

# Treasury Franchise Fund

FY 2013

## President's Budget Submission

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## Section 1 – Purpose

### 1A – Mission Statement

To assist customer agencies in meeting their mission by providing responsive, customer-focused, cost-effective administrative support services.

### 1.1 – Resource Detail Table

Dollars in Thousands

	FY 2011 Actual		FY 2012 Estimated		FY 2013 Estimated		% Change FY 2012 to FY 2013	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
<b>Budgetary Resources:</b>								
<b>Revenue/Offsetting Collections</b>								
Administrative Services		\$99,600		\$105,491		\$121,513		15.19%
Information Technology Services		\$79,166		\$144,803		\$130,078		-10.17%
<b>Total Revenue/Offsetting Collections</b>		<b>\$178,766</b>		<b>\$250,294</b>		<b>\$251,591</b>		<b>0.52%</b>
Unobligated balances, Start of year		\$71,570		\$71,525		\$73,892		3.31%
Recoveries of prior year obligations		\$3,649		\$7,298		\$10,209		39.88%
<b>Total Budgetary Resources Available</b>		<b>\$253,985</b>		<b>\$329,117</b>		<b>\$335,693</b>		<b>2.00%</b>
<b>Expenses/Obligations</b>								
Administrative Services	689	\$109,555	738	\$111,064	770	\$121,513	4.34%	9.41%
Information Technology Services	337	\$72,905	499	\$144,161	486	\$130,078	-2.64%	-9.77%
<b>Total Expenses/Obligations</b>	<b>1,026</b>	<b>\$182,460</b>	<b>1,237</b>	<b>\$255,225</b>	<b>1,256</b>	<b>\$251,591</b>	<b>1.52%</b>	<b>-1.42%</b>
<b>Net Results</b>		<b>\$71,525</b>		<b>\$73,892</b>		<b>\$84,101</b>		<b>13.82%</b>

### 1B – Mission Priorities and Context

The Treasury Franchise Fund's (the Fund) vision is to be a leader in providing responsible, effective administrative support services through commitment to service, efficient operations, openness to change, and values-based behavior. The Fund provides accounting, procurement, travel, human resources, and information technology (IT) services through the Fiscal Service, Administrative Resource Center (ARC). Services are provided to more than 70 federal customers, including most of the Department of the Treasury, on a reimbursable, fee-for-service basis.

#### Priorities

- Maintain outstanding operational service to customer agencies.
- Continue to identify and implement operational efficiencies with the goal of achieving sub-inflationary price increases.
- Promote and maximize shared services benefits in support of Treasury and government-wide initiatives.
- Continue to assess and report our performance and provide timely feedback to customers.
- Enhance human capital strategies to recruit, develop, and provide for a challenging, rewarding and values based work environment.

A major focus of the Fund is achieving sub-inflationary price increases for customers. The Fund leverages customer base expansion and process improvement initiatives to achieve economies of scale. Specifically, during FY 2013, the Fund plans to continue realizing efficiency improvements via the Data Center Consolidation/Fiscal IT initiative within the Fiscal Service and further utilize the Internet Payment Platform (IPP) to improve the efficiencies in handling and processing vendor invoices.

Another Fund priority is to support Treasury and government-wide initiatives by providing timely, high quality, cost effective, and value added administrative support services. This requires continual assessment of services offered to market demands and adherence to the Fund's "good government" vision. This vision ensures compliance with applicable rules and regulations and promotes cost savings through efficient and standardized service delivery while maintaining high customer satisfaction. Standardized internal business processes and implementing customers consistent with the defined target are two specific means used by the Fund to support the vision. Specifically, the Fund will provide support to Treasury and government-wide initiatives:

- During FY 2010, the Fund completed infrastructure changes necessary to serve the role of a Trusted Internet Connection Access Provider (TICAP) for Treasury in response to the Office of Management and Budget's (OMB) government-wide internet security initiative.
- Beginning in FY 2011, the Fund started hosting the production infrastructure for the Financial Crimes Enforcement Network (FinCEN) IT Modernization effort, a Treasury high priority initiative. Also the Fund provided support for national priorities through administrative support to several new programs including; 1) Consumer Financial Protection Bureau (CFPB), 2) Financial Stability Oversight Council (FSOC), 3) Office of Financial Research (OFR), 4) Small Business Lending Fund (SBLF), and 5) State Small Business Credit Initiative (SSBCI).
- Beginning in FY 2012, the Fund lent support to agencies to review and assess using the Budget Formulation, Execution, and Performance Manager (BFEM) by accepting and operating BFEM within the Administrative Services budget activity section of the Fund.

