial Management Administrative Support Services Budget Activity			Includes Strategic Objective M5B				
Measure		FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	
Customer Satisfaction Index - Financial Mgmt Admin Support Services (%) (Oe)	Target		Baseline	71%	80%	80%	
	Actual		71%	75%			
	Met		Yes	Yes			
Operating expenses as a percentage of revenue--Financial Management Administrative Support (%) (E)	Target	Baseline	11%	12%	12%	12%	
	Actual	9%	9%	17%			
	Met	Yes	Yes	No			

Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, and M - Management/Cust. Satisfaction

3C – Financial Systems, Consulting and Training (\$9,167,000 from reimbursable programs): The purpose of the Financial Systems, Consulting, and Training activity is to offer value to customers by providing solutions through consulting and training. The Financial Systems, Consulting and Training activity consists of Treasury Agency Services and the Federal Consulting Group.

Treasury Agency Services shares one common purpose with their host bureau Financial Management Service (FMS)—help agencies improve the quality of government financial management. TAS is a reimbursable provider of information, advice, assistance, and training that is customized to meet today’s environment and client agencies’ requirements. These services provide the venue for linking program objectives and services with best financial management practices. TAS’ vision is to be the partner of choice for federal managers seeking financial management improvements and success. Its strength is FMS expertise combined with entrepreneurial initiative.

The mission of the Federal Consulting Group (FCG) is to consult with other federal government agencies to support their transformation efforts to become more efficient, effective, citizen-centric, and results-oriented. The Federal Consulting Group’s three business lines--consulting, executive coaching, and measuring performance and customer satisfaction--provide federal agencies with innovative solutions using the latest management and information technology tools, techniques, and best practices.

The Consulting Business Line focuses on assisting federal agencies in achieving organizational effectiveness through strategic planning, organizational development, process improvement, and workforce planning. FCG provides guidance to meet the requirements of the President’s Management Agenda and the Program Assessment Rating Tool. Other services include conducting Baldrige and various types of program assessments. The Executive Coaching Business Line focuses on leadership development, team building, appreciative inquiry, executive coaching/mentoring, personal leadership skills and feedback coaching. The Performance Measurement and Customer Satisfaction Business Line focuses on aiding federal agencies in understanding what internal and external customers think of their efforts and improving overall customer satisfaction. This is accomplished through the use of the American Customer Satisfaction Index (ACSI), which is the world’s leading metric for assessing and improving customer satisfaction and other measures of customer and employee satisfaction.

The FCG serves as one of the most cutting edge consulting and performance measurement service providers to the federal government. As the pressure grows for

federal agencies to achieve results, measure performance, increase trust and confidence in government and prepare the next generation of leaders, the demand for and value of the services provided to client agencies continues to grow. FCG’s mantra of “experience meeting government’s challenges” is clearly demonstrated by its team of experienced, forward looking federal executives who can help agencies focus their efforts and become high performing.

3.2.3 – Financial Systems, Consulting and Training Budget and Performance Plan

Dollars in Thousands

Financial Systems, Consulting and Training Budget Activity		Includes Strategic Objective M5B				
Resource Level	FY 2004 Obligated	FY 2005 Obligated	FY 2006 Obligated	FY 2007 Estimated	FY 2008 Estimated	
Financial Resources						
Appropriated Resources	\$0	\$0	\$0	\$0	\$0	
Other Resources	12,920	12,250	13,133	8,650	9,167	
Total Operating Level	\$12,920	\$12,250	\$13,133	\$8,650	\$9,167	
Human Resources						
Appropriated FTE	0	0	0	0	0	
Other FTE	50	50	30	10	12	
Total FTE (direct and reimbursable)	50	50	30	10	12	

Financial Systems, Consulting and Training Budget Activity		Includes Strategic Objective M5B				
Measure		FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Customer Satisfaction Index - Financial System, Consulting & Training	Target		Baseline	71%	80%	80%
	Actual		71%	81%		
	Met		Yes	Yes		
Operating expenses as a percentage of revenue--Financial Systems, Consulting and Training (%) (E)	Target	Baseline	12%	12%	12%	12%
	Actual	14%	11%	10%		
	Met	Yes	Yes	Yes		

Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, and M - Management/Cust. Satisfaction

Customer Satisfaction

It is imperative that the Franchise Fund customers are satisfied with all aspects of the services provided. In the past the Fund used an 80% benchmark because of the scales used by the businesses to assess customer satisfaction. In FY 2005 and FY 2006, the Franchise Fund used the American Customer Satisfaction Index (ACSI). As a result, the Fund's base-line measures have changed.

