

# Treasury Franchise Fund

FY 2017

President's Budget

February 9, 2016

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## Section 1 – Purpose

### 1A – Mission Statement

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

### 1.1 – Resource Detail Table

Dollars in Thousands

Treasury Franchise Fund Budgetary Resources	FY 2015 Actual		FY 2016 Estimated		FY 2017 Estimated		FY 2016 to FY 2017			
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
<b>New Appropriated Resources</b>										
Administrative Services		-		-		3,000		3,000		N/A
<b>Subtotal New Appropriated Resources</b>		-		-		<b>3,000</b>		<b>3,000</b>		<b>N/A</b>
<b>Revenue/Offsetting Collections</b>										
Reimbursables										
Shared Services Programs (SSP)		218,360		219,794		230,329		10,535		4.79%
Administrative Services		131,746		169,084		165,492		(3,592)		-2.12%
Information Technology Services		166,792		175,404		184,174		8,770		5.00%
Recovery from Prior Years		14,468		25,480		18,760		(6,720)		-26.37%
Unobligated Balances from Prior Years		146,970		171,704		114,272		(57,432)		-33.45%
<b>Total Revenue/Offsetting Collections</b>	<b>0</b>	<b>678,336</b>	<b>0</b>	<b>761,466</b>	<b>0</b>	<b>713,027</b>	<b>0</b>	<b>-48,439</b>	<b>N/A</b>	<b>-6.36%</b>
<b>Expenses/Obligations</b>										
Shared Services Programs (SSP)	251	225,024	286	219,794	287	230,329	1	10,535	0.35%	4.79%
Administrative Services	936	146,282	1,040	153,622	1,102	165,492	62	11,870	5.96%	7.73%
Information Technology Services	459	162,895	459	166,749	499	174,098	40	7,349	8.71%	4.41%
<b>Total Expenses/Obligations</b>	<b>1,646</b>	<b>534,201</b>	<b>1,785</b>	<b>540,165</b>	<b>1,888</b>	<b>569,919</b>	<b>103</b>	<b>29,754</b>	<b>5.77%</b>	<b>5.51%</b>
<b>Net Results</b>		<b>144,135</b>		<b>221,301</b>		<b>143,108</b>		<b>-78,193</b>		<b>-35.33%</b>
<b>Total Budgetary Resources</b>	<b>1,646</b>	<b>534,201</b>	<b>1,785</b>	<b>540,165</b>	<b>1,888</b>	<b>572,919</b>	<b>103</b>	<b>32,754</b>	<b>5.77%</b>	<b>6.06%</b>

### 1B – Vision, Priorities, and Context

The Treasury Franchise Fund’s (TFF) vision is to be a leader in providing responsible, effective administrative and information technology services through commitment to service, efficient operations, openness to change, and values-based behavior. The TFF achieves cost savings, promotes economies of scale, and increases productivity and efficiency in the use of resources by providing centralized services.

The TFF is a key representative of the Administration’s Management Agenda and the Cross Agency Priority Goals focused on shared services, smarter information technology (IT) delivery, and customer service. The TFF supports these goals through: 1) increasing Treasury’s capacity and ability to serve a broader customer base; and 2) providing low-cost, high-performing shared services for all interested agencies in the financial, Human Resources (HR), and technology areas.

The TFF authority permits a reasonable operating reserve to be maintained for shared service providers and will provide a platform for expanding Treasury’s shared services programs. The balance reflected in the net results is in general alignment with TFF reserve requirements.

Main Functions TFF, which includes the Shared Services Programs (SSP) and the Administrative Resource Center (ARC), provides financial management, procurement, travel,

HR, IT, and other administrative services to federal customers, including a majority of the Department of the Treasury Bureaus, on a fully cost recoverable, fee-for-service basis.