A major operational priority is to assess and report on service delivery performance and provide customers with timely performance feedback in areas in which the Fund and customers must work together to successfully perform administrative services. During FY 2011, the Fund reviewed and made necessary adjustments to performance metrics and benchmarks to be incorporated in FY 2012 customer agreements. Performance feedback is critical to customers' ability to improve the efficiency of their own operations, which will lower the level of effort required to support them and maximize the benefits achieved through shared services.

Another operational priority is enhancing its shared service solution to better support customers in a Shared Services Provider (SSP) role. The Fund continues efforts to improve shared solutions. The following items, with actual or expected completion dates, represent the significant endeavors:

- Consolidation from five to two data centers within Treasury's Fiscal Service (FY 2012)
- Completed the implementation of IPP (FY 2011)
- Completed the consolidation of two Oracle E-Business Suite installations (FY 2011)

- Upgrade of Oracle E-Business Suite to Release 12 (FY 2012). This modernization effort was reviewed by OMB's Financial System Advisory Board and found to be in compliance with the guiding principles outlined in OMB Memorandum M-10-26
- Implement E-Travel Solution compliant with solutions offered in the General Services Administration (GSA) to contract renewal (FY 2013)
- Upgrade of E-Procurement Contract Writing Solution (FY 2013)

As significant budgetary resources are used for salaries and benefits, human capital strategies such as recruiting and retention efforts are a high priority. Our goal is to recruit high-quality, dedicated employees who care about the success of the Fund and its customers. Additionally, the Fund focuses on development processes to educate and train staff on new responsibilities as federal stewards, and providing a challenging, rewarding, and values based work environment. Emphasis is placed on information sharing demonstrated by regular town hall meetings and the presentation of customer feedback to employees.

Context The Government Management Reform Act of 1994 (GMRA) authorized the establishment of six franchise fund programs within the Federal Government. The franchise concept was built on OMB's twelve operating principles for business-like organizations, including provider competition, customer's voluntary exit, full cost recovery, initial capitalization, and performance measurement and benchmarking.

In 1996, OMB designated the Department of the Treasury as one of the six Executive Branch agencies authorized to establish a franchise fund program. The Fund began operations in 1997 and through FY 2008, provided services through the Bureau of the Public Debt's (BPD) ARC, Financial Management Service's (FMS) Treasury Agency Services (TAS) and Treasury Departmental Office's FedSource and Federal Consulting Group (FCG). In FY 2009, the Fund worked with FMS to migrate TAS from the Fund, successfully transitioned FCG to another federal host, and substantially closed out the FedSource business activity. Accordingly, the administrative and IT support provided by ARC are the only services rendered in FY 2010 and thereafter.

The Fund currently holds designations by the OMB or provides critical support to Treasury for the following line of business initiatives:

- Designated Center of Excellence for Financial Management Line of Business (FMLoB).
- Designated Shared Services Center for Information Systems Security Line of Business (ISSLoB).
- Supports Treasury in the Human Resources Line of Business (HRLoB).
- Supports Treasury in the Public Key Infrastructure (PKI) SSP designations.
- Supports the Budget Formulation and Execution Line of Business (BFELoB) through the transition of BFEM to the Fund in FY 2012.

Through actively supporting the lines of business initiatives and the vision and priorities outlined above, the Fund directly aligns with Treasury's strategic goal to "*manage the government's finances in a fiscally responsible manner.*" The Fund has demonstrated successes in reducing duplication, providing accurate and timely financial management information, and providing responsive support for government-wide initiatives.

