Bureau of the Fiscal Service

FY 2014
Capital Investment Plan

The Bureau of the Fiscal Service (Fiscal Service) leads 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. Fiscal Service systematically analyzes the demand for its services, considers effective methods for delivery of these services and identifies the broad asset implications through sound governance and investment management.

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

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 program manager and a fully staffed integrated program team. The systems that support each investment are enhanced using Rapid Application Development techniques that give the program manager the flexibility to quickly incorporate new functionality and improve efficiency across the bureau.

Enterprise Architecture Services
Enterprise Architecture Services include business architecture and technical architecture services. Business architecture focuses on the strategic capabilities, knowledge, processes, and relationships that support the achievement of organizational goals and alignment of strategic objectives to meet enterprise business needs. Technical Architecture establishes standards and patterns for information technology solutions. Technical architecture reviews requirements that influence or change the technology supporting Fiscal Service critical business functions and maintains architecture documentation and a Technology Roadmap.

Major IT Investment Summary

Summary Debt Accounting Services (SDAS)
The SDAS investment supports the Summary Debt Accounting program. The SDAS investment provides accurate and timely financial information assisting the Fiscal Service and Treasury to manage the government's finances effectively.

The SDAS investment allows the Fiscal Service to report the public debt to the penny and provide quality customer service and transaction processing for investors in Treasury securities. History of this investment demonstrates effective and innovative use of technology, high quality customer service, risk mitigation and efficient use of resources. This is validated by 16 consecutive unqualified audit opinions and the fact that no material weaknesses of internal controls were noted on the *Schedules of Federal Debt*.

To ensure that the roles and efficiency of the SDAS investment advances well into the future, a migration effort continues to focus on modernizing the debt accounting environment. The modernization of the SDAS investment will allow the Summary Debt Accounting program to better respond to shifts in reporting requirements, responsibilities, and financial information needs. The overall goal is to increase governance over the debt accounting environment to ensure the collection, verification, and dissemination of all debt accounting information is accurate, appropriate, flexible, and remains standardized.

- **The immediate FY 2014 request cost as well as the full life-cycle cost of the asset:**
  1. FY 2014: $6,903,000
  2. FY 2012 - FY 2016: $44,138,266

- **The projected useful life of the current asset:** Projected until FY 2014; useful life of the replacement asset: Projected until FY 2022

- **Timeframe for the "development, modernization and enhancement" phase of the investment for FY 2014:**
  1. FY 2014 Debt Accounting System Modernization DME: (start 10/01/2013; end 09/30/2014)

- **The anticipated benefit(s) of the investment:**
  1. Accurate, clear, and useful summary debt accounting information
  2. Modern debt accounting environment
  3. Enhanced oversight for summary debt accounting

- **How performance will be measured and evaluated:**
  1. Percentage of monthly ledgers closed within 1 business day.
  2. Percentage of daily financial statements produced monthly within 3 business days.
  3. Percentage of completion of the Daily Treasury Statement verification by 11:30 AM each business day.
  4. Percentage of application availability during published business hours.
  5. Elapsed time (seconds) it takes to run the Monthly Statement of the Public Debt.

- **Remediation strategies for investments which are not meeting the stated cost, time and performance goals for FY 2012:**
  1. SDAS continues to meet its cost, time and performance goals for FY 2012; therefore, no remediation strategies are needed.

Wholesale Securities Services (WSS)

The Fiscal Service's Office of Financing (OF), operating under the auspices of Treasury conducts more than 280 marketable securities auctions a year to borrow the monies needed for U.S. government operations. Treasury auctions are high dollar volume, time critical operations, with a broad range of bidders in each auction. Approximately $4.7 to $7.8 trillion in auction bids are received and processed annually, with about $2.7 to $7.8 trillion in securities awarded at auction and issued. Treasury has statutory authority to designate Federal Reserve Banks as depositories and fiscal agents of the United States (12 U.S.C. 391).

Federal Reserve Bank of New York (FRBNY) effectively manages the capital permanent and indefinite funding for the Wholesale Securities Services (WSS) investment. Treasury reimbursed the cost for WSS through the fiscal agent reimbursable process for the project services provided. It is crucial that the U.S. Government maintain its excellent credit rating and liquidity. This assures Treasury securities remain secure and are offered without service disruptions. Through state of the art technology, WSS will greatly reduce its dependence on human intervention thus enabling it to carry out the mission of maintaining flawless Treasury financing operations.

The WSS investment is supported by the Treasury Automated Auction System (TAAPS) which is designed to meet five key performance objectives:

- Flexibility - accommodate new policy or process needs within a three to six month time frame.
- Speed - conduct real-time/continuous calculations; deliver auction results; data; and standardized reports within two minutes of an auction close.
- Reliability - generate repeatable results without manual intervention. Provide real-time backup and cut-over capability to a different geographic site in a manner that is transparent to all users.
- Accuracy - generate accurate results, including verification capabilities without manual intervention, timely financial reporting.
- Transparency - generate and reporting Treasury auction statistics to the public accurately and consistently.

TAAPS closed the current performance gaps by improving debt management operations processing performance. TAAPS makes numerous inter system interfaces and manual processes obsolete by consolidating auction processing requirements into one system which provides a stable, automated environment in which to auction Treasury securities.

