

Treasury Franchise Fund

FY 2014

President's Budget

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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 and information technology support services.

1.1 – Resource Detail Table

Dollars in Thousands

Treasury Franchise Fund Budgetary Resources	FY 2012		FY 2013		FY 2014		FY 2012 to FY 2014			
	Actual		Estimated		Estimated		\$ Change		% Change	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Revenue/Offsetting Collections										
Reimbursables										
Shared Services Program (SSP)		147,304		136,426		184,809		37,505		25.46%
Financial Management Administrative Support Services		105,432		113,463		116,362		10,930		10.37%
Information Technology Services		143,007		133,587		130,647		(12,360)		-8.64%
Recovery from Prior Years		40,110		47,061		46,346		6,236		15.55%
Unobligated Balances from Prior Years		116,561		111,004		102,158		(14,403)		-12.36%
Total Revenue/Offsetting Collections		552,414		541,541		580,322		27,908		5.05%
Expenses/Obligations										
Shared Services Division	0	0	23	7,184	23	7,162	23	7,162	N/A	N/A
Shared Services Program (SSP)	187	175,258	169	183,917	169	183,328	(18)	8,070	-9.63%	4.60%
Financial Management Administrative Support Services	723	116,571	771	114,695	802	116,646	79	75	10.93%	0.06%
Information Technology Services	437	149,581	522	133,587	522	130,965	85	(18,616)	19.45%	-12.45%
Total Expenses/Obligations	1,347	441,410	1,485	439,383	1,516	438,101	169	(3,309)	12.55%	-0.75%
Net Results		111,004		102,158		142,221		31,217		28.12%

The numbers provided for FY 2012 and FY 2013 for the Shared Services Division and Shared Services Programs are for comparison purposes. The actual consolidation of these two programs will be in effect in FY 2014.

1B – Vision, Priorities and Context

The Treasury Franchise Fund's (TFF) 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 FY 2014 TFF budget submission proposes to merge the Working Capital Fund (WCF) programs into the TFF. The TFF plans to achieve a higher level of transparency with the WCF transfer. In addition, this budget submission also proposes to change the name of the WCF program to the Shared Services Programs (SSP).

Implementing the transfer in the beginning of FY 2014, will allow for a smooth transition of the WCF programs into the TFF and facilitate the budgetary and financial reporting requirements for these programs. The transfer will allow the Department to apply franchising authority to the former WCF programs. The TFF authority permits a reasonable operating reserve to be maintained for shared service providers and will provide a platform for expanding our shared services programs. In addition, combining all of Treasury's shared services into one account will

improve coordination and governance of shared services both within and outside of the Department.

Main Functions

TFF, which includes SSP and the Administrative Resource Center (ARC), provides financial management, procurement, travel, human resources, information technology (IT) services, and other administrative services to federal customers, including a majority of the Department of the Treasury bureaus, on a reimbursable, fee-for-service basis.

Strategic Goals

- Maintain high customer satisfaction with services.
- Implement process improvement and efficiency efforts to reduce costs to customers.
- 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.

Relationship to Treasury Strategic Goals

TFF supports the Treasury's Strategic Goal number five, to "Manage the Government's Finances in a Fiscally Responsible Manner", by providing reliable, consistent, and cost effective administrative support and information technology services.

FY 2014 Priorities

- Successful consolidation of the SSP into TFF.
- Transition to second-generation E-Gov Travel Service system (ETS2).
- Modernize administrative services shared platform.
- Implement the Invoice Processing Platform (IPP) and transition customers and vendor use.
- Complete Data Center consolidation and functional realignment.
- Modernize administrative services manufacturing platform.
- Develop and implement the HR workflow and reporting tool.

Key Accomplishments and Challenges

- *Maintaining Cost Levels* - For FY 2013, TFF continues achieving sub-inflationary pricing by realizing efficiency savings from the Fiscal IT data center consolidation and greater use of the IPP to improve the efficiencies in handling and processing vendor invoices. In addition to the ongoing challenge of achieving sub-inflationary prices, another key challenge for the TFF is maintaining services and customer satisfaction levels while pursuing cost reduction and containment initiatives, such as transitioning customers to the standardized service delivery model and balancing service levels with customer demand and funding levels.
- *Creation of the Treasury Shared Services Council (SSC)* - The Treasury Shared Services Council (SSC) was created as an advisory body for all TFF programs so that customer perspectives are accounted for in operating decisions. The SSC will make recommendations to the Assistant Secretary for Management (ASM) on new shared services functions; changes or clarifications to Treasury-wide policies and rules

governing the exercise of TFF authorities, and shared services goals and objectives. In addition, they will review corporate TFF support costs and allocations.