The Fund reduces the number of federal administrative systems by providing access to an integrated system platform for financial management, travel, procurement, human resources, and IT services. In addition, as a SSP, the Fund provides many customers with value added services, such as transaction processing and financial reporting. The Fund currently provides:

- 34 organizations with financial management services
- 38 organizations with travel services
- 35 organizations with procurement services
- 31 organizations with human resource services
- 15 organizations with IT services

Providing shared services to federal customers result in cost savings and improved quality and compliance. Savings are achieved through consolidated buying power and cost sharing opportunities in the areas of operations and maintenance, enhancements, and upgrades. Improved quality and compliance is achieved through the Fund's service model and standardized business processes that align with applicable laws, rules, and regulations as evidenced by having received 15 consecutive unqualified audit opinions. In addition, the Fund undergoes a Type II Statements on Standards for Attestation Engagements (SSAE) 16 audit annually and has received nine consecutive unqualified opinions. The SSAE 16 results enhance customer confidence and reduce agency's annual financial statement audit costs.

A key challenge for the Fund is maintaining service and customer satisfaction levels while pursuing cost reduction and containment initiatives, such as transitioning customers to the standardized service delivery model. For FY 2012, the Fund has maintained costs at levels commensurate with FY 2011. This was achieved through initiatives to consolidate two Oracle E-Business Suite installations and further implement standardized business practices. In addition, ARC collaborated with FMS and OMB to develop the internet web site [www.paymentaccuracy.usaspending.gov](http://www.paymentaccuracy.usaspending.gov) in accordance with aggressive timelines mandated in Executive Order 13520. The web site includes detailed information regarding cause and corrective actions on more than \$110 billion improper payments made in FY 2009.

In FY 2013, the Fund will maintain its commitment to excellence and continue to meet all strategic goals and benchmarks. The Fund continues to look for measured and controlled growth opportunities to expand existing service lines or add other value added, in-demand administrative services.

There is a positive outlook for shared services in the Federal Government. The Fund anticipates further growth in this sector due to OMB's Line of Business (LoB) initiatives and increased budget constraints.

There is tremendous synergy between the business model established by the Treasury several years ago and recent OMB initiatives. Each model supports the concept of sharing costs across agencies to reduce each entity's cost burden, especially capital investments in systems. In addition, most of the LoBs use competition to keep the costs of service providers to a minimum and to allow customer agencies to shop around for the service provider that best satisfies their needs.

## Section 2 – Budget Adjustments and Appropriation Language

### 2.1 – Budget Adjustments Table

Dollars in Thousands

Treasury Franchise Fund	FTE	Amount
<b>FY 2012 Estimated</b>	<b>1,190</b>	<b>\$245,332</b>
Changes to Base:		
Adjustment to Estimate:	47	\$9,893
Adjustment to Estimate	47	\$9,893
Maintaining Current Levels (MCLs):	-	\$3,095
Maintaining Current Levels	-	\$3,095
Efficiency Savings:	(13)	(\$16,018)
Data Center Consolidation	(13)	(\$16,018)
Subtotal FY 2013 Changes to Base	34	(\$3,030)
<b>Total FY 2013 Base</b>	<b>1,224</b>	<b>\$242,302</b>
Program Increases:	32	\$9,093
Customer Growth	32	\$9,093
<b>Total FY 2013 Estimated</b>	<b>1,256</b>	<b>\$251,395</b>

### 2A – Budget Increases and Decreases Description

**Adjustment to Estimate** ..... +\$9,893,000 / +47 FTE

*Adjustment to Estimate* +\$9,893,000 / +47 FTE

The Administrative Services budget activity has budget increases to support system enhancements, the addition of the BFEM program, and customer growth. |

**Maintaining Current Levels (MCLs)** ..... +\$3,095,000 / +0 FTE

*Maintaining Current Levels* +\$3,095,000 / +0 FTE

Funds are requested for inflation adjustments (1.7 percent) in non-labor expenses such as GSA rent adjustments, postage, supplies and equipment and health benefits and the increase in Federal Employees Retirement System participation. No inflation adjustment is requested for the proposed 2013 pay raise (0.5 percent). |

**Efficiency Savings** ..... -\$16,018,000 / -13 FTE

*Data Center Consolidation* -\$16,018,000 / -13 FTE

The Information Technology budget activity has budget decreases for the savings resulting from the Fiscal IT project. Through continued integration of services and infrastructure optimization efforts, the Fiscal IT project will achieve approximate savings of \$16 million in infrastructure management costs in FY 2013. Infrastructure optimization efforts are focused on reducing infrastructure costs through increased use of virtualization technology, modernizing backup operations, and other efficiency gains in IT operations. The majority of the savings, \$13 million, will be achieved through changes to the portfolio of contracts for services including in-sourcing work performed by more than 50 contractors. The remaining savings are achieved through reductions in salaries and benefits and other spending categories.