- **The immediate FY 2014 request cost as well as the full life-cycle cost of the asset:**
  1. FY 2014: $27,781,000
  2. FY 2012 - FY 2016: $141,573,000

- **The projected useful life of the asset:** Projected until FY 2015

- **Timeframe for the "development, modernization and enhancement" phase of the investment for FY 2014:**
  1. FY 2014 DME: System Upgrade (Improve auction screen, report, and interface to provide timely, accurate, and informative qualitative/quantitative analysis of Treasury Auctions) (start 10/01/13; end 09/30/14)

- **The anticipated benefit(s) of the investment:**
  1. Improved report generation (timeliness)
  2. Improved Staffing Utilization
  3. Fewer Manual Functions
  4. Improved Customer Satisfaction
  5. Improved Flexibility for new product implementation

- **How performance will be measured and evaluated:**
  1. Percent of auction results released in 2 minutes +/- 30 seconds.
  2. Percent of time TAAPS is available to customers during normal hours of operation.
  3. Percentage of auction results published with accurate critical data.
  4. Average time in months to implement new policy or process needs within a three – six month time period in TAAPS.

- **Remediation strategies for investments which are not meeting the stated cost, time and performance goals for FY 2012:**
  1. WSS continues to meet its cost, time and performance goals for FY 2012; therefore, no remediation strategies are needed.

Retail Securities Services (RSS)
Fiscal Service borrows the money needed to operate the Federal Government and account for the resulting debt. Within this core mission, Fiscal Service manages the Retail Securities Services Program, which exists to enable private citizens and organizations to directly own and maintain U.S. Treasury securities. The types of securities included are non-marketable securities in the form of savings bonds and marketable securities in the form of bills, notes, bonds, and Treasury Inflation-Indexed Securities (TIPS). The Retail Securities Services Program also oversees various programs for older, outstanding paper marketable securities. The Retail Securities Services (RSS) investment supports this mission through various IT systems, such as TreasuryDirect, SaBRe, and Treasury Retail E-Services (TRES), to deliver effective retail customer service and products.

TreasuryDirect enables investors to set up accounts online, purchase savings bonds and marketable securities in electronic form, and self-manage their holdings. TreasuryDirect is an integral component of Fiscal Service's 2009-2014 strategies for Retail. Recognizing that program changes brought about by TreasuryDirect would have a major impact, the Federal Reserve Bank (FRB) operations processing was consolidated at two sites: FRB Minneapolis and Fiscal Service's Office of Retail Securities. A new IT environment exists for TRES customer service that provides high quality, consistent, and efficient service across both sites, reduces duplication of effort, cuts costs, provides a seamless experience for customers, and creates more opportunities for self-sufficiency. TRES provides both sites a fully integrated view of customer interactions and will allow customer services representatives to quickly identify customers and evaluate their needs. TRES is an integral component of Fiscal Service's 2009-2014 strategy for the Retail Securities Services to improve the quality and efficiency of service to retail customers. SaBRe maintains the records for definitive U.S. savings bonds. SaBRe processes cash and security transactions, updates and maintains daily customer service records, and reports financial transactions for the Daily Treasury Statement. SaBRe supports Treasury's strategic goal of effectively financing government operations and brings Fiscal Service's cash and security accounting and reporting into compliance with accepted accounting principles.

- **The immediate FY 2014 request cost as well as the full life-cycle cost of the asset:**
  1. FY 2014: $46,844,000
  2. FY 2012 - FY 2016: $216,589,329

- **The projected useful life of the asset:** Projected until: TreasuryDirect – 2020; Legacy Treasury Direct - 2014; TRES – 2030; SaBRe – 2020

- **Timeframe for the "development, modernization and enhancement" phase of the investment for FY 2014:**
    1. FY 2014 TreasuryDirect DME: Software releases that will: respond to changes in the retail customer base, implement policy directives from the Department, and provide new products/services to retail customers. (start 10/01/13; end 09/30/14)
    2. FY 2014 TRES DME: Implement a secured portal for retail customers. This portal will provide a secured online communication channel that will enable customers to access various online tools and applications. (start 10/01/13; end 09/30/14)
    3. FY 2014 Treasury Retail Investment manager (TRIM) DME: Develop and deploy a new application to manage retail customer holdings. This solution will be more flexible and responsive to changing business needs for delivering digital investing services to a wider and more diverse customer base. Retail requires a solution that is easily configured in support new and innovative investment products that could meet the needs of a segment of the population that is under-served by the financial industry. The TRIM solution should further appeal to younger age groups that are more technologically savvy; who demand and are comfortable interacting with electronic based financial/investment products. (start 10/01/13; end 09/30/14)

- **The anticipated benefit(s) of the investment:**
    1. Opportunities for greater versatility and improved operational effectiveness of the federal government.
    2. Offering customers more self-service options thereby reducing the need for customer service intervention.
    3. Reducing the duplication of effort between processing sites and increasing first contact resolution which should eliminate future staff growth.
    4. A reduction in Retail's IT support footprint by rolling functions from multiple legacy systems into new/enhanced systems.

- **How performance will be measured and evaluated:**
    1. Percentage of time to provide financial and accounting data to the Public Debt Accounting and Reporting System by 7:00 a.m. each business day.
    2. Percentage of customer satisfaction survey results rated Good or Better.
    3. Percentage of accounts successfully verified online.
    4. Percentage of time with 24/7 mainframe system access.
    5. Percentage of maturing marketable par that customers reinvest into new purchases.

- **Remediation strategies for investments which are not meeting the stated cost, time and performance goals for FY 2012:**
    1. RSS continues to meet its cost, time and performance goals for FY 2012; therefore, no remediation strategies are needed.

Do Not Pay (DNP)

The DNP Business Center investment will provide a centralized business center to access data as well as analytical services to help detect and prevent improper payments. The Business Center will be comprised of the Do Not Pay Portal, Call Center, and centralized Data Analytics Center.