- *Transfer of WCF Programs to the TFF* – At the beginning of FY 2014, the Department will transfer all the former WCF programs into the TFF into a new activity called the Shared Services Programs. To provide oversight and guidance for the newly combined services, the Department created the Shared Services Division (SSD), within the Office of the Deputy Chief Financial Officer (DCFO). The SSD will be coordinating and collaborating with all new stakeholders to ensure that concerns are addressed during this transition.
- *Consolidation of the Financial Management Service and the Bureau of the Public Debt Data Centers*- The Financial Management Service (FMS) and the Bureau of the Public Debt's (BPD) decision to consolidate from five to two data centers occurred in 2011 in direct support of the objectives of the Fiscal Service Chief Information Officer (CIO) and the Data Center Consolidation Initiative. The milestones achieved within this process included closing of a processing site and a regional operations center ahead of schedule in 2011 and realigning the impacted personnel between the bureaus. In 2012 this process continued with the closing of another data center. The Fiscal IT initiative achieved significant cost savings and the initiative is considered an overall success.
- *Oracle Release 12 (R12) Conversion* - In FY 2012 TFF completed the upgrade of the Administrative Resource Center's (ARC) shared core financial system to Oracle Release 12 (R12). The upgrade improved system functionality in the areas of reporting and workflow to improve the services offered to current and prospective customers. Additionally, the TFF complied with Common Government-wide Accounting Classification requirements. In FY 2013, which is the final phase of the project, 30 financial management customers will be converted to R12 through the first quarter of FY 2013. The Office of Management and Budget's (OMB) Financial System Advisory Board reviewed this modernization effort and found the system in compliance with the guiding principles outlined in OMB Memorandum M-10-26.
- *Invoice Processing Platform (IPP) Transition* – During FY 2012, 26 of the 29 financial management customers have transitioned to the new IPP business process for eligible vendor invoices. Completing this transition will position TFF to meet Treasury's FY 2014 vendor invoicing mandate and to pursue a similar policy for non-Treasury customers. In addition, the TFF will continue working to enhance the system's functionality and controls to enable realization of its full cost savings potential.
- *Budget Service Expansion* - In FY 2012 TFF expanded budget service offerings by accepting and operating the Budget Formulation and Execution Manager (BFEM) and the Performance Measure Manager (PMM) within the Administrative Services budget activity. BFEM is aligned with OMB's budgetary guidance.
- *Attestation Engagement & Financial Statement Audit Updates* - TFF undergoes an annual *Type II Statements on Standards for Attestation Engagements (SSAE) 16*. SSAE 16 is an attestation engagement of internal controls, in which management is attesting in writing the fair presentation and design of controls. TFF has received nine consecutive unqualified opinions for these types of engagements. The SSAE 16 results enhance customer confidence and reduce annual financial statement audit costs. TFF has received 15 consecutive unqualified financial statement audit opinions.

- *GSA Contract Renewal* - Through the end of FY 2011 and into FY 2012, TFF participated on the selection team that conducted the evaluation that led to the contract renewal for the General Services Administration (GSA) E-Travel. In FY 2013 the TFF will implement an E-Travel Solution by the GSA contract support.

Larger Operating Environment

In FY 2014 TFF will maintain its commitment to excellence and continue to meet all strategic and financial goals and benchmarks. TFF continues to strive for growth opportunities to expand existing service lines and provide other valuable in-demand administrative services while supporting Fiscal consolidation in an era of budget reductions. In order to meet the goal of reducing costs to customers, TFF will maximize shared service value and continue to look for opportunities to improve the efficiencies in business processes and technologies used in service delivery.

The TFF is working to transfer all WCF programs into TFF by October 1, 2013 (FY 2014). The proposed name for the transferred programs will be SSP, and the Shared Services Division (SSD), under the Office of the DCFO, will manage the SSP. The newly established SSD will promote transparency and align financial reporting to the Treasury's strategic goal number five, "Manage the Government's Finances in a Fiscally Responsible Manner".

The proposed governance structure for the TFF will be composed of three major governing bodies:

1. Assistant Secretary for Management (ASM) - Responsible for the corporate management and oversight for the TFF.
2. Shared Services Council - Serves as an advisory body for all TFF programs and ensures customers' perspectives are included in the decision-making process. The SSC plans to align and enhance shared services across the Department.
3. Financial Management Oversight Committee - Functions as a due diligence-working group that performs preliminary reviews of new-shared services and financial and budgetary policies and procedures prior to any new activities being considered and presented to the SSC.

