



COMMISSIONER

DEPARTMENT OF THE TREASURY  
BUREAU OF THE FISCAL SERVICE  
WASHINGTON, DC 20227

April 10, 2017

**MEMORANDUM FOR ALL CFOs, DCFOs, and CIOs**

**FROM:** Sheryl R. Morrow  
Commissioner

A handwritten signature in blue ink that reads "Sheryl R. Morrow".

**SUBJECT:** Treasury's Bureau of the Fiscal Service –Annual Service Updates and Timelines

The partnership between your organization and the Fiscal Service has led to improvements in federal accounting and reporting, made collection and payment processes more efficient, and modernized the federal management infrastructure. Examples of FY 2016 accomplishments are listed below. For additional information, please visit [fiscal.treasury.gov/fsabout/FiscalServiceFactSheet.pdf](http://fiscal.treasury.gov/fsabout/FiscalServiceFactSheet.pdf)

- Disbursed 1.2 billion transactions for \$3.3 trillion, with an Electronic Funds Transfer (EFT) rate of 94.9%. Compared to FY 2015, this is an increase of 1.7% in transactions, 4.3% in dollars, and .1% in the EFT rate.
- Collected \$7.41 billion in delinquent debt owed to federal and state agencies, representing a 1.8 percent increase from FY 2015.
- Assisted agencies identifying or stopping a total of 33,948 improper payments worth \$58.9 million. This is a 108 percent increase from FY 2015.
- Closed eight audit recommendations and published the FY 2016 Financial Report of the U.S. Government (FR) on an accelerated schedule.
- Established the DATA Act Information Model Schema (DAIMS v1.0), the data exchange standard for DATA Act federal spending transparency.
- Released the production version of the DATA Act Broker, the application for agency submission of the data required under the DATA Act.
- Launched OpenBeta.USASpending.gov, the collaboration site to gain your feedback on features and functions for the future publication site for DATA Act information.
- Implemented eCommerce collection pilots for more than 70 agencies.

Attached is a summary of important upcoming initiatives of interest to you and your agency. For agencies that are moving to shared services for federal financial management, our Office of Financial Innovation and Transformation, working in collaboration with the new Unified Shared Services Management Office, is available to provide guidance on the Modernization and Migration Management (M3) Playbook.

If you are interested in discussing the next phase of the Fiscal Service strategy, please let us know. We often meet with Chief Financial Officers (CFOs), Deputy CFOs, and Chief Information Officers to gain knowledge and feedback on upcoming financial management initiatives. For more information, please contact our Director of Agency Outreach, April Battle ([april.battle@fiscal.treasury.gov](mailto:april.battle@fiscal.treasury.gov)). The Office of Agency Outreach focuses on improving strategic agency partnerships and enhancing the customer experience.

Thank you for your hard work in promoting the integrity and operational efficiency of financial management.

A copy of this memo, along with points of contact, is available on our website at [fiscal.treasury.gov](http://fiscal.treasury.gov).

Attachment

## Treasury's Bureau of the Fiscal Service—Upcoming Initiatives

**Improving Transparency of Federal Spending Data:** Beginning May 2017, federal agencies must report financial and payment information data according to the standards established by Treasury and Office of Management and Budget (OMB) under the Digital Accountability and Transparency Act of 2014 (DATA Act). The DATA Act, when fully implemented, will make federal spending data more accessible, searchable, and reliable, and will make it easier for citizens to understand how the federal government spends taxpayer dollars. The Fiscal Service, in collaboration with OMB, provides various tools to help agencies with the implementation process, and we continue to engage in partnership and outreach efforts to keep public and private stakeholders informed of DATA Act implementation issues and progress.

For example, the Fiscal Service continues to provide agencies the opportunity to test data in the DATA Act website, and is working to improve implementation. We are leveraging [openbeta.USASpending.gov](http://openbeta.USASpending.gov) to obtain feedback from agencies to inform the development of the new DATA Act website. In addition, we continue to maintain current federal spending information on [USASpending.gov](http://USASpending.gov). To learn more about our efforts, or to participate in future outreach activities specifically targeted to federal agencies, please visit [fedspendingtransparency.github.io](http://fedspendingtransparency.github.io) or email [datapmo@fiscal.treasury.gov](mailto:datapmo@fiscal.treasury.gov).

**Strengthening Compliance to Increase Recoveries on Delinquencies:** The DATA Act requires Treasury to report to Congress on agency compliance with timely reporting of debts for purpose of administration offset. From the data submitted by federal agencies via the Treasury Report on Receivables (TROR), Treasury will report annually to Congress on agency compliance with the requirement to refer debts over 120-days delinquent to the Fiscal Service, listing federal agency compliance as a percentage of the number of eligible debts referred. Agencies began reporting to the TROR their first quarter 2016 data in January 2016. We also request that agencies review their internal regulations and processes, and consult with their legal counsel to determine what actions must be taken to comply with the new requirement. To learn more, please visit [fiscal.treasury.gov/fsservices/gov/debtColl/rsrscsTools/debt\\_DATA\\_act.htm](http://fiscal.treasury.gov/fsservices/gov/debtColl/rsrscsTools/debt_DATA_act.htm) or contact Terrence Prince ([terrence.prince@fiscal.treasury.gov](mailto:terrence.prince@fiscal.treasury.gov)) or Felipe Perdomo ([felipe.perdomo@fiscal.treasury.gov](mailto:felipe.perdomo@fiscal.treasury.gov)).

