Treasury Franchise Fund

Mission Statement

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

Program Summary by Budget Activity

Dollars in Thousands

Appropriation Treasury Franchise Fund	FY 2008 Obligated	FY 2009 Obligated	Estimated	FY 2010 $ Change	% Change
Consolidated/Integrated Administrative Management	$180,361	$11,293	$0	($11,293)	-100.00%
Financial Management Administrative Support Services	$96,952	$146,828	$147,968	$1,140	0.78%
Financial Systems, Consulting and Training	$13,691	$2,117	$0	($2,117)	-100.00%
Total Appropriated Resources	**$291,004**	**$160,238**	**$147,968**	**($12,270)**	**-7.66%**
Total FTE	**769**	**982**	**965**	**(17)**	**-1.73%**

FY 2010 Priorities

- Improve our ability to assess and report our service delivery performance.
- Fully implement a franchise enterprise risk management process that includes a comprehensive customer selection and evaluation process.
- Continue to support good government through active participation in government wide initiatives, maintaining and enhancing overall compliance and accountability and promoting standardization.
- Enhance our human capital strategy to improve our ability to recruit, develop and provide for a challenging, rewarding and values based work environment.
- Provide for continual review of our service offerings to ensure delivery of timely, valuable and cost effective solutions to customers.

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Section 1 – Purpose

1A – Description of Bureau Vision and Priorities

The vision of the Treasury Franchise Fund (the Fund) is to transform the administrative support arena in the Department of the Treasury (Treasury) and help other federal agencies by creating a shared services business model that can offer marketplace success through competition. The Franchise Fund provides value to Treasury by reducing costs while increasing the efficiency of administrative services.

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

- Promote efficiencies in the delivery of administrative products and services
- Eliminate redundant systems and reducing duplication of effort
- Foster competition
- Enhance customer satisfaction

During FY 2008, Treasury continued to change the Fund to ensure that services offered are consistent with Treasury's core mission and advantageous as shared services. Specifically, Treasury decided to transition out of the Financial Systems, Consulting and Training services offered by the Federal Consulting Group (FCG) and Treasury Agency Services (TAS). To implement the decision, Treasury transferred management and operations of FCG from its host, Departmental Offices, to the Bureau of the Public Debt (Public Debt) with guidance to transfer out or shutdown FCG in FY 2009. In addition, the Fund worked with TAS's host, the Financial Management Service, to withdraw TAS from the Fund in FY 2009. Therefore, in FY 2010, the services provided by the Fund will include only those financial management and administrative support services offered by Public Debt's Administrative Resource Center (ARC).

Consolidated/Integrated Administrative Management – Includes Public Debt Franchising-FedSource

Treasury decided to transition out of the interagency acquisition business operated by FedSource and transferred management and operations to Public Debt in FY 2007. Public Debt was unable to locate another federal host for FedSource in FY 2008 and began the process to fully transition them out of the Fund by FY 2009. The Consolidated/Integrated Administrative Management budget activity includes residual program and closeout activities for FY 2009 and is being discontinued in FY 2010 as the transition will be substantially complete.

Public Debt Franchising-FedSource's priorities over the next year are to:

- ensure a smooth transition to other providers for customers and vendors

- assist employees with job placement and provide separation assistance
- keep the cost of the closeout to a minimum

Financial Management Administrative Support Services – Includes Public Debt Franchising- Administrative Resources Center (ARC)

For the past 12 years, ARC has provided federal agencies with common administrative support in the areas of accounting, procurement, travel, human resources, and information technology. With a focus on excellence and superior service, ARC's mission is to advocate "good government" by improving overall effectiveness through the delivery of responsive and cost effective administrative support to its customers. In addition to high quality administrative support, benefits are also realized by improving customers' ability to effectively discharge their mission.

In FY 2008, Public Debt issued a commercial contract for hosting services to improve scalability and stabilize costs. Upon issuing the award a project was initiated to begin migrating the current Oracle E-Business Suite platforms to the commercial host.