In addition to the creation of the Treasury Shared Services Council, the TFF plans to formally incorporate the customer perspective into the decision-making process. Customer involvement and input will provide an opportunity for the SSC to obtain constructive and directed feedback and ensure customer concerns are addressed.

Section 2 – Budget Adjustments and Appropriation Language

2.1 – Budget Adjustments Table

Dollars in Thousands

Treasury Franchise Fund	FTE	Amount
FY 2012 Actual	1,347	\$441,410
FY 2013 Estimated	1,485	\$439,383
Changes to Base:		
Adjustments to Estimate:	-	-
Maintaining Current Levels (MCLs):	-	\$6,610
Pay-Raise	-	\$1,429
Non-Pay	-	\$5,181
Non-Recurring Costs:	-	(\$4,200)
InvestOne	-	(\$4,200)
Efficiency Savings:	-	(\$8,308)
Data Center Consolidation	-	(\$4,541)
Reduction of SSP Shared Cost	-	(\$3,767)
Subtotal Changes to Base	-	(\$5,898)
Total FY 2014 Base	1,485	\$433,485
Program Changes:		
Program Increases:	31	\$4,616
Customer Growth	31	\$4,616
Total FY 2014 Estimated	1,516	\$438,101

2A – Budget Increases and Decreases Description

Maintaining Current Levels (MCLs) **+\$6,610,000 / +0 FTE**

Pay-Raise +\$1,429,000 / +0 FTE

The President's Budget proposes a 1 percent payraise for federal employees in 2014.

Non-Pay +\$5,181,000 / +0 FTE

Funds are required for inflation adjustments in non-labor expenses such as GSA rent adjustments, postage, supplies and equipment.

Non-Recurring Costs **-\$4,200,000 / +0 FTE**

InvestOne -\$4,200,000 / +0 FTE

InvestOne is a comprehensive, integrated solution that provides reliable financial data for the nearly \$5 trillion in investments held at BPD for some 230 government investment funds. TFF expects that the project will be completed in FY 2013 and no additional funding will be needed to support this effort in FY 2014.

Efficiency Savings **-\$8,308,000 / +0 FTE**

Data Center Consolidation -\$4,541,000 / +0 FTE

The Information Technology budget activity has continued budget decreases for the savings resulting from the Fiscal IT project. FMS and BPD IT areas were consolidated prior to the bureaus consolidation. That was called "Fiscal IT." The resulting efforts are expected to reduce duplication and streamline activities.

Reduction of SSP Shared Cost -\$3,767,000 / +0 FTE

The SSP efficiency reduction represents the proposed reductions for all SSP programs in FY 2014.

Program Increases +\$4,616,000 / +31 FTE

Customer Growth +\$4,616,000 / +31 FTE

Customer growth is expected within each of the offerings within the Administrative Services budget activity. Expanding administrative services to additional customers allows the Fund's fixed costs to be distributed across a greater base. In addition to the economic benefits, customers will receive professional administrative services that are consistent in both quality and cost. These benefits strongly align with Treasury's goals of fiscal responsibility and the further standardization of systems and business processes through shared services employed across the government.

2.2 – Operating Levels Table

Dollars in Thousands

Treasury Franchise Fund Object Classification	FY 2012 Actual	FY 2013 Estimated	FY 2014 Estimated
11.1 - Full-time permanent	109,950	121,047	123,894
11.3 - Other than full-time permanent	1,202	0	0
11.5 - Other personnel compensation	4,082	4,557	4,611
11.6 - Overtime	98	39	37
11.7 - Other Personnel Compensation	166	275	268
11.8 - Special personal services payments	13	197	192
11.9 - Personnel Compensation (Total)	115,511	126,115	129,002
12.0 - Personnel benefits	33,630	35,943	36,982
13.0 - Benefits for former personnel	404	1,036	1,044
Total Personnel and Compensation Benefits	\$149,545	\$163,094	\$167,028
21.0 - Travel and transportation of persons	1,629	1,455	1,465
22.0 - Transportation of things	75	23	24
23.1 - Rental payments to GSA	2,884	3,264	3,157
23.2 - Rental payments to others	96	27	25
23.3 - Communication, utilities, and misc charges	4,791	4,526	4,415
24.0 - Printing and reproduction	2	56	55
25.1 - Advisory and assistance services	32,387	30,914	31,282
25.2 - Other services	63,634	63,245	62,829
25.3 - Other purchases of goods & serv frm Govt accounts	120,512	109,909	110,987
25.4 - Operation and maintenance of facilities	106	612	604
25.7 - Operation and maintenance of equip	36,628	40,708	39,141
26.0 - Supplies and materials	842	1,330	1,285
31.0 - Equipment	28,279	20,220	15,804
Total Non-Personnel	291,865	276,289	271,073
Total Budgetary Resources	\$441,410	\$439,383	\$438,101
Budget Activities:			
Shared Services Division	0	7,184	7,162
Shared Services Program (SSP)	175,258	183,917	183,328
Financial Management Administrative Support Services	116,571	114,695	116,646
Information Technology Services	149,581	133,587	130,965
Total Budgetary Resources	\$441,410	\$439,383	\$438,101
FTE	1,347	1,485	1,516

