



COMMISSIONER

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

April 30, 2015

MEMORANDUM FOR ALL CFOs, DCFOs and CIOs

FROM: Sheryl R. Morrow
Commissioner

SUBJECT: Annual Fiscal Service Innovations – Upcoming System Changes and Timelines

Over the past four years, your organization and the Bureau of the Fiscal Service implemented several initiatives to improve government-wide financial management. These initiatives have enhanced government accounting and reporting; made our collection and payment processes more efficient; and modernized the financial management infrastructure. A few of the more significant accomplishments in fiscal year 2014 include:

- Successful migration of reporting trial balance data to Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS). Approximately 75% of Treasury-disbursed agencies migrated to full Central Accounting Reporting System (CARS) reporting with the remaining agencies on schedule to complete their transition by December 2015.
- Conversion of payment processing to the new Payment Automation Manager (PAM).
- Implementation of eCommerce pilots (Digital Wallets - PayPal and Dwolla, and On Line Bill Payment) across 20 agencies.

Your commitment to meeting these requirements and piloting new electronic alternatives was vitally important for improving data quality, advancing data transparency, expanding payment options, and remediating material weaknesses in U.S. Government financial reporting. Each of these initiatives required hard work from your organization and could not have been accomplished without your help.

The attachment summarizes important upcoming initiatives, with key due dates and points of contact. For agencies that are moving to shared services for federal financial management, our Office of Financial Innovation and Transformation is available to provide policy, strategic direction, and information on the Federal Agency Migration and Evaluation framework, which facilitates an agency's ability to assess and implement a shared service.

As in past years, we will contact your offices to schedule CFO, Deputy CFO and CIO partnership meetings to discuss the next phase of Treasury's financial management strategy. These meetings serve two important goals. First, they provide opportunities for us to engage at the executive level. Second, they serve as a forum to solicit your continued input on financial management initiatives. For more information, your staff should feel free to contact the Director of Agency Outreach, April Battle, at april.battle@fiscal.treasury.gov. The Office of Agency Outreach focuses on improving strategic agency partnerships, which start with you, the voice of the customer.

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 for each initiative and the training schedule, is available on our website at <http://fiscal.treasury.gov>.

Attachment

cc: David A. Lebryk

Financial Management Innovations

Sparkling Innovation with Open Data. By May 2017, federal agencies must report spending information in accordance with the Digital Accountability and Transparency Act (DATA Act), which requires federal agencies to disclose their expenditures and to link federal contracts, loans, and grant data to federal programs. We recognize this is a “financial management game changer.” Treasury is working closely with the Office of Management and Budget (OMB) and federal agency stakeholders to establish data standards, provide feedback on implementation, and address questions relating to deadlines and compliance requirements.

We have also assumed program responsibility for *USAspending.gov*. We recently implemented website best practices, such as a navigation and search feature, an interactive award map, and better functionality to more easily reconcile and validate award data. We also helped migrate Data Submission and Validation Tool users to the new Award Submission Portal to update financial assistance files. To learn more or to participate in a future *USAspending.gov* outreach session, please visit our website or email datapmo@fiscal.treasury.gov. By working in partnership, we will continue to improve and expand financial transparency to the public.

Strengthening Compliance to Reduce Delinquency and Improper Payments. The DATA Act directs Treasury to report agency compliance with the new administrative offset referral requirement to Congress. This requirement states that agencies must refer valid, delinquent non-tax debts to Treasury for the purpose of administrative offset at 120 days, 60 days earlier than the previous 180 day requirement. To support compliance and the timely collection of delinquent non-tax debts, we are modifying the Treasury Report on Receivables to automatically capture referral information, starting in fiscal year 2016. We request that agencies participate in efforts to create data standards, review their internal regulations and process, and consult with their legal counsel to determine what actions must be taken to comply with the new requirement.

Likewise, the Improper Payment Elimination and Recovery Improvement Act of 2012 mandates that a review of all payments and awards be conducted through Treasury’s Do Not Pay Business Center, which partners with federal agencies to prevent, reduce, and stop improper payments, and to identify potential fraud, waste, and abuse. For additional information, please visit our website or contact Bena Kluegel (bena.kluegel@fiscal.treasury.gov). She will direct you to a specialist in the Do Not Pay Business Center.