The Do Not Pay portal will be used by agencies to verify information about potential recipients of Federal payments or benefits. The Do Not Pay Call Center will provide both technical and user support services. To the extent permitted by law, the Data Analytics center will employ fraud detection tools and data analytics to help federal and state users reduce the amount of improper payments made in federally-funded programs.

The Do Not Pay Business Center will allow agencies administering federal programs to better utilize technology to access eligibility information through a single portal in a timely, more cost effective manner. The initial implementation allowed for on-line interaction by program offices and contracting officers through a user interface used for program decision-making. Later on, the Portal allowed users to submit files for batch processing or to be continuously monitored in the Portal. The long-term strategic direction is to assist agencies in using database checks and analytics to identify improper payments at the pre-award, pre-payment and post-payment stages. The establishment of the Do Not Pay Business Center supports the Fiscal Service's mission of promoting the financial integrity and operational efficiency of the U.S. government.

- **The immediate FY 2014 request cost as well as the full life-cycle cost of the asset:**
  1. FY 2014: $18,366,000
  2. FY 2012 - FY 2016: $81,482,243

- **The projected useful life of the asset:** Projected until FY 2020

- **Timeframe for the "development, modernization and enhancement" phase of the investment for FY 2014:**
  1. FY 2014 DME: Enhancements to reporting and data analytics functionality, additional data sources, and the application's move to a permanent infrastructure. (start 10/01/13 and end 09/30/14).

- **The anticipated benefit(s) of the investment:**
  1. Identify, invest in, and develop analytical tools or information resources that agencies can use to prevent or detect improper payments.
  2. Provide useful, relevant data to agencies to verify eligibility and payment accuracy.
  3. Provide technical assistance to agencies on using database checking and customized business analytics to reduce improper payments.
  4. A centralized business center will enable, encourage, and assist agencies in using database checks and analytics to identify improper payments at the pre-award, pre-payment and post-payment stages.

- **How performance will be measured and evaluated:**
  1. Number of programs using the Do Not Pay Business Center.
  2. Number of data sources accessible through the portal.
  3. Percentage of results available to users within 1 business day of a continuous monitoring file submission or source change.
  4. Percentage of batch processing results available to users within 1 business day of successful file transmission.
  5. Average number of seconds to return online search results to user in the Portal.

- **Remediation strategies for investments which are not meeting the stated cost, time and performance goals for FY 2012:**
  1. Do Not Pay reported as a non-major investment for FY 12; however, we have begun reporting as a major investment beginning FY13. As a non-major, DNP has met its cost, time and performance goals for FY2012, therefore, no remediation strategies are needed.

Automated Standard Application for Payments (ASAP)

The ASAP investment supports the ASAP payment system which is a recipient-initiated electronic payment and information system used to make: federal grant payments issued by federal program agencies (FPA); financial agent reimbursements for payments made on behalf of the FPAs; and EBT disbursements to states. The Federal Reserve Bank of Richmond, Treasury's Fiscal Agent (12 U.S.C. 391), develops and operates ASAP under the direction of the Fiscal Service. The ASAP investment requires the support of the FRBR to provide development, modernization, and enhancement (DME) support as well as operations and maintenance (O&M) support since the investment is currently operating within a Mixed Lifecycle (DME and O&M stages, concurrently).

Primary beneficiaries of the ASAP system include states, financial institutions, universities, non- profit and for-profit organizations, Indian tribal organizations, FPAs, and the Fiscal Service. Each stakeholders noted above receives a direct benefit from the ASAP payment system.

ASAP supports the Fiscal Service, Treasury, and user FPAs' abilities to exercise sound financial management practices and controls. It does so by directly contributing to Fiscal Services' Strategic Goals #1 & 4: "Timely, accurate, and efficient disbursement of Federal payments"; and "Timely and accurate financial information that contributes to the improved quality of financial decision making"; and Treasury's Strategic Goal #5: "Manage the government's finances in a fiscally responsible manner". ASAP's primary function is to make payments electronically via ACH and Fedwire. Its real-time interface with these systems provides next-day and same-day payments to recipients and immediate financial information to recipients, FPAs and Treasury, enabling informed decisions.

- **The immediate FY 2014 request cost as well as the full life-cycle cost of the asset:**
  1. FY 2014: $14,793,000
  2. FY 2012 - FY 2019: $110,127,000 (Assumes DME continues through June 2018 at current resource levels and O&M at planned FY 2015 estimated levels through 2019)

- **The projected useful life of the asset:** Indefinite - no planned end date or planned replacement exists for this system which is the sole provider of this service to FPAs.

- **Timeframe for the "development, modernization and enhancement" phase of the investment for FY 2014:**
  1. ASAP continues migrating off the FRIT mainframe platform to the TWAI distributed platform in FY 2013. By Q2 FY 2014, ASAP will have a zero footprint on the FRIT.
  2. In FY 2014, approved baseline development continues on modernization and enhancement efforts to align with Fiscal Service EA changes.
  3. Starting with Release 20.0 (FY 2015), the ASAP investment will execute mandated directives through the selection of an approved alternative based on an AA/CBA to be conducted Q1-Q2 2014.

- **The anticipated benefit(s) of the investment:**
  1. Supports Treasury's cash management efforts by providing timely data on disbursements and ensures funds stay in TGA until needed for disbursement by recipients.
  2. Cost avoidance at FPAs by eliminating/preempting the need for proprietary FPA on-

demand payment request systems.
3. Cost avoidance from reducing CMIA liabilities for FPAs by providing timely payments.
4. Alignment with the Fiscal Service enterprise architecture.
5. Additional benefits arise by the selection of the TWAI alternative in the 2009/2010 AACBA in the form of greater security, lower risk, higher ROI and cost avoidance compared to more expensive alternatives.