The numbers provided for FY 2012 and FY 2013 for the Shared Services Division and Shared Services Programs are for comparison purposes. The actual consolidation of these two programs will be in effect in FY 2014.

2B – Appropriations Language and Explanation of Changes

TFF receives no appropriated funds from Congress.

2C – Legislative Proposals

TFF has no legislative proposals.

Section 3 – Budget and Performance Plan

3A – Shared Services Division (SSD)

(\$7,162,000 from expenses/obligations):

In FY 2013 the ASM created the Shared Services Division (SSD) under the Office of DCFO to administer and manage the TFF. SSD will oversee the budgetary activities and manage the coordination efforts among the shared services providers. SSD will also include as part of their portfolio the administration of the SSP, formerly known as the WCF programs.

SSD will support the goals of shared services by implementing government principles and practices. The shared services providers are offering these services on a competitive basis, as well as delivering outstanding customer service. The SSD will also evaluate and examine any new franchise services that may be added to the TFF before they are presented to the SSC for consideration. The goal owner for this budget activity is the Deputy Chief Financial Officer.

SSD aligns with the Treasury’s Strategic Goal #5 – “Manage the Government’s Finances in a Fiscally Responsible Manner.”

3.1.1 – Shared Services Division (SSD) Budget and Performance Plan

Dollars in Thousands

Shared Services Division Budget Activity								
Resource Level	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
	Actual	Actual	Actual	Actual	Actual	Actual	Estimated	Estimated
Expenses/Obligations	\$0	\$0	\$0	\$0	\$0	\$0	\$7,184	\$7,162
Budget Activity Total	\$0	\$0	\$0	\$0	\$0	\$0	\$7,184	\$7,162

Measure	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
	Actual	Actual	Actual	Actual	Actual	Actual	Target	Target
Cust. Satisfaction Index -	N/A	N/A	N/A	N/A	N/A	N/A	N/A	TBD

Key: N/A - Not in Effect; DISC - Discontinued; B - Baseline

The numbers provided for FY 2013 for the Shared Services Division are for comparison purposes. The actual consolidation of this program will be in effect in FY 2014.

3B – Shared Services Program (SSP)

(\$183,328,000 from expenses/obligations):

The majority of the service providers under the SSP are organizational components of the Assistant Secretary for Management and Chief Financial Officer (ASM/CFO) within the Departmental Offices (DO). The SSP provides services in eight different program categories: Intelligence and Security, Human Resources, Enterprise Business Solution (EBS), Information Operations (IO), Cyber Security (CS), Performance Management and Governance (PMG), Other Assistant Secretary of Management (ASM) Programs, and SSP Support Services.