ARC's priorities over the next two years include:

- continue to work with the Financial Management Line of Business (FMLoB) and Financial Systems Integration Office (FSIO) to define the role of Federal Shared Service Providers
- complete the migration of the Oracle E-business suite to the commercial host
- continue to review and streamline processes to strengthen controls and ensure high quality, value added services at the lowest possible cost

Financial Systems, Consulting and Training – Includes the Public Debt Franchising- Federal Consulting Group (FCG) and Treasury Agency Services (TAS)

During FY 2008, Treasury decided to transition out of the Financial Systems, Consulting and Training services operated by FCG and TAS. Management and operations of FCG was transferred to Public Debt with guidance to transfer FCG to another host or close out the business activity in FY 2009. In addition, the Fund worked with TAS's host, FMS, to withdraw TAS from the Fund in FY 2009.

Public Debt was successful in obtaining a new federal host for FCG and transitioned the business out early in FY 2009. For FY 2009, residual program and closeout activities are reported in the Financial Systems, Consulting and Training budget activity. However, the budget activity is being discontinued in FY 2010 as all activities will be substantially complete.

FCG & TAS priorities over the next year are to:

- ensure smooth transitions to new federal hosts
- keep the cost of the transition to a minimum

1B – Program History and Future Outlook

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 12 operating principles for business-like organizations:

- Competition Between Providers
- Customers Exit Voluntarily
- Full Cost Recovery
- Ability to Handle Surges in Business
- FTE Accountability
- Initial Capitalization
- Dynamic Adjustments
- Cessation of Activities
- Clear Organizational Structure
- Service Oriented
- Measured Performance
- Benchmarked Performance

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 Treasury Franchise Fund began operations in 1997 with the following six Franchise Business Activities (FBA):

- Center for Applied Financial Management
- Federal Quality Consulting Group
- Go-To.Gov
- FBA-Central
- FBA Seattle
- FBA-West

Over the past decade, many new Franchise Business Activities have joined the Fund. Business entities, such as the Rocky Mountain Regional CASU and the Administrative Resource Center, sought out the Treasury Franchise Fund for the management flexibilities offered. At the same time, businesses have left the Fund. Businesses such as the Inspector General Auditors Training Institute left the Fund because they could not meet the Fund's business benchmarks. Also during this time, several businesses consolidated to form new Franchise Business Activities within the Fund. For example, FedSource was created by consolidating several Franchise Business Activities that provided similar service lines.

As businesses have come and gone, the size of the Fund changed over the years. The Fund evolved in terms of the number of businesses, amount of revenue earned, and the number of FTEs supported. The Fund's original six businesses had less than 80 FTEs and earned $38 million of revenue in the first year of operation. By the end of FY 2008, the Fund had 769 FTEs, and earned revenue of $220 million. For FY 2009, we are projecting revenue to decrease to $160 million and 982 FTEs. The decrease in revenue is due to the closeout of FedSource and transfer activities of FCG and TAS. These reductions are offset somewhat by an increase in ARC's Information Technology services, which also accounted for the increase in FTE.

Demonstrated Success – Eliminating Duplication

Shared Platform and Services:
The Administrative Resource Center (ARC) reduced the number of federal administrative systems by providing access to an integrated system platform for accounting, travel, procurement, human resources, and information technology services. In addition, as a shared service provider ARC provides many customers with value added services, such as transaction processing and financial reporting. ARC, a federal Center of Excellence for Financial Management, now provides:

- 31 organizations with accounting services
- 38 organizations with travel services
- 41 organizations with procurement services
- 28 organizations with personnel services
- 25 organizations with information technology services

The consolidation of these federal customers onto a shared systems platform provides substantial savings to the federal government. Savings are achieved through lower system license costs due to volume discounts, operations and maintenance cost sharing opportunities and system enhancements and upgrades to FSIO certified versions of the software simultaneously, as opposed to each organization managing their upgrade independently. In addition to cost savings, many customers receive other quality, value added services provided through standardized business processes that ensure compliance with applicable laws, rules and regulations.

The Department of the Treasury provides the most significant success story for shared services and platforms. In the past, Treasury had a decentralized administrative service environment, where 15 different Bureaus and organizations ran their own accounting, procurement, and travel systems on various platforms. Each organization trained separate staffs to manage their systems and process their transactions. Through ARC, Treasury has moved to a shared services environment where 12 of the 15 entities share financial management systems on a single integrated platform. In addition, many of the organizations are taking advantage of ARC's value added services, including transaction processing and financial reporting.