In 2017, the Fiscal Service will implement Cross-Servicing Next Generation (CSNG), a commercial off-the-shelf (COTS) product that will replace the current FedDebt system. Transitioning from an in-house, customized system to a COTS product reduces platform and system maintenance costs, and increases productivity and collections. To learn more or to participate in creditor agency CSNG training, please contact Natalie Bibb ([natalie.bibb@fiscal.treasury.gov](mailto:natalie.bibb@fiscal.treasury.gov)).

**Transforming Accounting and Financial Reporting:** The Fiscal Service has several initiatives underway aimed at improving the quality and integrity of governmentwide financial data and reporting, including:

- We have established an extensive plan to remediate several material weaknesses contributing to the longstanding disclaimer of opinion on the FR. As stated by the Comptroller General in the 2016 FR audit report, Treasury and OMB will be unable to achieve this without the “strong and sustained commitment by federal entities”. Specific areas of focus over the coming year, include: 1) recording applicable contingencies for Treaties and International Agreements and receivables for Criminal Debt, 2) supporting the reconciliation of intragovernmental transactions and balances with the General Fund of the U.S. Treasury, and 3) determining the appropriate consolidation and/or disclosure entities within your agency to ensure proper implementation of SFFAS 47: Reporting Entity. To learn more, please contact Jaime Saling ([jaimie.saling@fiscal.treasury.gov](mailto:jaimie.saling@fiscal.treasury.gov)).
- Improving the quality of Government-wide Treasury Account Symbol (GTAS) data used to compile the FR. This effort will be focused on ensuring agencies intradepartmental activity and balances properly eliminate. In 2016, GTAS data was used for the first time to populate financial statement lines in the FR

and we will work with agencies to refine and improve that process. To learn more, please contact Jaime Saling ([jaime.saling@fiscal.treasury.gov](mailto:jaime.saling@fiscal.treasury.gov)).

- Enhancing the quality of the Intragovernmental Transaction (IGT) Buy/Sell data through G-Invoicing. Much of the information required to successfully complete Buy/Sell IGT is conferred between trading partners and must be clearly exchanged between agencies to avoid reconciling differences. Currently, agencies may transfer funds for reimbursable transactions without a formal means to approve documents before funds are settled and disbursed. Moreover, key accounting data elements may not be clearly conveyed throughout the transaction lifecycle. The Fiscal Service has identified G-Invoicing as a primary component to improving the quality and reliability of Intragovernmental Buy/Sell data. Treasury Financial Manual (TFM) Bulletin 2017-03 “Government Invoicing (G-Invoicing) Initiative and Implementation” was published in December 2016 to announce the G-Invoicing initiative and provide implementation guidance to federal agencies to process IGT Buy/Sell transactions. To learn more, please visit [fiscal.treasury.gov/fsservices/gov/acctg/g\\_invoice/g\\_invoice\\_home.htm](https://fiscal.treasury.gov/fsservices/gov/acctg/g_invoice/g_invoice_home.htm).

**Increasing Quality and Value in Core Payment Operations:** In 2016, the Fiscal Service selected a new U.S. Debit Card (USDC) provider and is working with participating agencies to transition their programs to the new provider, MetaBank. To receive improved product features and services, including increased consumer protections and a more powerful reporting suite for agencies, new federal agency programs may join the USDC program starting in June 2017. For additional information, please contact Jeremiah Bennett ([jeremiah.bennett@fiscal.treasury.gov](mailto:jeremiah.bennett@fiscal.treasury.gov)).

The Fiscal Service issued proposed regulations to adopt new payment system industry rules, which will allow the federal government to have commercial standards on “same-day ACH” effective September 2017 (31 CFR Part 210 – Federal Government Participation in the Automated Clearing House). Once adopted, same-day ACH will allow for faster disbursements and collections of funds where merited. To learn more about secure, reliable and efficient payment and collection options, please contact Margot Kaeser ([margot.kaeser@fiscal.treasury.gov](mailto:margot.kaeser@fiscal.treasury.gov)) or Randolph Maxwell ([randolph.maxwell@fiscal.treasury.gov](mailto:randolph.maxwell@fiscal.treasury.gov)).