**Program Increases** .....+\$9,093,000 /+32 FTE  
*Customer Growth* +\$9,093,000 /+32 FTE

Customer growth is expected within each of the offerings within the Administrative Services budget activity and via the economies of scale that can be realized to contribute to Treasury's goal of fostering prudent use of taxpayer resources in operating the government. ]



## 2.3 – Operating Levels Table

Dollars in Thousands

Treasury Franchise Fund	FY 2011 Actual	FY 2012 Estimated	FY 2013 Estimated
<b>FTE</b>	<b>1,026</b>	<b>1,1237</b>	<b>1,256</b>
<b>Object Classification</b>			
11.1 - Full-time permanent	70,664	91,109	92,652
11.6 - Overtime	1,509	1,694	1,695
11.7 - Other Personnel Compensation	1,840	2,113	2,155
<b>11.9 Personnel Compensation (Total)</b>	<b>74,013</b>	<b>94,916</b>	<b>96,502</b>
12 - Personnel benefits	22,670	26,664	27,476
21 - Travel and transportation of persons	1,368	1,723	1,780
22 - Transportation of things	50	9	15
23.3 - Communication, utilities, and misc charges	1,745	7,835	8,497
24 - Printing and reproduction	0	36	37
25.1 - Advisory and assistance services	12,584	3,394	7,241
25.2 - Other services	5,393	43,398	35,649
25.3 - Other purchases of goods and services from Govt. accounts	26,922	45,698	46,389
25.7 - Operation and maintenance of equip	21,234	19,227	16,665
25.8 - Subsistence and support of persons	5	0	0
26 - Supplies and materials	918	1,283	1,299
31 - Equipment	15,558	11,042	10,042
<b>Total Budget Authority</b>	<b>182,460</b>	<b>255,225</b>	<b>251,591</b>
<b>Budget Activities:</b>			
Administrative Services	109,555	111,064	121,513
Information Technology Services	72,905	144,161	130,078
<b>Total Budget Authority</b>	<b>182,460</b>	<b>255,225</b>	<b>251,591</b>

**2B- Appropriations Language and Explanation of Changes**

[The Fund receives no appropriated funds from Congress.]

**2C – Legislative Proposals**

The Fund has no legislative proposals for FY 2013.

## **Section 3 – Budget and Performance Report and Plan**

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### **3A – Administrative Services**

*(\$121,513,000 from revenue/offsetting collections):*

The Administrative Services budget activity supports OMB’s shared services concept and furthers “good government” by standardizing the administrative financial systems and processes required to operate federal organizations. Value is provided through cost sharing opportunities in systems capital investments as well as reduced operating costs through providing consolidated high quality, value added services. The Fund, a Center of Excellence for the FMLoB and a support organization for Treasury’s HRLoB designation, provides administrative support functions with a focus on financial management, procurement, travel, and human resources. The program’s success is evidenced by the increasing demand for services and the level of satisfaction expressed by customers. The goal owner for this budget activity is the Assistant Commissioner of the Fiscal Service’s Office of Administrative Services.

#### *Description of Performance:*

Administrative Services established an outcome measure and target of 80 percent to determine performance in satisfying the needs of customer agencies. Annually, the Fund conducts a customer satisfaction survey to assess performance within all service lines. For FY 2011, over half of the Fund’s customers responded to the survey, and an overall customer satisfaction rating of 93 percent was achieved, attributable in large part to continued excellence in meeting service level objectives and our commitment to continuous improvements to provide cost effective services. In FY 2012, the Fund passed along an average four percent savings to customers and sensed strong customer satisfaction in a difficult budget environment. If the Fund’s target continues to be excessively met, a more aggressive target may be considered. However, the variability of the number and mix of survey responses supports 80 percent as an appropriate target for the Fund for FY 2012 and FY 2013.