- **How performance will be measured and evaluated:**
  1. Percent of ASAP Help Desk calls from the call queuing system responded to timely. Answer at least 90% of help desk calls in the call queuing system within 60 seconds. Metric supports the Fiscal Services performance measure to indicate an overall service rating of satisfactory or better in customer service.
  2. Percent of ASAP Help Desk calls that are abandoned before answered. Percent of abandoned ASAP Help Desk calls should not exceed 3%. Metric supports the Fiscal Services performance measure to indicate an overall service rating of satisfactory or better in customer service.
  3. Percent of timely and accurate reporting of end-of-day Government-wide Accounting data by 07:00 daily. End-of-day accounting data reported to GWA must exceed 95% accuracy and timeliness. Metric supports the Fiscal Services strategic goal of Timely and Accurate Financial Information that Contributes to the Improved Quality of Financial Decision Making.
  4. Percent of payment system availability to users. Meet or exceed 99% system availability to ASAP users (M-F, 08:00 - 23:59 Eastern Time). Metric supports the Fiscal Services strategic goal of Timely, Accurate and Efficient Disbursement of Federal Payments.
  5. Percent of ASAP EFT payments made accurately (i.e., as directed by Federal program agency and payment recipient) and on time (i.e., based on requested settlement date). Meet or exceed 99.99% of accuracy and timeliness for all FPA approved ASAP EFT payments. Metric supports the Fiscal Services strategic goal of Timely, Accurate and Efficient Disbursement of Federal Payments.

- **Remediation strategies for investments which are not meeting the stated cost, time and performance goals for FY 2012:** ASAP continues to meet its cost, time and performance goals for FY 2012, therefore, no remediation strategies are needed.

Central Accounting and Reporting System (CARS)

The Central Accounting and Reporting System (CARS) project completes the transition of the reporting and auditing features of the current central accounting system (STAR) to the TWAI, eliminates the need for the Central Summary General Ledger by implementing a USSGL compliant Standard General Ledger at the Bureau of the Public Debt who is acting as service provider, provides for the Fiscal Service Budgetary Reporting by completing the definition of the General Fund Entity, provides WebFocus to allow for generation of standard reports and generation of the Combined Statement and Monthly Treasury Statement and provides for ongoing maintenance and help desk support for the GWA Database and Web Services. CARS is the final requirement to decommission the current Central Accounting System (STAR), GOALS II IAS and dependent interfaces.

The CARS is identified as a Tactical Priority and will provide many following benefits to government stakeholders.
-Allows decommissioning of legacy STAR system
-Allows decommissioning of legacy GOALS II system
-Facilitates the reconciliation of agency reporting supporting elimination of some material weaknesses.
-Fully accounts for the intragovernmental assets and liabilities
-Resolves Material Weaknesses contributing to the disclaimer of the Audit of the Financial Report (FR)
-Resolves Material Weaknesses over Internal Controls associated with the production of the consolidated financial statement
-Improves the accuracy and timeliness of the deposit and disbursement data reflected in the Fund Balance with Treasury
-Reduces the reconciliation period from 1 month to 1 day.
-Supports agency transition from CA$HLINK II to TRS by eliminating the Statement of Difference
-Eliminates the requirement for agencies to submit the 224, Statements of Accountability and Statements of Transaction
-Allows for daily transaction posting
-Establishes consistency with OMB
-Reduces the time to produce the Monthly Treasury Statement (MTS)
-Reduces the time to produce the CS.

- **The immediate FY 2014 request cost as well as the full life-cycle cost of the asset:**
  1. FY 2014: $18,169,000
  2. FY 2012 - FY 2016: $78,175,734

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

- **Timeframe for the "development, modernization and enhancement" phase of the investment for FY 2014:**
  1. The CARS Investment will be in O&M in FY2014.

- **The anticipated benefit(s) of the investment:**
  1. Cost avoided from the printing and distribution to produce Treasury Reports including the Combined Statement, Monthly Treasury Statement, and Treasury Bulletin.
  2. Implementation of Consolidated Help Desk Function.
  3. Elimination of time spent performing tasks related to end-of month reporting and maintaining redundant data by eliminating the Statement of Difference.
  4. Reduced time required to publish the Combined Statement and the Monthly Treasury Statement.
  5. Reduced transaction processing time.
  6. Improved efficiency and business processes arising from the systems impact on error reduction, increased currency of financial data, improved resource management, decision making and planning.
  7. Establishing a Customer Relationship organization to manage the "One Voice" connection to the customer.
  8. Improved productivity of Team Leads by transitioning CRM responsibilities.

9. Productivity savings from not conducting training internally.

- **How performance will be measured and evaluated:**
  1. New users will be enrolled within 48 hours 95-100% of the time.
  2. Maintain or increase the number of page hits for Account Statement.
  3. All system changes will be completed on time 95-100% of the time.
  4. CARS system will be available to Account Statement users 24/7 99% of the time.