### Strategic Goals

- Establish a level of transparency and a governance process that sets the standard for government service providers.
- Maintain status as a Financial Management Federal Shared Service Provider (FSSP).
- Continually improve TFF's operational service levels.
- Implement process improvements and efficiency efforts to reduce costs to customers.
- Promote and maximize shared services benefits in support of Treasury and government-wide initiatives.
- Continue to assess and report TFF's performance and provide timely feedback to customers.

### Relationship to Treasury Strategic and Priority Goals

TFF supports the Treasury's Strategic Goal number 3, to "fairly and effectively reform and modernize federal financial management, accounting, and tax systems" and Strategic Goal number 5, to "create a 21st-century approach to government by improving efficiency, effectiveness, and customer interaction." Based on the Strategic Objective Annual Review process, TFF's strategic goals align specifically with Objectives 3.1, 5.3, and 5.4. Below are the objectives included in the strategic plan:

- **Objective 3.1** – Improve the efficiency and transparency of federal financial management and government-wide accounting.
- **Objective 5.3** – Promote efficient use of resources through shared services, strategic sourcing, streamlined business processes, and accountability.
- **Objective 5.4** – Create a culture of service through relentless pursuit of customer value.

### FY 2017 Priorities

- Maintain service levels and achieve cost efficiencies wherever possible.
- Expand shared services opportunities throughout Treasury and to federal agencies in order to reduce costs to all customers.
- Serve as a champion of the shared services initiative.
- SSP is committed to pricing transparency across business lines, showing each component of a customer's pricing and how all pricing is calculated across the customer base. SSP will continue to utilize SharePoint and customer advisory boards to share information and gather input from its customers.
- ARC will continue to expand use of Business Process Management and Lean Six Sigma principles throughout the Administrative business line.
- Align the resources of the Information Technology business line with the services provided to internal and external customers.

### Key Accomplishments and Challenges

- *Achieve program savings through modernization* –
  - System development and stabilization efforts underway in FY 2015 and continuing into FY 2016 include: Payment Application Modernization; Pay.gov; Treasury Automated

- Auction Processing System; Treasury Offset Program Next Generation; Treasury Retail Investment Manager.
- The Office of Civil Rights and Diversity (OCRD) continues to realize savings through managing a consolidated complaints center in support of all Treasury offices.
  - The Treasury Executive Institute program entered the TFF in FY 2015. Efficiencies will be gained through economies of scale that will be passed on to customers as the user base continues to expand.
  - Bureau-wide Messaging and Collaboration (M&C) will be implemented by the end of FY 2016. The M&C will provide Fiscal Service with a shared email and file management system, as well as enhanced tools for collaboration including online meetings and document sharing.
- *Cyber Initiatives* –
    - Facilitate the rollout and use of Continuous Diagnostics and Mitigation, a Department of Homeland Security (DHS) mandated initiative to establish enterprise cybersecurity solutions that provides a consistent government-wide set of information security continuous monitoring.
    - Support the rollout and use of Data Loss Prevention technology, which is a critical tool for preventing the accidental and intentional loss of sensitive information, such as personally identifiable information.
    - Advance cyber threat defense capabilities of the Government Security Operations Center and provide additional visibility and services to Bureaus, including forensics and malware examinations, threat activity analysis, and enhanced incident reporting.
  - *Maintain Cost Levels in Growing Programs* – For FY 2015, ARC continued to implement process improvements and efficiency efforts to reduce costs to customers. In addition to the ongoing challenge of minimizing prices, another key challenge for ARC has been maintaining services and customer satisfaction levels while simultaneously pursuing cost reduction and containment initiatives, such as transitioning customers to the standardized service delivery model and balancing service levels with customer demand and funding levels.
  - *Modernizing Internal Financial Management and Processes* – In FY 2015, the Shared Services Division (SSD) developed an automated budget loading system to allow for centralized access to funding levels for each SSP. SSD designed and developed a new tool known as COBRA that will be implemented starting in FY 2016. COBRA aims to automate the SSP budget formulation process, creating workflow efficiencies by linking this process with the pricing, billing, collecting, and budget loading processes and creating centralized access for all SSP data.
  - *Investments in the HR Connect Line of Business* – SSP is making investments to better manage and administer the core platform. This will strengthen customer service for existing customers and allow for the expansion of products and services to other agencies.
  - *Treasury Network (TNet): Consolidation, Networkx Recompete Planning* – Beginning in FY 2016, SSP will merge the TNet Circuits program with the TNet program to better align these costs with the TNet project management office staff, who are responsible for managing the payments and general finances of the circuits for all Bureaus and the TNet program in general. Separately, the TNet team will begin gathering Treasury Bureau requirements and