Administrative Services has discontinued the operating expense metric and established an indirect cost target of 25 percent. The indirect cost metric represents indirect costs as a percentage of total costs and provides a better representation of the Fund's relative operating costs. This provides Fund management with a measure that encourages efficiency in administrative operations and helps to assure services are provided at the lowest possible cost. Initial calculations indicate an operating expense metric of 23 percent for FY 2012. The Fund will continue to pursue customer growth and evaluate indirect cost expenditures to maintain actual performance at or below the established target. |

### 3.1.1 –Administrative Services Budget and Performance Report and Plan

Dollars in Thousands

#### Administrative Services Budget Activity

Resource Level	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate
Reimbursable Resources	\$90,516	\$109,615	\$96,952	\$89,933	\$93,046	\$109,555	\$111,064	\$121,513
<b>Total Resources</b>	<b>\$90,516</b>	<b>\$109,615</b>	<b>\$96,952</b>	<b>\$89,933</b>	<b>\$93,046</b>	<b>\$109,555</b>	<b>\$111,064</b>	<b>\$121,513</b>

<b>Budget Activity Total</b>	<b>\$90,516</b>	<b>\$109,615</b>	<b>\$96,952</b>	<b>\$89,933</b>	<b>\$93,046</b>	<b>\$109,555</b>	<b>\$111,064</b>	<b>\$121,513</b>
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Measure	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Target	FY 2013 Target
Cust. Satisfaction Index - Admin Services (%)	75.0	91.0	97.0	89.0	81.0	93.0	80.0	80.0
Operating Expense (%)	NA	NA	NA	7.0	8.0	8.0	DISC	DISC
Indirect Cost (%)	NA	NA	NA	NA	NA	NA	25.0	25.0

Key: DISC - Discontinued and B - Baseline

### 3B – Information Technology Services

*(\$130,078,000 from revenue/offsetting collections):*

The Information Technology Services budget activity provides shared services to a variety of federal customers, both internal and external to Treasury. Value is provided through IT infrastructure consolidation and standardized IT service delivery in a modern, technically innovative, and secure environment. Customers avoid costly, long-term development projects when they take advantage of our shared services and environments. Services include information systems security, hosting, and software engineering. Additionally, end-user support and professional services are provided to the Fiscal Service and the Fund. The goal owners for this budget activity are the Fiscal IT Chief Information Officers (CIOs).

The Fund, designated by the OMB as a SSC for ISSLoB, provides agencies with proven Security Assessment and Authorization (SA&A) and Continuous Monitoring (CM) services. The Fund delivers information security support to other federal agencies, while improving quality, accelerating delivery, and reducing customer costs.

Secure hosting services are provided for production, contingency, and development/and test regions. The Fund has critical supporting roles in the PKI SSP designation of the Department of Treasury. The Fund's PKI and directory experience makes end-to-end identity management solutions available to customers.

Rapid Application Development (RAD) techniques and a demonstrated ability to integrate commercially available solutions combine to provide high quality software engineering services at a competitive price.

*Description of Performance:*

Information Technology Services established a management/customer service measure and target the same as Administrative Services. A customer satisfaction survey assessing the performance within all service lines is completed as a comprehensive score. Likewise, the results for FY 2011 are the same within Information Technology Services as within Administrative Services.

Information Technology Services has discontinued the operating expense metric and established an indirect cost target of 20 percent. The indirect cost metric represents indirect costs as a percentage of total costs and provides a better representation of the Fund's relative operating costs. This provides Fund management with a measure that encourages efficiency in administrative operations and helps to assure services are provided at the lowest possible cost. The Fund will continue to pursue customer growth and evaluate indirect cost expenditures to maintain actual performance at or below the established target. Due to the structure of this business, the target will vary from that of Administrative Services and was established at 20 percent. Expectations of Fiscal IT will be favorable for this measure. Calculations indicate an operating expense metric of 22 percent for FY 2010.