- **Remediation strategies for investments which are not meeting the stated cost, time and performance goals for FY 2012:** BCR was submitted and approved by the Department in July. Below are the remediation strategies:
  1. Di BTS 1361 - Project's tasks on schedule with few modified dates. Change project resources & re-estimation of milestone cost resulted in a schedule variance. BCR reflects milestone re-estimation.
  2. CS 1332-production date extended 2 months due to discovery of data differences between OMB & the legacy system, STAR. CS testing & post-production parallel runs dependent on reliable data from legacy system for comparison of reports.
  3. GF Prototype 13421-closed since October.
  4. GF Reporting Entity 13422-schedule variance direct result of schedule delays in Validate Posting Logic. Milestone delay pending finalization of GF Operating unit. GF Operating unit has been finalized.
  5. GL Interface 1343-Data conversion process exceeded original schedule estimate. The data conversion strategy and schedule has been revised.
  6. MTS 1333-Change in development strategy for multiple code iterations to single deployment to test region caused a delay in the start of RVT. Schedule delay is an anomaly and the team does not anticipate further delays.
  7. SOD 1323-Cost variance due to additional resources to complete requirements doc & implement requirements. Fluctuating requirements delayed completion of infrastructure development. Infrastructures needs prioritized with TWAI to expedite project

Debit Gateway

The Debit Gateway investment supports the Debit Gateway system which processes electronic check and Automated Clearing House (ACH) debit transactions received from other Fiscal Service systems and federal agencies resulting in the depositing of funds into the Treasury. It includes the ability to "decision" electronic check transactions – whereby checks are converted to ACH debits or truncated and presented as image cash letters – to optimize collectability and reduce unit clearing costs. It is built as a reusable service that can be utilized by other applications, so that these applications no longer need to present these transactions for settlement on their own. The Debit Gateway is designed to implement an enterprise architecture goal of having one (and only one) system per Fiscal Service business line. In this case, the business line is the settlement of electronic check and ACH debit transactions on behalf of federal agencies.

The Gateway benefits the Fiscal Services' mission of providing financial services, because a large portion of the government's revenue is received through this application. In addition, the Debit Gateway replaces a number of unnecessarily duplicative solutions in favor of a single, dedicated application for this business line. In so doing, the Debit Gateway benefits agencies by providing better service and benefits the Fiscal Service by doing so at a reduced cost.

Currently, the Debit Gateway processes transactions on behalf of multiple Fiscal Service collection channel applications: Pay.gov, PCC OTC, OTCnet, and ECP. Eventually it will process transactions for EFTPS as well. These systems depend on the Debit Gateway for an important part of their daily operations.

- **The immediate FY 2014 request cost as well as the full life-cycle cost of the asset:**
  1. FY 2014: $9,932,000*
  2. FY 2012 - FY 2018: $89,798,000*
     * DME+O&M; +FRBC

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

- **Timeframe for the "development, modernization and enhancement" phase of the investment for FY 2014:**
  1. FY 2014 DME: R1.7 Same-day ACH and other enhancements (start 11/01/13; end 06/01/14)
  2. FY 2014 DME: R1.8 Straight – through processing (start 09/01/14; end 03/30/15)

- **The anticipated benefit(s) of the investment:**
  1. More efficient, centralized and standardized processing
  2. ACH decisioning capability
  3. Single platform efficiencies and upgrade opportunities

- **How performance will be measured and evaluated:**
  1. Timely delivery of agency report data to collection channels.
  2. Responsiveness to customer service calls.
  3. Timely origination of ACH transactions.
  4. Timely presentment of Check21 items.
  5. Overall success rate of origination/presentment.
  6. Unit cost (without overhead) to collect items/transactions

- **Remediation strategies for investments which are not meeting the stated cost, time and performance goals for FY 2012:**
  Debit Gateway is showing a schedule variance driven by the delayed deployment of its Release 1.4 (Adjustments Corrections & Reversals, and other enhancements). This delay was the result of an extension necessary to (1) accommodate a TWAI abeyance period for peak tax season, and (2) a further delay from additional testing that was needed to resolve a high number of defects in the R1.4 code delivered by the vendor. Release 1.4 was successfully deployed in production June 30, 2012. Remediation strategies include:
  1. Based on prior experience with the vendor with earlier releases, penalties and incentives were built into the development contract for R1.4.
  2. A higher prioritization and allocation of testing resources to resolve code defects with R1.4 was employed to meet the new June 30, 2012 implementation target.
  3. Looking ahead to Release 1.5 (NACHA Rules Changes) development, the vendor's project plans will be reviewed and regular status reports requested to drive greater PM accountability. Penalties will be reviewed and strengthened. Further, the feasibility of sub-dividing overall release scope into smaller components for development is being explored so that incremental testing can be done as each component is completed.
  4. More visibility and accountability should also accompany R1.5 development with vendor

and FRBC development resources working side-by-side as the transition of development support in-house to FRBC proceeds. With this process, some FRBC developers will work on R1.5 with the vendor while others get broad background on core and custom code to understand the entire system.

With the exception of customer service response time, the Debit Gateway is meeting or exceeding all operational performance metric benchmarks, including (as of 6/30/2012): transaction processing unit cost without overhead of $0.039; 100% of Agency Reports delivered timely, and a 99.57% overall success rate for transaction presentment. With respect to customer service response time, call volume is up over 45% YTD over 2011. Additional staffing (1 position added) is beginning to show improvement in response times, and planned movement of ACR duties to operations staff will free up further resource availability by Q4 2012.

Deposit and Data Management (DDM)

The DDM investment integrates collections transactions from all sources, enabling the Fiscal Service and Government agencies to more effectively manage financial transaction information by connecting disparate applications and coordinating the flow of information and processes that span them. DDM incorporates the Transaction Reporting System/Collections Information Repository and CA$HLINKII. CA$HLINK II has been deactivated, effective December 31, 2012, and is in the process of being decommissioned.