Demonstrated success –Timeliness and Accuracy

Timely Financial Information:
The Administrative Resource Center (ARC) has always been among Treasury's best in quality and timeliness of financial reporting. ARC strives 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 mangers for decision-making. By closing the 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. The Treasury Franchise Fund has received 12 straight "clean" audit opinions. Externally, ARC has assisted customers in achieving clean audit opinions and also maintains an exceptional internal control structure. Each year ARC undergoes a Type II SAS-70 audit that verifies our compliance with effective internal controls. During FY 2008, we received an unqualified opinion on our SAS-70 audit for the 6th consecutive year. The SAS-70 results enhances customer confidence in ARC's systems and services and reduces the agencies annual financial statement audits costs as auditors rely on the SAS-70 audit work.

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.

Future Outlook:
Through FY 2010 the Fund will maintain its commitment to excellence and will continue to meet or exceed all strategic goals and benchmarks. With the loss of the FedSource, FCG and TAS business lines in FY 2009, the Fund will look to expand existing service lines offered by ARC and explore opportunities to add other value added, marketable administrative services. For example, over the past few years ARC's information technology service line has become a leader in the federal government in the area of identity management (servicing nearly 40% of the federal government) and were recently selected by as a federal shared services provider for the Information Systems Security Line of Business (ISSLoB). In addition, ARC will continue to provide value to Treasury and non-Treasury agencies by providing cost sharing opportunities and ensuring compliance through standardized systems and business processes.

Quantifying High Performance and Cost Savings:
The Treasury Franchise Fund plans to expand its performance measurement with an emphasis on cost savings/containment and providing services at the lowest possible cost. We have identified improved performance measurement in the areas of financial management and service delivery as key objectives in our strategic plan. This will

include not only measuring our performance against the high standards that we set for ourselves, but also identifying relevant industry benchmarks that can be used to evaluate our performance against that of others in the marketplace.

1C – Industry Outlook

There is a positive outlook for the shared services sector in the federal government. The Fund anticipates further growth in this sector due to OMB's Line of Business (LOB) initiatives.

There is tremendous synergy between the business model established by the Treasury Franchise Fund over 12 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 Lines of Business use the concept of 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

2.2 – Operating Levels Table

Bureau: Treasury Franchise Fund	FY 2008 Obligated	FY 2009 Estimated	FY 2010 Estimated	% Change FY 2009 to FY 2010
FTE	**769**	**982**	**965**	**-1.73%**
Object Classification:				
11.1 - Full-time permanent	48,129	65,578	66,356	1.19%
11.3 - Other than full-time permanent	487	529	540	2.08%
11.5 - Other personnel compensation	2,207	2,813	2,774	-1.39%
12 - Personnel benefits	14,933	19,357	19,672	1.63%
13 - Benefits for former personnel	248	0	0	0.00%
21 - Travel and transportation of persons	1,020	1,260	1,270	0.79%
22 - Transportation of things	504	117	121	3.42%
23.1 - Rental payments to GSA	1,204	357	3	-99.16%
23.2 - Rental payments to others	512	866	816	-5.77%
23.3 - Comm, utilities, and misc charges	1,984	4,123	4,247	3.01%
24 - Printing and reproduction	45	35	36	2.86%
25.1 - Advisory and assistance services	9,499	3,088	2,559	-17.13%
25.2 - Other services	172,904	18,996	8,567	-54.90%
25.3 - Other purchases of goods and services from Govt. accounts	30,990	30,768	30,351	-1.36%
25.7 - Operation and maintenance of equip	2,317	2,784	2,868	3.02%
26 - Supplies and materials	417	1,072	1,100	2.61%
31 - Equipment	3,566	8,492	6,685	-21.28%
32 - Land and structures	23	0	0	0.00%
42 - Insurance claims and indemnities	0	1	1	0.00%
43 - Interest and dividends	15	2	2	0.00%
Total Budget Authority	**$291,004**	**$160,238**	**$147,968**	**-7.66%**
Budget Activities:				
Consolidated/Integrated Administrative Management	180,361	11,293	0	-100.00%
Financial Management Administrative Support Services	96,952	146,828	147,968	0.78%
Financial Systems, Consulting and Training	13,691	2,117	0	-100.00%
Total Budget Authority	**$291,004**	**$160,238**	**$147,968**	**-7.66%**

2.3 – Resource Detail Table

(Dollars in Thousands)