planning for the upcoming transition, pending the completion of the General Services Administration (GSA) Network contract re-compete.

- *Continue Customer Expansion* – The ARC has transitioned the Department of Housing and Urban Development (HUD) into all service lines (Financial Management, Procurement, Human Resources, and Travel). The transition of HUD to full service Human Resources and Travel was completed in FY 2015. HUD is also a full service customer of Financial Management and platform Procurement Services as of October 2015. Program system integration will continue throughout FY 2016. Completion of this project will improve HUD's compliance with the Federal Financial Management Improvement Act as well as improve decision making capabilities with the full integration of services in a core financial system.
- *Federal Shared Service Provider (FSSP) for Financial Management Designation* – One of only four designated FSSPs, ARC continues to work with Office of Management and Budget (OMB) and the Office of Financial Innovation and Transformation (OFIT) to implement OMB M-13-08 and successfully transition federal agencies as they require upgrades or significant investments to their existing financial management system. Additionally, ARC is an active participant with OFIT and the other FSSPs to develop the initial Financial Management catalog. ARC management is transitioning the organization to be positioned competitively for the future shared service environment. ARC remains committed to utilize technology and align work processes in preparation for on-boarding larger customers (e.g. cabinet level departments) and ensuring compliance with new reporting requirements (e.g. DATA Act). To minimize the impact of cost increases, ARC will implement process improvements where possible through the expansion of lean business process management. ARC's goal is to keep price rate increases below inflation while maintaining the current service level agreements. ARC is improving pricing transparency by providing both customer specific performance metrics and a Transparency file. The Transparency file reflects the budget for each service provided, detailing the cost model allocations that are used to determine the annual customer prices.
- *DATA Act Funding for ARC* – All costs associated with implementing DATA Act requirements are included in the shared services pricing model and would be funded through customer price increases. The Budget requests \$3 million in discretionary funding for the Administrative Resource Center to implement requirements of the DATA Act for Federal agencies. This funding will remain available until expended, provided, that such amount shall be in addition to any other amounts available for such purpose.
- *Attestation Engagement & Financial Statement Audit Updates* – ARC undergoes an annual *Type II Statements on Standards for Attestation Engagements (SSAE) 16* review. SSAE 16 is an attestation engagement of internal controls, in which management is attesting, in writing, to the fair presentation and design of controls. ARC has received 12 consecutive unmodified opinions for these types of engagements. The SSAE 16 results enhance customer confidence and reduce annual financial statement audit costs. TFF has received 16 consecutive unmodified financial statement audit opinions.

#### Larger operating environment

In FY 2017, TFF will maintain its commitment to excellence and continue to meet all strategic and financial goals and benchmarks. TFF continues to strive for growth opportunities to expand existing service lines and provide other valuable in-demand administrative services in an era of

fiscal constraint. In order to meet the goal of reducing costs to customers, TFF will maximize shared service value and continue to look for opportunities to improve the efficiencies in business processes and technologies used in service delivery.