- **The immediate FY 2014 request cost as well as the full life-cycle cost of the asset:**
  1. FY 2014: $21,979,100
  2. FY 2012 - FY 2016: $70,731,000

- **The projected useful life of the asset:** Projected until FY 2014

- **Timeframe for the “development, modernization and enhancement” phase of the investment for FY 2014:**
  1. TRS Agency XML and Business Objects Reports Upgrade (start 01/01/13; end 12/31/13)
  2. CIR Build Metadata Repository (start 04/01/13; end 06/30/14)
  3. CIR Open Source Connectivity Solution (start 01/01/12; end 09/30/14)
  4. CIR FRB CA$H-LINK Decommissioning (start 06/01/13; end 09/30/14)

- **The anticipated benefit(s) of the investment:**
  1. Improved agency reconciliation

- **How performance will be measured and evaluated:**
  1. Number of agency outreach presentations to users
  2. TRS unscheduled outages
  3. TRS and CA$HLINK II Call Center average wait time
  4. Percentage of Severity 4 incidents resolved in 7 business days
  5. TRS and CA$HLINK II Severity 1 incidents resolved within 6 hours.
  6. CA$HLINK II unscheduled outages per month.

- **Remediation strategies for investments which are not meeting the stated cost, time and performance goals for FY 2012:**

  We are currently meeting the stated cost, time and performance goals since we rebaselined in May 2012.

Electronic Federal Tax Payment (EFTPS)

The EFTPS investment supports the EFTPS system which closed the performance gap to process government collections electronically when it was launched in 1996, in response to a Congressional Mandate. EFTPS enables both business and individual taxpayers to pay all their federal taxes electronically via phone, Internet (www.eftps.gov), Fedwire, ACH credit, credit cards, or via a third party to initiate tax payments. EFTPS is managed by a designated Treasury Financial Agent (TFA), pursuant to the authority delegated by the Secretary of the Treasury to designate financial institutions to provide banking services to the Federal government (12 U.S.C. 90 and 265). This multi-function investment directly supports the Government-wide financial management mission of the Fiscal Service and is a partnership program with the Internal Revenue Service (IRS).

The primary justifications for investing in EFTPS are the following:

- Maximize the percentage of tax collections received electronically by the Federal government (General Government Taxation Management);
- Minimize the amount of time for taxpayers to complete a tax payment using electronic payments (Customer Results Timeliness and Responsiveness Response time);
- Reduce cost to the government of processing a federal tax payment (Processes and Activities Financial Savings and Cost Avoidance); and
- Provide a 24 x 7 x 365 mechanism to collect federal tax revenue (Technology Reliability and Availability).

Prior to the consolidation under the Fiscal Service, EFTPS was given authority for Permanent and Indefinite appropriation from Congress as part of the Consolidate Appropriations Act, 2004 (Pub. L 108-199) to perform critical banking services on behalf of the Federal Government including for the purposes of tax collection for FY 2004 and beyond. Funds for this investment are allocated from this authority and are submitted to OMB on an annual basis as part of the congressional justification for the Presidents Annual Budget. EFTPS has been in existence since 1996 appropriations cover the operations and maintenance of the following critical functions:

- New Taxpayer Enrollment
- Tax Payments Processing
- Fulfillment/Mail Services
- Customer Service
- General Operations

Less than 10 percent of each BY funding is allocated to minor software enhancements each year to accommodate changes to the tax code.

- **The immediate FY 2014 request cost as well as the full life-cycle cost of the asset:**
  1. Y 2014: $74,342,210
  2. FY 2012 - FY 2016: $370,620,896

- **The projected useful life of the asset:** Projected until FY 2016

- **Timeframe for the “development, modernization and enhancement” phase of the investment for FY 2014:**
  1. There are currently no planned projects for the DME of the EFTPS for FY 2014. We have identified $7,956,000 for DME in FY 2014 but have not identified the specific projects these funds will be applied to. We are in the process of defining the activities.

- **The anticipated benefit(s) of the investment:**
  1. Reduces performance gap to process government collections electronically
  2. Enables business and individual taxpayers to pay all their federal taxes electronically via phone, Internet (www.eftps.gov), Fedwire, ACH credit, credit cards, or via a third party to initiate tax payments
  3. Satisfies congressionally mandated requirement

- **How performance will be measured and evaluated:**
  1. Percentage of Depository Employment Taxes Received Electronically
  2. Mean time to complete a payment
  3. Calls answered in 30 seconds
  4. Average unit cost per transaction
  5. Reports transmitted late
  6. Accuracy of paper enrollment data captured
  7. Duration of critical

- **Remediation strategies for investments which are not meeting the stated cost, time and performance goals for FY 2012:**
  EFTPS continues to meet its cost, time and performance goals for FY 2012; therefore, no remediation strategies are needed.

FedDebt

The FedDebt investment supports the Federal government's delinquent debt collection programs, which were centralized in Treasury/ by the Debt Collection Improvement Act of 1996. FedDebt provides Treasury's delinquent debt collection business with an integrated system that combines the legacy Treasury Offset Program (TOP) system with the legacy Debt Management Servicing Center/Private Collection Agency Monitoring and Control (DMSC/PMAC). FedDebt provides the Debt Management Services (DMS) organization with a single platform for its business applications, a single entry portal for its business applications, online access for creditor agencies via a web-based customer interface, and a single database for reporting. NOTE: As recommended by the McKinsey study, accounting for debt collection functions will be maintained separately in a system which will interface with FedDebt.

FedDebt will integrate the collection services that the Fiscal Service provides to Federal Program Agencies (FPAs) through its TOP and Cross-Servicing programs. TOP matches a database of delinquent debtors against outgoing Federal payments and offsets or levies those payments to recipients who owe delinquent debts. The Cross-Servicing program uses Treasury demand letters, Private Collection Agencies, administrative wage garnishment, repayment agreements, and other collection tools to collect delinquent debt owed to the Government.