- *Intelligence and Security* - Develops guidance, provides operational assistance and direction on security of information, contracts, systems, facilities, critical infrastructure, personnel; and provides training
- *Human Resources* – Provides guidance, ensures compliance, and provides solutions to issues related to the Chief Human Capital Officer (CHCO) Act and Equal Employment Opportunity Program mandated by 29 CFR 1614.
- *EBS* – Provides support through HR Connect, which is Treasury’s enterprise Human Capital system. HR Connect is a Human Resources Line of Business (HRLoB) shared service provider supporting 28 Treasury bureaus and offices as well as nine non-Treasury agencies. The EBS provides full lifecycle HR processing such as recruiting, personnel actions, payroll, and new employee processing. HR Connect provides functionality that is interoperable and scalable, and enables customers to meet their Human Capital strategic goals.
- *IO* - Provides oversight and management of all telecommunications programs within the Office of the Chief Information Officer. The IO provides strategic direction to telecommunications programs, ensures that costs are managed according to best practices, and reduces costs where possible.
- *CS* – Provides Critical Infrastructure Protection and Information Security services and supports the direct protection of designated Treasury critical infrastructure/key resources against terrorist activity. CS also supports the protection (confidentiality, integrity, and availability) of the Department’s unclassified and classified systems and the information they process. CS also coordinates the Department’s overall activities to implement the Federal Information Security Management Act (FISMA) of 2002.
- *PMG* – Develops an IT Strategy and Transition Plan to meet Treasury’s mission requirements and strategic goals. PMG collaborates with bureaus and partners with Capital Planning and Investment Control to ensure management of IT portfolios align with IT transition plans. Through its Enterprise Data Management (EDM), the CIO team provides data architecture and integration services that currently support Workforce Analytics (available through HR Connect) and Data ‘N Analytics (available through desktop visualization tools).
- *ASM Programs* – The ASM manages various programs which include:
 - Financial System Integration – Develops and maintains the Financial Analysis and Reporting System (FARS);
 - Office of Emergency Programs – Ensures continuity of the Treasury Department’s essential functions during disasters and administers emergency mitigation, preparedness, response, and recovery activities;
 - Office of Small and Disadvantaged Business Utilization – Advises the Secretary, Deputy Secretary, and bureau heads on small business policies and initiatives;
 - Government-wide Council Payments – Supports Treasury’s participation in Government-wide Councils;
 - Treasury Operations Excellence - Provides services to help Treasury use entrusted resources more effectively and efficiently; Privacy, Transparency, and Records provides policy, procedural and technical guidance and assistance to Treasury employees to collect, protect, retain, preserve, disclose, and provide access to Treasury’s information resources pursuant to U.S. laws;

- HSPD-12 - Provides coordination, management processes, and technical coordination for personal identity verification and credentials;
 - Printing and Graphics – Provides contract printing services to Treasury bureaus, and assists customers in planning and designing printed publications; and
 - Communications, Information, and Locator Center – Provides after-hours executive telephone answering/messaging/conferencing services and provides connectivity to employees home, cell, and emergency contact pager and blackberries.
- *Support Services - Captures centralized administrative support costs for all SSP funded personnel that are not reflected in each SSP program budget.*

3.1.2 – Shared Services Program (SSP) Budget and Performance Plan

Dollars in Thousands

Shared Services Program (SSP) Budget Activity

Resource Level	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
	Actual	Actual	Actual	Actual	Actual	Actual	Estimated	Estimated
Expenses/Obligations	\$0	\$0	\$0	\$0	\$0	\$175,258	\$183,917	\$183,328
Budget Activity Total	\$0	\$0	\$0	\$0	\$0	\$175,258	\$183,917	\$183,328

Measure	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
	Actual	Actual	Actual	Actual	Actual	Actual	Target	Target
Cust. Satisfaction Index -	N/A	N/A	N/A	N/A	N/A	N/A	N/A	TBD

Key: N/A - Not in Effect; DISC - Discontinued; B - Baseline

The numbers provided for FY 2012 and FY 2013 for the Shared Services Programs are for comparison purposes. The actual consolidation of this program will be in effect in FY 2014.

The SSP plans to expand its administrative services to Treasury and non-Treasury customers. This will result in distributing TFF's fixed costs across a greater base. In addition to the economic benefits, customers will receive professional administrative services that are consistent in both quality and cost. These benefits strongly align with Treasury's goals of fiscal responsibility and further standardize systems and business processes through shared services employed across the government. The goal owner for this budget activity is the Deputy Chief Financial Officer.

Description of Performance:

At this time the SSP is working to establish performance measures and plans to work with various customers and program offices to develop performance measures by FY 2015.

3C – Financial Management Administrative Support Services

(\$116,646,000 from expenses/obligations):

The Administrative Services Activity supports OMB's and Treasury'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 by providing consolidated, high quality, value added services. TFF has three important roles within the Department of the Treasury. TFF is Treasury's Center of Excellence for the Financial Management Line of Business. TFF is also a support organization for Treasury's Human Resources Line of Business, and for the Treasury's Budget Formulation and Execution Line of Business. These lines of business provide 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. TFF conducts an annual customer satisfaction survey to assess performance and value within all service lines. For FY 2012, over half of TFF's customers responded to the survey with an overall satisfaction rating of 94 percent. The commitment in providing and meeting service level objectives and improvements through cost effective services contributed to this rating.