**Strengthening the Integrity of Federal Payments:** The Do Not Pay Business Center will continue to work collaboratively with agencies to determine the appropriate services to assist in the prevention, detection, and reduction of improper payments. By the end of FY 2017, we will implement advanced matching techniques and risk scoring across several of our products to help you better target agency payments at the greatest risk of being improper, and pilot projects with federally-funded state administered programs as authorized by the Federal Improper Payment Coordination Act (FIPCA) of 2015. To learn more, please visit [donotpay.treas.gov/](https://donotpay.treas.gov/) or contact Doreen Sheppard ([doreen.sheppard@fiscal.treasury.gov](mailto:doreen.sheppard@fiscal.treasury.gov)).

The Fiscal Service took significant steps in 2016 to strengthen the integrity, security, and efficiency of the federal payment process. Improved procedures have enhanced funds recovery efforts and returned over \$14.4 billion in 2016 in misdirected disbursed funds to federal payment agencies, an increase of approximately \$4.4 billion from 2015. Working with government Inspectors General, our extensive efforts in fraud detection and deterrence led to 107 arrests, 83 convictions, and \$24 million recovered through fines, restitution, and seizures. To broaden awareness of enhanced Post Payment support activities, there will be a Post Payment System presentation at the annual Financial Service Advisory Council (FSAC) in June 2017 at the Veteran’s Building in Philadelphia, PA. To learn more, please contact Lisa Andre ([lisa.andre@fiscal.treasury.gov](mailto:lisa.andre@fiscal.treasury.gov)).

**Improving the Management of Government Receivables:** The Fiscal Service implemented the Centralized Receivables Service (CRS) pilot to improve agencies’ management of their current receivables portfolio. This reduces the percentage of delinquent receivables and refers delinquent receivables to our Cross-Servicing Program for collection. CRS also improves data quality and compliance, promotes efficiency, and enables you to focus on your agency’s core missions. Currently, there is no cost to agencies for using this

service. We are reviewing the CRS pilot and developing a plan to determine how to move CRS from a pilot to a program. To learn more, please contact [CRSOutreach@fiscal.treasury.gov](mailto:CRSOutreach@fiscal.treasury.gov).

**Expanding Citizen and Business-Facing Transactions:** We are working with agencies to increase electronic collections through a suite of next generation electronic payment alternatives that offer greater convenience, ease, and a better overall customer experience. We encourage agencies to take advantage of innovative eCommerce collection solutions such as online bill payment, digital wallets (PayPal, Dwolla, and Amazon Payments), and the Mobile App Program, which allow the use of mobile applications on agency issued or personal smartphones for federal agency revenue collections. To learn more, please contact Madiha Latif ([madiha.latif@fiscal.treasury.gov](mailto:madiha.latif@fiscal.treasury.gov)).

In FY 2017, we changed the Card Acquiring Service (CAS) service provider from Fifth Third Bank to Comerica Bank to avail agencies of more robust data protection for payment card acceptance. Beginning in April and concluding by October 2017, specialists from Comerica Bank and Vantiv will work with your designated contact(s) to transition and convert existing Merchant Identification (MID) numbers to a new platform, ensuring uninterrupted service. In addition, tokenization and encryption will be enabled, where appropriate, to protect sensitive cardholder data throughout the transaction authorization process. These new security features will entail no additional effort or cost to agencies. To learn more, please contact Madiha Latif ([madiha.latif@fiscal.treasury.gov](mailto:madiha.latif@fiscal.treasury.gov)).

Based on the information we have concerning the long term viability of Java Applets, and in the interest of lessening impacts on agencies, we plan to replace the current Java Applets standard required to operate OTCnet check scanners. The new utility is called the OTCnet Local Bridge (OLB). This change will require agencies to install the new OLB utility on their workstations by July 31, 2018. Agencies will see a long term benefit in that OTCnet will support future (alternative) browsers and technology without a dependency on Java installs going forward. An agency outreach and communications plan in support of this change will begin in March 2017. To learn more, please contact Madiha Latif ([madiha.latif@fiscal.treasury.gov](mailto:madiha.latif@fiscal.treasury.gov)).

**Advancing Federal Financial Management:** The Fiscal Service is studying current challenges and trends to develop a future vision for federal-wide financial management and a corresponding strategy that establishes a framework and roadmap for achieving this vision. The vision and strategy, including the implementation plan, will serve as a blueprint for advancing how the federal government manages its finances in the 21<sup>st</sup> century. Once the strategy is developed, the Fiscal Service will seek partners to work on specific initiatives. To learn more or to partner with the bureau on specific initiatives, please contact Craig Fischer ([craig.fischer@fiscal.treasury.gov](mailto:craig.fischer@fiscal.treasury.gov)).

The Fiscal Service is also developing a Financial Management Maturity Model that utilizes existing standards and use cases. It serves as a self-assessment tool that agencies can use to promote continuous financial management improvements. It will serve as the framework for financial management and focus on three key maturity areas: compliance, service delivery, and financial systems and information management. To learn more, please contact Marshall Henry ([marshall.henry@fiscal.treasury.gov](mailto:marshall.henry@fiscal.treasury.gov)).