- **The immediate FY 2014 request cost as well as the full life-cycle cost of the asset:**
  1. FY 2014: $16,342,000
  2. FY 2012 - FY 2016: $140,218,000

- **The projected useful life of the asset:** Projected until FY 2015

- **Timeframe for the "development, modernization and enhancement" phase of the investment for FY 2014:**
  1. PTI Project: TOPNG 7 and 8 FedDebt NG 4 and 5
  2. PM Project: PM support Activity, PM support Activity 2

- **The anticipated benefit(s) of the investment:**
  1. Enhancements for Centralized Receivables Services (CRS)
  2. To continue with collections and costs to be on target for FY 2014
  3. To continue identifying the business goals and tasks required to meet the DMS "Seven Strategies and High Priority Initiatives" including performance enhancements and functional improvements
  4. The team will continue to build functional slices for future releases of TOP NG using agile development.

- **How performance will be measured and evaluated:**
  1. Total dollars of delinquent debt collected minus any reversals
  2. Percentage of eligible debts referred to Fiscal Services for collection
  3. Amount of debt collected per $1 spent on delinquent debt collection programs
  4. Severity 1 production problems for all applications in the Investment
  5. Online system uptime as a percentage of scheduled system uptime.

- **Remediation strategies for investments which are not meeting the stated cost, time and performance goals for FY 2012:**
  FedDebt continues to meet its cost, time and performance goals for FY 2012; therefore, no remediation strategies are needed.

Legacy Infrastructure, Communication, Security, Services, and Support
This investment replaces the FMS IT Mainframe and Servers and Support investment and covers the residual infrastructure related items that were not transferred in the Fiscal IT consolidation. The specific residual infrastructure consists of two legacy O&M applications (STAR and OATS), the Treasury Web Application Infrastructure (TWAI), enterprise Security Architecture, telecommunications and end-user support for the Fiscal Service' DC and MD locations.

- **The immediate FY 2014 request cost as well as the full life-cycle cost of the asset:**
  1. FY 2014: $61,277,920
  2. FY 2012 - FY 2016: $299,154,255

- **The projected useful life of the asset:** Indefinite

- **Timeframe for the "development, modernization and enhancement" phase of the investment for FY 2014:**
  1. The Mainframe and Servers investment is currently in the O&M phase. There are no activities to report for the FY 2014.

- **The anticipated benefit(s) of the investment:**
  1. Provide hardware and software operations in support of Fiscal Services Infrastructure support.
  2. Support of IT Security activities

- **How performance will be measured and evaluated:**
  1. SLA Metric #3 - priority 1 incident response - to resolve 95 percent of incidents within 2hrs
  2. SLA #1 - critical hour of production availability
  3. Percent of O&M Projects completed on-time
  4. Total open audit findings
  5. Ratio of SOW current projects on schedule

- **Remediation strategies for investments which are not meeting the stated cost, time and performance goals for FY 2012:**
  Mainframe and Servers investment continues to meet its cost, time and performance goals for FY 2012, therefore, no remediation strategies are needed.

Over the Counter Channel Application (OTCnet)
The OTCnet investment supports the OTCnet system. It is the Government's one system solution for the collection of over the counter revenue worth $150 billion annually in checks, currency and coins transacted at federal agency locations worldwide. OTCnet is part of the Fiscal Service's strategic Collections and Cash Management Modernization (CCMM) initiative, which seeks to redesign its business lines by having one system per channel and streamlines the collection process. By 2012, OTCnet will replace two legacy systems: the Paper Check Conversion Over the Counter (PCC OTC) and the Treasury General Account Deposit Reporting Network (TGAnet) systems. Its functionality will be expanded beyond the capabilities of the legacy systems to facilitate the collection of over the counter (OTC) revenue in adherence to Government Wide Accounting Standards. Check processing can be done through a web-based interface and through offline client software. The offline client version for paper check conversion is a critical need of the OTCnet application since the system is used across the globe in remote locations without consistent internet connectivity. Functionality enhancements for check processing include collecting government-wide accounting information at the point of entry and transmitting the information to TRS and GWA systems in 2012 and providing Dynamic Split functionality to collect summary level classification data for government-wide accounting by December, 2013.

The check processing functionality, which is replacing PCC OTC, provides a practical and cost effective collection mechanism in a timely and secure manner. In addition to check processing, the deposit processing functionality of OTCnet which has replaced TGAnet, addresses a gap in the Fiscal Service end-state enterprise architecture and provides integrated accounting information to Fiscal Service's GWA system. It eliminates multiple copies of SF215 and SF5515 and the redundant data entry of deposit and accounting information. All approved deposit transactions are transmitted to TRS in a standard XML file. As OTCnet continues to on-board agencies and financial institutions on deposit processing, it is helping eliminate manual entries done in CashLink II which will sunset by 2012. The financial institutions include both commercial banks and Federal Reserve Banks. The primary beneficiaries of this investment are the end users from agencies, financial institutions and government as this investment yields substantial cost savings from decommissioning the two systems as well as providing efficiency gains through improved reconciliation processes.