	FY 2008 Estimated		FY 2009 Estimated		FY 2010 Estimated		% Change FY 2009 to FY 2010	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Budgetary Resources:								
Spending Authority / Offsetting Collections								
Consolidated/Integrated Admin. Mgt.		87,932		-119,668		Discontinued		N/A
Financial Mgt. Admin. Support Services		$96,528		$145,789		$148,953		2.17%
Financial Systems, Consulting & Training		15,209		-8,090		Discontinued		N/A
Total Spending Authority / Offsetting Collections		$199,669		$18,031		$148,953		726.09%
Reimbursable Obligations Incurred								
Consolidated/Integrated Admin. Mgt.	56	180,361		11,293		Discontinued	N/A	N/A
Financial Mgt. Admin. Support Services	681	$96,952	982	$146,828	965	$147,968	0.00%	0.78%
Financial Systems, Consulting & Training	32	13,691		2,117		Discontinued	N/A	N/A
Total Obligations Incurred	769	$291,004	982	$160,238	965	$147,968	-1.73%	-7.66%
Net Results								
Consolidated/Integrated Admin. Mgt.		-92,429		-130,961		Discontinued		N/A
Financial Mgt. Admin. Support Services		-$424		-$1,039		$985		-194.80%
Financial Systems, Consulting & Training		1,518		-10,207		Discontinued		N/A
Net Results		-$91,335		-$142,207		$985		-100.69%

2B – Appropriations Language and Explanation of Changes

The Treasury Franchise Fund receives no appropriated funds from Congress.

2C – Legislative Proposals

The Treasury Franchise Fund has no legislative proposals for FY 2010.

Section 3 – Budget and Performance Plan

This table lists all FY 2010 resources by strategic goal, objective and outcome outlined in the FY 2007-2012 Treasury Department Strategic Plan. The Treasury Strategic Plan is a corporate level plan for the Department that provides a description of what the agency intends to accomplish over the next five years.

For detailed information about the FY 2007-2012 Treasury Strategic Plan, please go to: http://www.treasury.gov/offices/management/budget/strategic_plan.shtml

3.1 – Budget by Strategic Outcome

Dollars in Thousands

Treasury Strategic Goal *Treasury Strategic Outcome*	**FY 2009 President's Budget** AMOUNT	**FY 2010 Baseline** AMOUNT	**Percent Change** AMOUNT
Aligned organization	160,238	147,968	**-7.7%**
Total	**$160,238**	**$147,968**	**-7.7%**

3A – Consolidated/Integrated Administrative Management *(No funding):* This Budget Activity consists of only one Franchise Business Activity, Public Debt Franchising-FedSource.

The mission of FedSource was 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 focused on contract support services and copier/printer management.

Treasury decided to transition out of the interagency acquisition business operated by FedSource and transferred management and operations to Public Debt in FY 2007. Public Debt was unable to locate another federal host for FedSource in FY 2008 and began the process to fully transition them out of the Fund by FY 2009. The Consolidated/Integrated Administrative Management budget activity includes residual program and closeout activities for FY 2009 and is being discontinued in FY 2010, as the transition will be substantially complete.

3.2.1 – Consolidated/Integrated Administrative Management Budget and Performance Plan

Consolidated/Integrated Administrative Management Budget Activity					
Resource Level	FY 2006 Obligated	FY 2007 Obligated	FY 2008 Obligated	FY 2009 Estimated	FY 2010 Estimated
Appropriated Resources	$0	$0	$0	$0	$0
Reimbursable Resources	$540,586	$419,041	$180,361	$11,293	$0
Total Resources	**$540,586**	**$419,041**	**$180,361**	**$11,293**	**$0**
Budget Activity Total	**$540,586**	**$419,041**	**$180,361**	**$11,293**	**$0**

Consolidated/Integrated Administrative Management Budget Activity					
Measure	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2010 Target
Customer Satisfaction Index - Consolidated/Integrated Administrative Mngmnt (%)(Oe)	51.00	0.00	Discontinued	Discontinued	Discontinued
Customer satisfaction approval rating-Financial Management Administrative Support Services (%) (Ot)	75.00	.00	Discontinued	Discontinued	Discontinued
Operating expenses as a percentage of revenue--Consolidated/Integrated Administrative Management (%)(E)	4.00	4.30	17.70	Discontinued	Discontinued

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

Description of Performance:

Since the decision to close-out the FedSource business line was made, all efforts have been focused on ensuring a smooth transition for customers and vendors, providing employees with job placement and separation assistance and minimizing close-out costs. Therefore, the Fund's performance targets are not applicable to the Public Debt Franchising – FedSource business line.