Operating Expenses as a Percentage of Revenue

The Franchise Fund will either maintain or decrease the cost of goods sold as a percentage of revenue year to year. Cost of goods sold is defined as the costs actually incurred in producing the product or service. It is the direct cost of production or service.

For detailed information about each performance measure, including definition, verification and validation, please go to:

http://www.treas.gov/offices/management/dcfo/accountability-reports/2006-par/Part_IV_Appendices.pdf

Section 4 – Supporting Materials

4.1 – Human Resources Table

Changes in Full Time Equivalents

Reimbursable		FY 2006	FY 2007	FY 2008
Base: Year-end Actual from Prior Year		686	645	827
Increases:				
Reason #1:	Business growth	156	182	82
Subtotal, Increases		156	182	82
Decreases:				
Reason #1:	Normal Attrition	-17		
Reason #2:	Office closures/transfers	-26		
Reason #3:	Move Off. Of Mgmt Services back to BPD	-154		
Subtotal, Decreases		-197	0	0
Year-end Actual/Estimated FTEs		645	827	909
Net Change from prior year SOY to budget year EOY				264

4A – Human Capital Strategy Description

The Fund relies heavily on its host Bureaus (Bureau of Public Debt (BPD), FMS, and Departmental Offices) to provide the basis of its human capital strategy. Each bureau has done significant work in this area. The Fund, in a supplemental role, continues to improve recruitment, retention, professional development and evaluation strategies. The Fund makes full use of special hiring authorities, such as the Federal Career Intern, Outstanding Scholar and Student Career Experience Programs. With a significant portion of the Fund's FTE's located in Parkersburg, WV, the Fund has had a great deal of success recruiting highly qualified personnel. For example, the Fund's core business line – ARC's Financial Management Services – has been able attract over 38 certified public accountants making up roughly 21 percent of its total accounting staff.

The Treasury Franchise Fund has implemented its "EthicSmart" initiative that has increased awareness of ethical dilemmas that are heightened in a service business environment. This initiative helps support one of the Fund's goals of complying with relevant laws and regulations. The program is designed to help convey management's desire to create an environment where employees can make the right decision and take the right course.

4B – Information Technology Strategy

The Treasury Franchise Fund (TFF) determines what IT investments should be added to its portfolio using an Investment Review Board (IRB). The Fund's Advisory Board acts as the IRB and looks at investment activity monthly. All IT investments must be supported by a business need and the investment must add value to the services TFF provides its customers. When reviewing investments, the TFF IRB considers/addresses these questions:

- Does the IT investment support core/priority mission functions that need to be performed by the Treasury Franchise Fund?
- Does the project have to be undertaken by the Franchise Fund because no alternative private sector or government source can more efficiently support the function?
- Does the investment support work processes that have been simplified or otherwise redesigned to reduce costs, improve effectiveness, and make maximum use of commercial, off-the-shelf technology?
- Does the investment eliminate redundant systems and centralize core functions?

The Administrative Resource Center's IT portfolio is managed by the BPD, while Treasury Agency Service's portfolio is managed by the FMS. FedSource and FCG's IT portfolio is managed by the Treasury Franchise Fund's IRB. The Treasury Franchise Fund does not have any IT or Non-IT investments in their current portfolio.

4.3 – PART Evaluation Table

The Treasury Franchise Fund is not scheduled to be PARTed.

For a complete list of PART results visit the following website:

<http://www.whitehouse.gov/omb/expectmore/all.html>