- **The immediate FY 2014 request cost as well as the full life-cycle cost of the asset: Need the life cycle cost**
  1. FY 2014: $14,127,860
  2. FY 2012 - FY 2016: $121,814,000

- **The projected useful life of the asset:** Projected until FY 2019

- **Timeframe for the "development, modernization and enhancement" phase of the investment for FY 2014:**
  1. FY 2014 DME: Dynamic Split Project (start 09/10/12; end 12/31/2013)

- **The anticipated benefit(s) of the investment:**
  1. OTCnet investment is replacing two legacy systems, TGAnet and PCC OTC with one service provider which was supported by two different service providers, FRB- St. Louis and FRB- Cleveland.
  2. Online check processing is introduced first time in OTCnet where good internet connectivity is available that requires no client software on the desktop.
  3. A single, web-based system with an integrated "look and feel" and a simplified support structure for all over the counter activities.
  4. Detailed and timely accounting information to be captured at the point of deposit and made available to agencies.
  5. Improved agency ability to comply with GWA standards and guidelines and ease the burden associated with end-of-month reconciliations (e.g. through the use of Partial 224s).
  6. Brings all agency OTC collections activity into consolidated reports for GWA reconciliation.

- **How performance will be measured and evaluated:**
  1. ALCs transitioning from FRB Cashlink and Cashlink II to OTCnet, are converted to OTCnet according to schedule
  2. ALCs transitioning from Cashlink II to OTCnet, are converted to OTCnet according to schedule
  3. ALCs transitioning from FRB Cashlink to OTCnet, are converted to OTCnet according to schedule
  4. ALCs transitioning from FRB Cashlink to OTCnet, are converted to OTCnet according to schedule

- **Remediation strategies for investments which are not meeting the stated cost, time and performance goals for FY 2012:**

  In FY 2012 the decision was made by senior management to cancel the Corrections and Adjustment project and finding alternative ways to address the need in order to refocus energy on performance improvements and stabilization of the system for converting PCC OTC and CashLink II agencies which are critical for decommissioning the two systems in 2012.

  The Baseline Change Request for OTCnet includes the addition of a new project Dynamic Split functionality to apply the government wide accounting classification at the summary level for checks and shifting focus to conversions and system performance improvements

Payment Application Modernization (PAM)

The PAM investment supports a critical Fiscal Service function which is the production and delivery of Federal payments. PAM is an effort to replace 30+ existing Fiscal Service payment applications generating check, ACH, and wire transfer payments (1 billion, $1.6 trillion) on behalf of Federal Program Agencies (FPAs) with a single application. Gaps addressed by PAM include: multiple systems written in outdated languages, inability to meet legislative and FPA changes/requests quickly, and extensive manual processes.

PAM was initiated as a result of Y2K efforts. These efforts identified similar functionality among 30+ payment applications being supported by four Regional Financial Centers. This functionality would be improved by implementing a single application. The legacy applications are written in COBOL and Assembler languages, for which, new resources to support the legacy applications are scarce. Current developers supporting the legacy applications will have either retired or will be re-purposed to the Fiscal Service programs.

PAM's system goals are:

- Utilize COTS utility products, particularly for application components such as workflow and reporting;
- Use extensible markup language (XML);
- Elimination of manual processes
- Centralized payment application in one Payment Center of Excellence, as opposed to three Regional Financial Centers.
- Encourage process reengineering within operations and with interfacing applications; and
- Support of the Post Payments System, Full Service Intelligent Barcode, The NACHA Health Care mandate, Do Not Pay Initiative (BCR in 2013), and the Payment Information Repository initiatives.

- **The immediate FY 2014 request cost as well as the full life-cycle cost of the asset:**
  1. FY 2014: $10,009,390
  2. FY 2012 - FY 2016: $55,469,000

- **The projected useful life of the asset:** Projected until FY 2027

- **Timeframe for the "development, modernization and enhancement" phase of the Investment for FY 2014:**
  1. PR 2013 – 2 Implementation and Transition
  2. PR 2014 – Test Release 1 thru 3
  3. PR 2014 – Implementation and Transition
  4. PR 2014 – 2 Test Release 1 and 2

- **The anticipated benefit(s) of the investment:**
  1. One standard input file format.
  2. Consolidation to a modular payment application with common functionality and configuration control.
  3. Data consolidated in a single relational database.
  4. Larger pool of FRB resources to operate and maintain PAM, employing more modern technologies.
  5. Ability to efficiently implement legislative mandated programming changes in one application.

6. Ability to respond efficiently to payment change requests made by FPAs.
7. Operational efficiencies resulting from significant reduction of required manual and exception processing.
8. Implementation of more standard processes and procedures across Financial Centers.
9. Reduce Fiscal Service costs associated with maintenance of the 30+ payment applications (file formats).
10. Alignment with the Fiscal Service to be Enterprise Architecture.
11. Implementation of improved BCP, DR and COOP (e.g. one system as opposed to 30 + payment applications/file formats).

- **How performance will be measured and evaluated:**
  1. Percentage of Federal Program Agencies (FPAs) satisfied with payment processing with their respective servicing Regional Financial Center
  2. Percentage of check and EFT payments processed accurately and on time
  3. Average number of Production severity 1 problems reported for the FY
  4. The number of unexpected system/environment errors impacting normal production payment processing
  5. The conversion of Federal Program Agencies to the PAM Standard Payment Request

- **Remediation strategies for investments which are not meeting the stated cost, time and performance goals for FY2012:**
  A BCR was approved for the PAM Project in June 2012. This BCR was conducted to reflect Social Security Administration's (SSA) and the Internal Revenue Service's (IRS) plans to move forward with transitioning all SSA benefit and Tax payments to the PAM Standard Payment Request (SPR) to be GWA compliant by the end of 2012. In order for PAM to be ready for the SSA and IRS transition, additional functionality that was not planned in FY 2012/2013 must now be included. To accommodate the additions to scope, functionality originally planned must be deferred to a release beyond 2012.