In FY 2008, FedSource accounted for approximately 50 percent of the Fund's gross revenue. Accordingly, closing the business line reduces the Franchise Fund's budget estimates for FY 2009 and FY 2010. In addition, it is estimated that FedSource administrative costs will again exceed our performance target in FY 2009 as customer accounts and the remaining offices are closed. FedSource ended FY 2008 with a $22.1 million loss and is estimated to lose an additional $3 million in FY 2009 as the closeout is completed. These losses, and any unforeseen claims and disputes, will be funded using FedSource's operating reserves.

3B – Financial Management Administrative Support Services *($147,968,000 from reimbursable programs):* This Budget Activity consists of only one Franchise Business Activity, Public Debt Franchising-ARC.

The Financial Management Administrative Support Activity supports the President's Management Agenda and furthers "good government" by standardizing administrative financial systems and processes required to operate federal organizations. Value is provided through economies of scale in systems and operating costs and other high quality, value added services. As a Center of Excellence for Financial Management, ARC provides traditional administrative support functions with a focus on accounting, procurement, travel, human resources, and information technology services. This program has been very successful in meeting its mission goals as evidenced by the increasing demands for their services and the level of satisfaction expressed by their customers.

3.2.2 – Financial Management Administrative Support Services Budget and Performance Plan

Financial Management Administrative Support Services Budget Activity					
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Resource Level	**Obligated**	**Obligated**	**Obligated**	**Estimated**	**Estimated**
Appropriated Resources	$0	$0	$0	$0	$0
Reimbursable Resources	$88,735	$109,615	$96,952	$146,828	$147,968
Total Resources	**$88,735**	**$109,615**	**$96,952**	**$146,828**	**$147,968**
Budget Activity Total	**$88,735**	**$109,615**	**$96,952**	**$146,828**	**$147,968**

Financial Management Administrative Support Services Budget Activity					
Measure	**FY 2006 Actual**	**FY 2007 Actual**	**FY 2008 Actual**	**FY 2009 Target**	**FY 2010 Target**
Customer Satisfaction Index - Financial Mgmt Admin Support Services (%) (Oe)	75	0	97	80	80
Operating expenses as a percentage of revenue--Financial Management Administrative Support (%) (E)	17.00	15.10	3.60	12.00	12.00

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

Description of Performance:

ARC again showed that they are a viable franchise business in FY 2008 with a 5.6 percent revenue increase over FY 2007. In addition, In FY 2009 and FY 2010, ARC projects a controlled growth as they complete the migration of the Oracle E-Business Suite to a commercial host and oversee the closeout of FedSource.

In FY 2008, ARC accounted for approximately 44% of the Fund's total revenue. For FY 2009, we are projecting ARC's resources to increase approximately 50 percent due to a budget neutral change made within Public Debt to simplify the accounting for shared information technology services. This change also resulted in a significant increase in reimbursable FTE in the Fund for FY 2009.

For FY 2008, ARC met all of the Fund's performance metrics. They improved the methodology used to allocate costs to service lines, resulting in meeting the Fund's operating expense performance metric. In addition, in FY 2008, the Financial Management Line of Business (FMLoB) administered independent customer satisfaction surveys of the four federal shared service providers. Our overall satisfaction rate was 97%, well above the SSP average of 85%. In addition to the FMLoB survey, ARC piloted a service line specific survey in FY 2008. The Human Resources service line was selected for the pilot and also received results of over 90 percent overall satisfaction.

3C – Financial Systems, Consulting and Training *(No funding):* This Budget Activity consists of two Franchise Business Activities, Public Debt's-Federal Consulting Group (FCG) and Treasury Agency Services (TAS)

The mission of the FCG is to support other federal agencies transformation efforts to become more efficient, effective, citizen-centric, and results-oriented by providing performance measurement, consulting and executive coaching services. TAS's mission is to help agencies improve the quality of government financial management through providing of information, advice, assistance, and training.

During FY 2008, Treasury decided to transition out of the Financial Systems, Consulting and Training services operated by FCG and TAS. Management and operations of FCG was transferred to Public Debt with guidance to transfer FCG to another host or close out the business activity in FY 2009. In addition, the Fund worked with TAS's host, FMS, to withdraw TAS from the Fund in FY 2009.