Improving Citizen and Business-Facing Transactions. Federal agencies recognize that individuals and businesses want to do business with the government faster and more efficiently. By working with the Fiscal Service, you can take advantage of innovative *eCollections* and *eCommerce* solutions such as digital wallets and mobile payment applications. We also support improvements for *Pay.gov* that reduce overhead and offer faster throughput with less coding and maintenance by agency personnel. To benefit, agency applications that currently connect to *Pay.gov* via an OCI non-interactive interface must be converted to the *Trusted Collection Service (TCS)* by September 2015.

With the release of Executive Order 13681 (Improving the Security of Consumer Financial Transactions), we are working with agencies to replace or implement the Europay MasterCard Visa (EMV) chip and PIN standard for all card terminals across the government between June and September 2015. Contact us for the date your agency is scheduled for deployment and for information about how we can help. If your agency is using a third-party point of sale solution, contact your systems provider to identify: (1) hardware and software solutions available to support the EMV chip and PIN, and (2) timeframes during which the solutions will be available. If your agency is updating

a solution, it must be certified by the card network and interface with Vantiv. To learn more, please contact Madiha Latif (madiha.latif@fiscal.treasury.gov). Her team will direct you to a dedicated specialist to support your agency needs.

Furthermore, we are working with over 74 federal agencies, including 75% of the government's federal financial shared service providers, to address government *eInvoicing* processing needs. We are also planning to work with all remaining federal agencies to effectively employ all-electronic procurement invoicing by fiscal year 2018. To plan for this progression, contact us early and you will be assigned to a program specialist to guide you through our streamlined process. To learn more, please visit our website or contact Tepricka Morgan (tepricka.morgan@fiscal.treasury.gov).

Improving the Management of Government Receivables. Treasury's *Centralized Receivables Service (CRS)* pilot improves agencies' management of their current receivables portfolio, reduces the percentage of delinquent receivables, and refers delinquent receivables to Treasury's Cross-Servicing Program for collection. CRS also improves data quality and compliance, promotes efficiency and enables agencies to focus on their core missions. Currently, there is no cost to federal agencies for using this service. To learn more, please contact Caroline Bailey at (caroline.bailey@fiscal.treasury.gov).

Increasing Quality and Value in Core Payment Operations. The Fiscal Service disburses over 85% of the Government's payments, approximately \$2.4 Trillion annually, on behalf of most Federal entities. In addition to issuing payments via ACH, Fedwire and check, we operate the US Debit Card Program, International Treasury Services (ITS.gov) and the Automated Standard Application for Payments (ASAP), which are free of charge to federal agencies.

With tightening budgets, many agencies that once performed their own disbursing have chosen to become Treasury Disbursed. If you believe that Treasury Disbursing is appropriate for your agency, the Fiscal Service will work with your staff to determine the most efficient means to transition your payments while satisfying all reporting requirements.

Additionally each year we process more than \$12 billion for Federal agencies that will soon be handled through the Post Payment System (PPS). To learn how PPS supports efficient claims management, fraud detection, and funds accounting reconciliation, plan to attend an upcoming PPS outreach session on June 2-3, 2015 or July 28-29, 2015. Throughout the project implementation from 2015-2018, the Fiscal Service will continue host additional informational sessions, webinars and PPS user group meetings. During these events, we will discuss the impacts of replacing legacy systems and walk you through such topics as the standardized cancellation file and claims submission format, improvements to case management, and the new PPS portal. To learn more, please visit our website or contact Tepricka Morgan (tepricka.morgan@fiscal.treasury.gov). She will put you in contact with one of our payment improvement specialists.

Transforming Accounting and Financial Reporting. We are improving *Intragovernmental Payments and Collections (IPAC)* and *IGT Buy/Sell* policies, processes, and systems. We will provide further guidance regarding our strategy once our analysis is complete. Please visit the IPAC website IPAC@stls.frb.org for the latest updates or contact Keith Jarboe (keith.jarboe@fiscal.treasury.gov).

Delivering Smarter Shared Services. Contact us to discuss our Franchise Services, which provide superior reimbursable administrative and information technology services to over 70 agencies. To learn how we can reduce your operational costs, please visit http://www.fiscal.treasury.gov/fsprograms/fs_sharedservices.htm or contact Michael Satterfield (michael.satterfield@fiscal.treasury.gov).