Administrative Services has discontinued the operating expense metric, in FY 2012, and established an indirect cost target in its place. The indirect cost metric represents indirect costs as a percentage of total costs and provides a better representation of TFF's relative operating costs. This provides TFF management with a measure that encourages efficiency in administrative operations and helps to assure services are provided at the lowest possible cost. We project an operating expense metric of 25 percent for FY 2013. TFF will continue to pursue customer growth and evaluate indirect cost expenditures to maintain actual performance at or below the established target. TFF has reduced this target from 25 to 22 percent for FY 2014 to adjust the target closer to recent performance and in support of TFF's emphasis on fiscal responsibility.

3.1.3 – Financial Management Administrative Support Services Budget and Performance Plan

Dollars in Thousands

Financial Management Administrative Support Services Budget Activity								
Resource Level	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
	Actual	Actual	Actual	Actual	Actual	Actual	Estimated	Estimated
Expenses/Obligations	\$109,615	\$96,952	\$89,933	\$93,046	\$109,555	\$116,571	\$114,695	\$116,646
Budget Activity Total	\$109,615	\$96,952	\$89,933	\$93,046	\$109,555	\$116,571	\$114,695	\$116,646

Measure	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
	Actual	Actual	Actual	Actual	Actual	Actual	Target	Target
Cust. Satisfaction Index - Financial Mgmt Admin Support Services (%)	91.0	97.0	89.0	81.0	92.7	94.0	80.0	80.0
Indirect Cost Percentage - Administrative Services	N/A	N/A	N/A	N/A	N/A	B	25.0	22.0

Key: N/A - Not in Effect; DISC - Discontinued; B - Baseline

3D – Information Technology Services (*\$130,965,000 from expenses/obligations*):

The IT Services 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 TFF. The goal owner for this budget activity is the Fiscal Service's CIO.

TFF, designated by the OMB as a Shared Service Center (SSC) for Information Systems Security Line of Business, provides agencies with proven Security Assessment and Authorization (SA&A) and Continuous Monitoring (CM) services. TFF, authorized by the Department, is one of two Treasury trusted internet connection providers and hosts Treasury's public domain name system. TFF 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. TFF has critical supporting roles in the Public Key Infrastructure (PKI) Shared Service Provider (SSP) designation of the Department of the Treasury. TFF's PKI and directory experience makes end-to-end identity management solutions available to customers.

Rapid Application Development 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 established an outcome measure and target of 80 percent to determine performance in satisfying the needs of customer agencies. Annually, TFF conducts a customer satisfaction survey to assess performance and value within all service lines. For FY 2012, over half of TFF’s customers responded to the survey with an overall satisfaction rating of 94 percent. Continued excellence in meeting service level objectives and commitment to improve and provide cost effective services contributed to this rating.

Information Technology has discontinued the operating expense metric, in FY 2012, and established an indirect cost target. The indirect cost metric represents indirect costs as a percentage of total costs and provides a better representation of TFF's relative operating costs. This provides TFF management with a measure that encourages efficiency in administrative operations and helps to assure services are provided at the lowest possible cost. We project an operating expense metric of 20 percent for FY 2013. TFF will continue to pursue customer growth and evaluate indirect cost expenditures to maintain actual performance at or below the established target. TFF has reduced this target from 20 to 19 percent for FY 2014 to adjust the target closer to recent performance and in support of TFF’s emphasis on fiscal responsibility.

3.1.4 – Information Technology Services Budget and Performance Plan

Dollars in Thousands

Information Technology Services Budget Activity								
Resource Level	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
	Actual	Actual	Actual	Actual	Actual	Actual	Estimated	Estimated
Expenses/Obligations	\$0	\$0	\$56,467	\$73,858	\$69,211	\$149,581	\$133,587	\$130,965
Budget Activity Total	\$0	\$0	\$56,467	\$73,858	\$69,211	\$149,581	\$133,587	\$130,965

Measure	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
	Actual	Actual	Actual	Actual	Actual	Actual	Target	Target
Indirect Cost Percentage - Information Technology Services	N/A	N/A	N/A	N/A	N/A	B	20.0	19.0

Key: N/A - Not in Effect; DISC - Discontinued; B - Baseline

Section 4 – Supplemental Information

4A – Summary of Capital Investments for SSP

This information is included in the Salaries and Expenses chapter of the Departmental Office FY 2014 budget submission under the Capital Investment Strategy section.

4B – Summary of Capital Investments for Administrative Resource Center

TFF 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. TFF systematically analyzes the demand for its services, considers effective methods for delivery of these services, and identifies the investment implications through sound managerial practices.