### 3.1.2 – Information Technology Services Budget and Performance Report and Plan

Dollars in Thousands

**Information Technology Services Budget Activity**

Resource Level	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate
Reimbursable Resources	\$0	\$0	\$0	\$56,467	\$73,858	\$72,905	\$144,161	\$130,078
<b>Total Resources</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$56,467</b>	<b>\$73,858</b>	<b>\$72,905</b>	<b>\$144,161</b>	<b>\$130,078</b>

<b>Budget Activity Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$56,467</b>	<b>\$73,858</b>	<b>\$72,905</b>	<b>\$144,161</b>	<b>\$130,078</b>
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Measure	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
	Actual	Actual	Actual	Actual	Actual	Actual	Target	Target
Customer Satisfaction (%)	NA	NA	NA	84.0	81.0	93.0	80.0	80.0
Operating Expense (%)	NA	NA	NA	5.0	8.0	8.0	DISC	DISC
Indirect Cost (%)	NA	NA	NA	NA	NA	NA	20.0	20.0

Key: DISC - Discontinued and B - Baseline

[Detailed information about each performance measure, including definition, verification and validation](#) is available.

## **Section 4 – Supplemental Information**

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### **4A – Capital Investment Strategy Information Technology (IT) Resource Planning and Strategic Alignment**

The Fund continues to lead the way for responsible, effective government through commitment to cutting-edge technologies, service, efficient operations, sharing of best practices and openness to change, in order to meet the operating needs of the Federal Government. The Fund systematically analyzes the demand for its services, considers effective methods for delivery of these services and identifies the broad asset implications through sound managerial practices.

#### **Effective Investment Management**

The Fiscal Service's enterprise architecture reviews ensure alignment of IT investments to bureau strategic plans and the strategic enterprise direction of Treasury. The reviews also identify potential duplication of systems. The Fund's Capital Planning and Investment Control program addresses the prioritization of new and existing IT investments, risk management, long-range planning, business objectives and alternative analysis. By tracking and reporting the progress of each investment and the performance measures achieved, the Fund ensures its IT investment portfolio is well managed and cost effective.

#### **Effective Project Execution**

Through a disciplined and consistent approach to project management, IT investments are closely monitored for cost, schedule and performance to ensure expected results and benefits are achieved. Each IT investment has a dedicated, certified program manager and a fully staffed integrated program team to ensure the successful and timely implementation of new products and services. The utilization of Commercial off-the-shelf (COTS) technology and enterprise solutions has provided benefits including decreased costs and development time.

The systems that support each investment are enhanced using RAD techniques that give the program manager the flexibility to quickly incorporate new functionality and improve efficiency across the bureau.

#### **Major IT Investment Summary**

The **Franchise Financial and Administrative Services (FFAS)** investment is an integrated investment system that supports a full service federal financial management operation. The system supports the Fund's complex business model and is configurable to meet the diverse financial needs of federal organizations. Oracle e-Business Suite (Oracle) is the major system that supports the FFAS investment requirements. Oracle is a web-enabled COTS application providing an integrated accounting, budgeting, and reporting system comprising multiple subsystems. The system enables financial management of budget execution, purchasing, accounts payable, accounts receivable, disbursements, fixed assets, and inventory and order management. Functions in Oracle are accounted for on a general ledger double entry accounting basis and allow for management reporting in addition to required external reporting. Oracle was deployed into production in October 2002 and has been integrated with many key feeder systems.

• **The immediate (base + FY 2013 request) cost as well as the full life-cycle cost of the asset:**

1. FY 2012-FY 2013: \$50,492,000
2. FY 2011-FY 2013: \$74,060,000

• **The projected useful life of the asset:** Projected until FY 2018

• **Timeframe for the “development, modernization and enhancement” phase of the investment for FY 2013:**

1. FY 2013 R12 DME - The upgrade of the Fund's core financial system to Oracle Release 12 (R12) is expected to improve functionality of the system in areas of reporting and workflow to improve service offering to current and prospective customers. (start 10/01/2012 and end 09/30/2013)
2. FY 2013 CWS DME - The Contract Writing System (CWS) is a planned replacement for PRISM that is expected to be better integrated with Oracle and improve functionality. (start 10/01/2012 and end 09/30/2013)