Public Debt was successful in obtaining a new federal host for FCG and transitioned the business out early in FY 2009. The Financial Systems, Consulting and Training budget activity is reporting residual program and closeout activities in FY 2009 and is being discontinued in FY 2010.

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

Financial Systems, Consulting and Training Budget Activity					
Resource Level	FY 2006 Obligated	FY 2007 Obligated	FY 2008 Obligated	FY 2009 Estimated	FY 2010 Estimated
Appropriated Resources	$0	$0	$0	$0	$0
Reimbursable Resources	$13,133	$13,671	$13,691	$2,117	$0
Total Resources	**$13,133**	**$13,671**	**$13,691**	**$2,117**	**$0**
Budget Activity Total	**$13,133**	**$13,671**	**$13,691**	**$2,117**	**$0**

Financial Systems, Consulting and Training Budget Activity					
Measure	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2010 Target
Customer Satisfaction Index - Financial System, Consulting & Training	81.00	0.00	Discontinued	Discontinued	Discontinued
Operating expenses as a percentage of revenue--Financial Systems, Consulting and Training (%) (E)	10.00	6.70	6.49	Discontinued	Discontinued

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

Description of Performance:

Federal Consulting Group (FCG)/Treasury Agency Services (TAS)

FCG and TAS accounted for 5% and 1%, respectively, of the Fund's total revenue in FY 2008. FCG demonstrated steady revenue growth and profitability, while TAS ended with a decrease in gross revenue, increased operating costs and a net loss. For FY 2009, total budgetary resources for FCG and TAS will be reduced as customer's commitments/relationships are transferred to their new federal hosts.

Although TAS incurred increased operating costs in FY 2009, the Financial Systems, Consulting and Training budget activity easily achieved the Fund's operating expense performance metric. However, since the decision to transition out of the budget activity was made all efforts have been focused on finding a new hosts, ensuring a smooth transition and minimizing close-out costs. Therefore, the Fund's discontinued the customer satisfaction performance metric for this budget activity in FY 2008.

For detailed information about each performance measure, including definition, verification and validation, please go to: http://www.treasury.gov/offices/management/dcfo/accountability-reports/2008-par.shtml

Section 4 – Supporting Materials

4A – Human Capital Strategy Description

Historically, the Fund has relied heavily on the business entity host Bureaus (Public Debt, Financial Management Service and Departmental Offices) to provide the basis of its human capital strategy. The decisions to transfer responsibility for management and operations of FedSource and Federal Consulting Group to Public Debt and transition Treasury Agency Services out of the Fund in FY 2009, results in the Fund following only Public Debt's human capital strategy.

Our strategic management of human capital is consistent with the our mission, vision and priorities and supports the President's Management Agenda, Treasury's strategic goal, and those of Public Debt. We follow Public Debt's comprehensive recruitment program, have embraced Public Debt's human capital strategy of operating a values-based organization and utilize the full range of pay flexibilities to recruit and retain high quality candidates with the skills necessary to accomplish our mission. In addition, the Fund fosters a learning culture that provides employees at all levels with opportunities for continuous development.

4B – Information Technology Strategy

Historically, the Fund has relied on the business entity host Bureaus (Public Debt, Financial Management Service and Departmental Offices) for information technology (IT) strategic planning specific to their service lines. The decisions to transfer responsibility for management and operations of FedSource and Federal Consulting Group to Public Debt and transition Treasury Agency Services out of the Fund in FY 2009, results in the Fund following only Public Debt's information technology strategy.

Public Debt's Capital Planning and Investment Control program is a disciplined, integrated process that addresses system prioritization of new and existing IT investments, risk management, long-range planning, business objectives, alternative analysis and governance. Public Debt's quarterly enterprise architecture reviews ensure alignment of its IT investments to the strategic enterprise direction of Treasury and identify potential duplication of systems. By tracking and reporting the progress of each investment and the performance measures achieved each quarter, Public Debt ensures its IT system portfolio is well managed, cost effective and supports their strategic goals.

4.2 –Program Assessment Table

The Treasury Franchise Fund has not received a program assessment.

For a complete list of program results visit the following website:
http://www.whitehouse.gov/omb/expectmore/all.html