FY 2014 investments include Franchise Financial and Administrative Services (FFAS), Telecommunications Systems and Support, Mainframe and Servers Support and Services, and End User Systems and Services. These projects are intended to support a full service federal financial management operation and provide meaningful and timely operational performance information. The FY 2014 cost of these investments is approximately \$119 million.

The full FY 2014 Capital Investment Plan for the Treasury Franchise Fund is available on the Treasury website <http://www.treasury.gov/about/budget-performance/Pages/summary-of-capital-investments.aspx>.

4.2 – Shared Services Program (SSP)

Dollars in thousands

SSP Budget	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimated	FY 2014 Estimated	FY 2012 to FY 2014	
					\$ Change	% Change
Treasury Appropriated Bureaus	\$145,440	\$133,196	\$133,868	\$133,343	\$147	0.11%
Treasury non-Appropriated Bureaus	\$9,293	\$19,278	20,279	\$20,954	\$1,676	8.69%
Non-Treasury	\$6,671	\$22,784	36,954	\$36,193	\$13,409	58.85%
Grand Total Financial Plan	\$161,404	\$175,258	\$191,101	\$190,490	\$15,232	8.69%

4.3 – Shared Services Program (SSP) Revenue Table by Customer and by Program

Dollars in thousands

FY 2014	Security	Human Resources	ACIO Enterprise Business Solutions	ACIO Infrastructure Operations	ACIO Cyber Security	ACIO IT Strategy and Technology Management	Other ASM Programs	SSP Support Services	Total
ATTB	\$3	\$31	\$344	\$177	\$30	\$52	\$378	\$41	\$1,056
OCC	\$23	\$92	\$2,679	\$1,444	\$238	\$707	\$1,204	\$255	\$6,642
DO CDFI	\$0	\$0	\$21	\$300	\$4	\$8	\$164	\$19	\$516
DC Pensions	\$0	\$0	\$12	\$31	\$1	\$0	\$25	\$3	\$72
DO OTA	\$85	\$0	\$6	\$26	\$0	\$0	\$6	\$5	\$128
DO S&E	\$0	\$70	\$1,438	\$6,703	\$2,001	\$233	\$5,788	\$638	\$16,871
DO WCF	\$0	\$0	\$1	\$166	\$0	\$0	\$0	\$7	\$174
DO TEOAF	\$0	\$0	\$68	\$46	\$2	\$1	\$12	\$5	\$134
DO FFB	\$0	\$0	\$5	\$24	\$1	\$0	\$11	\$2	\$43
DO HSPD-12	\$0	\$0	\$4	\$0	\$0	\$0	\$0	\$0	\$4
DO OFS/EESA	\$0	\$1	\$690	\$392	\$10	\$26	\$226	\$53	\$1,398
DO SBLF - DF	\$0	\$0	\$7	\$34	\$1	\$0	\$6	\$2	\$50
DO SSBCI - DF	\$0	\$0	\$3	\$14	\$0	\$0	\$2	\$1	\$20
DO OFR	\$0	\$2	\$144	\$254	\$11	\$24	\$45	\$19	\$499
DO FSOB	\$0	\$0	\$6	\$31	\$1	\$0	\$4	\$2	\$44
CFPB	\$11	\$104	\$1,293	\$2,133	\$3,730	\$256	\$761	\$326	\$8,614
FinCEN	\$2	\$16	\$266	\$134	\$20	\$103	\$210	\$30	\$781
FMS	\$11	\$73	\$898	\$2,291	\$108	\$283	\$1,540	\$204	\$5,408
IRS	\$573	\$2,251	\$40,337	\$15,021	\$7,043	\$10,178	\$22,514	\$3,817	\$101,734
TIGTA	\$5	\$12	\$528	\$838	\$242	\$91	\$222	\$77	\$2,015
OIG	\$1	\$29	\$87	\$183	\$13	\$20	\$55	\$15	\$403
SIG/TARP	\$1	\$6	\$115	\$289	\$14	\$25	\$82	\$21	\$553
BPD	\$5	\$20	\$687	\$82	\$51	\$84	\$517	\$57	\$1,503
TFF - ARC	\$7	\$20	\$398	\$0	\$77	\$592	\$529	\$61	\$1,684
Mint	\$11	\$183	\$1,199	\$279	\$115	\$204	\$967	\$118	\$3,076
ATFE	\$0	\$0	\$1,432	\$0	\$0	\$0	\$0	\$57	\$1,489
Commerce	\$0	\$4	\$1,991	\$665	\$38	\$88	\$20	\$109	\$2,915
BEP	\$0	\$0	\$9,498	\$0	\$0	\$0	\$0	\$368	\$9,866
DHS - USSS	\$0	\$0	\$1,232	\$0	\$0	\$0	\$75	\$56	\$1,363
GAO	\$4	\$0	\$568	\$0	\$0	\$0	\$0	\$22	\$594
HUD	\$0	\$0	\$4,863	\$0	\$0	\$0	\$0	\$188	\$5,051
Labor	\$0	\$0	\$11,538	\$0	\$0	\$0	\$0	\$442	\$11,980
SBA	\$0	\$0	\$500	\$0	\$0	\$0	\$0	\$19	\$519
USAID	\$0	\$0	\$3,168	\$0	\$0	\$0	\$0	\$123	\$3,291
Total	\$742	\$2,914	\$86,026	\$31,557	\$13,751	\$12,975	\$35,363	\$7,162	\$190,490