• **The anticipated benefit(s) of the investment:**

1. Production of accurate and timely information to support operating, budget, and policy decisions
2. Enhances customer service to meet the needs of other government agencies and thus allowing those agencies to focus on mission-related activities
3. Improves clarity, utility, and availability of federal financial information

• **How performance will be measured and evaluated:**

1. Percent of monthly closes within three days (100%)
2. Average call response time (seconds) for system support (8 seconds)
3. Percentage of system availability for the month (99%)
4. Percentage of financial system audits resulting in no material weaknesses (95%)

The **Government Agency Investment Services (GAIS)** investment supports the Fiscal Service's GAIS program. The Fiscal Service is working to achieve its long-term goal of consolidating the systems that house GAIS data into a single integrated control environment, which will reduce operational risks and allow the program to consolidate and standardize internal controls over GAIS processes. The control environment originally consisted of 18 processes in 2006 and has been consolidated into eight standardized processes as of FY 2011. In FY 2012, the program plans to consolidate the remaining two processes, leaving six standardized processes and concluding the project.

• **The immediate (base + FY 2013 request) cost as well as the full life-cycle cost of the asset:**

1. FY 2012-FY 2013: \$2,527,000
2. FY 2011-FY 2013: \$4,036,000

• **The projected useful life of the asset:** Projected until FY 2022

• **Timeframe for the “development, modernization and enhancement” phase of the investment for FY 2013:**

1. FY 2013 DME - Software Upgrades (Define/Design/Develop/Deploy customer screens, reports, and user interfaces to provide timely, accurate, and informative analyses of government accounting data and to improve customer service)

• **The anticipated benefit(s) of the investment:**

1. Strengthen services for government agencies
2. Empower government agency customers
3. Improve program management for government agencies investment services

• **How performance will be measured and evaluated:**

1. Percent of interest/principal payments for federal investments made accurately. (100%)
2. Percent of federal investment transactions processed timely. (100%)
3. Percent of application availability during published business hours. (100%)
4. Percent of customer satisfaction survey results rated excellent. (56%)

The Fund follows the IT strategy of the Fiscal Service, the host organization. To ensure mission success of the Fiscal Service’s mission at the lowest cost to the taxpayer, the Fiscal Service continues to strengthen its strategic planning processes to make the best possible use of resources across all business lines and budget activities, including the Fund's Administrative Services and Information Technology Services. The Fiscal Service created The Enterprise Architecture Group (EAG) to promote strategic alignment across the enterprise, optimize business processes by promoting an appropriate diversity and reuse of technology solutions and expose strategic planners to information that enables informed decisions. The EAG is charged with the following responsibilities:

- Evaluate program and support organization transition activities, focusing on need, enterprise alignment, impact, and constraints.
- Determine the most effective course of action for each presented transition activity.
- Develop and prioritize the transition plan.
- Maintain business-related enterprise architecture models.
- Publish Enterprise Architecture information.
- Review and approve/disapprove capital planning investment documents.

During FY 2012, as the Fund consolidates data center operations, additional governance processes will be established to ensure effective use of common IT resources.

Beginning with the FY 2012 budget submission, the Fund unveiled a restructured IT investment portfolio, further aligning budget activities and programs. The restructuring includes the movement of IT Infrastructure reporting to the Fund.



### **Modern and Secure Technical Environment**

The IT strategy embraces a modern and secure technical environment to support the Fund's programs, workforce, and customers. The Fund's software engineering framework will leverage open source technologies. The Fund will expand its virtual infrastructure and will leverage virtual technologies in the delivery of end user services. Furthermore, social media technologies and data services (for both structured and unstructured data) will be available for use in a secure manner as a productive means of business collaboration.

As federal budget dollars shrink, federal program managers require cost effective IT services that align with business needs. The Fund's Information Technology Services budget activity must meet customers' requirements for quality and cost. The Fund adopts the principles of continuous service improvement (CSI) to find where improvements in the efficiency and effectiveness of IT infrastructures can be made. The goal is to increase the use and efficiency (optimization) of IT assets, while reducing IT service costs for customers. |