The Table reflects the preliminary estimated price for SSP customers by program for FY 2014 based on FY 2013 pricing methodology. The SSP program managers plan to develop the FY 2014 financial plans by customer in early Spring of FY 2013. The amounts reflected in this chart are only preliminary estimates and they are subject to change based on customers' requirements and needs. The SSP plans to finalize the customers' agreements by September 2013. This information is being provided pursuant to the guidance set forth in Senate Report 112-177.

4.4 – Resource Detail Table Breakout (SSP)

Dollars in Thousands

Shared Services Program	FY 2012		FY 2013		FY 2014			FY 2012 to FY 2014		
Budgetary Resources	Actual		Estimated		Estimated			\$ Change		% Change
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Revenue/Offsetting Collections										
Reimbursable										
Shared Services Programs		147,304		136,426		184,809		37,505		25.46%
Financial Management		0		0		0		0		N/A
Administrative Support		0		0		0		0		N/A
Information Technology Services		36,415		36,415		36,415		0		0.00%
Recovery from Prior Years		45,036		53,497		35,237		(9,799)		(21.76%)
Unobligated Balances from Prior Years										
Total Revenue/Offsetting Collections		\$228,755		\$226,338		\$256,461		\$27,706		12.11%
Expenses/Obligations										
Support Services Division	0	0	23	7,184	23	7,162	23	7,162	N/A	N/A
Shared Services Program	187	175,258	169	183,917	169	183,328	(18)	8,070	(9.63%)	4.60%
Financial Management										
Administrative Support	0	0	0	0	0	0	0	0	N/A	N/A
Services										
Information Technology	0	0	0	0	0	0	0	0	N/A	N/A
Services										
Total Expenses/Obligations	187	175,258	192	191,101	192	190,490	5	15,232	2.67%	8.69%
Net Results	187	53,497	192	35,237	192	65,971	5	12,474	2.67%	23.32%

4.5 – Resource Detail Table Breakout (ARC)

Dollars in Thousands

Treasury Franchise Fund	FY 2012		FY 2013		FY 2014			FY 2012 to FY 2014		
Budgetary Resources	Actual		Estimated		Estimated			\$ Change		% Change
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Revenue/Offsetting Collections										
Reimbursable										
Shared Services Programs		0		0		0		N/A		N/A
Financial Management		105,432		113,463		116,362		10,930		10.37%
Administrative Support		143,007		133,587		130,647		(12,360)		(8.64%)
Information Technology Services		3,695		10,646		9,931		6,236		168.77%
Recovery from Prior Years		71,525		57,507		66,921		(4,604)		(6.44%)
Unobligated Balances from Prior Years										
Total Revenue/Offsetting Collections		\$323,659		\$315,203		\$323,861		202		0.06%
Expenses/Obligations										
Support Services Division	0	0	0	0	0	0	0	0	N/A	N/A
Shared Services Program	0	0	0	0	0	0	0	0	N/A	N/A
Financial Management										
Administrative Support	723	116,571	771	114,695	802	116,646	79	75	10.93%	0.06%
Services										
Information Technology	437	149,581	522	133,587	522	130,965	85	(17,616)	19.45%	(11.78%)
Services										
Total Expenses/Obligations	1,160	266,152	1,293	248,282	1,324	248,611	164	(17,541)	14.14%	(6.59%)
Net Results	1,160	\$57,507	1,293	\$66,921	1,324	\$75,250	164	17,743	14.14%	30.85%