The governance structure for the TFF is composed of three major governing bodies:

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

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

## Section 2 – Budget Adjustments and Appropriations Language

### 2.1 – Budget Adjustments Table

Dollars in Thousands

Treasury Franchise Fund	FTE	Amount
<b>FY 2016 Estimate</b>	<b>1,786</b>	<b>\$546,344</b>
Changes to Base		
FY 2016 Revised Estimate	1,785	\$540,165
Adjustment to Estimate (ARC)	-10	(\$14,685)
Adjustment to Estimate (SSP)	9	\$8,506
Maintaining Current Levels (MCLs)	0	\$9,186
Pay-Raise	0	\$1,958
Pay Annualization	0	\$650
Non-Pay	0	\$6,578
Subtotal Changes to Base	0	\$9,186
<b>Total FY 2017 Base</b>	<b>1,785</b>	<b>\$549,351</b>
Program Changes		
Program Increases	103	\$23,568
DATA Act Implementation (ARC)	0	\$3,000
Customer Growth (ARC)	102	\$13,854
Customer Growth (SSP)	1	\$6,714
Subtotal Program Changes	103	\$23,568
<b>Total FY 2017 Request</b>	<b>1,888</b>	<b>\$572,919</b>

### 2A – Budget Increases and Decreases Description

**Adjustment to Estimate** ..... -\$6,179,000 / -1 FTE

Adjustment to Estimate (ARC) -\$14,685,000 / -10 FTE

Administrative Services overestimated the budgetary resources necessary to service the Department of Housing and Urban Development.

Adjustment to Estimate (SSP) +\$8,506,000 / +9 FTE

Key investments include several new cybersecurity initiatives and customer support requests, such as the improvement of service delivery to support higher customer demand for the HR Connect, Enterprise Content Management (ECM), and Enterprise Data Management (EDM) programs.

**Maintaining Current Levels (MCLs)** ..... +\$9,186,000 / +0 FTE

Pay-Raise +\$1,958,000 / +0 FTE

Funds are required for the proposed January 2017 pay-raise.

Pay Annualization +\$650,000 / +0 FTE

Funds are required for annualization of the January 2016 pay-raise.

Non-Pay +\$6,578,000 / +0 FTE

Funds are required for non-labor costs such as travel, contracts, rent, and equipment.

**Program Increases ..... +\$23,568,000 / +103 FTE**

DATA Act Implementation (ARC) +\$3,000,000 / +0 FTE (Discretionary Funding)

These costs represent discretionary funding for the Treasury Franchise Fund (Administrative Resource Center – ARC) to implement the DATA Act for their client agencies. This funding replaces the amount that would have otherwise passed on to ARC clients. ARC will continue their engagement of client agencies and identify their unique implementation needs. ARC will implement the DATA Act requirements, and submit the data to the Department of the Treasury for publication on USAspending.gov.

Customer Growth (ARC) +\$13,854,000 / +102 FTE

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

Key Program Investments (SSP) +\$6,714,000 / +1 FTE

Estimated costs to transition the Treasury Network (TNet) circuits to a new environment as part of the GSA Networkx contract re-compete, as well as a staffing adjustment to reflect the OCRD’s workload following the complaints center transition.

## 2.2 – Operating Levels Table

Dollars in Thousands

Treasury Franchise Fund Object Classification	FY 2015 Actual	FY 2016 Estimated	FY 2017 Estimated
11.1 - Full-time permanent	122,942	137,650	149,378
11.3 - Other than full-time permanent	931	928	1,009
11.5 - Other personnel compensation	1,646	2,059	2,239
11.6 - Overtime	1,425	1,513	1,356
11.7 - Other Personnel Compensation	745	497	531
<b>11.9 - Personnel Compensation (Total)</b>	<b>127,689</b>	<b>142,647</b>	<b>154,513</b>
12.0 - Personnel benefits	41,399	47,117	49,500
<b>Total Personnel and Compensation Benefits</b>	<b>\$169,088</b>	<b>\$189,764</b>	<b>\$204,013</b>
21.0 - Travel and transportation of persons	1,506	2,151	2,328
22.0 - Transportation of things	25	25	25
23.1 - Rental payments to GSA	251	5,450	5,659
23.2 - Rental payments to others	75	305	290
23.3 - Communication, utilities, and misc charges	66,160	61,865	64,401
24.0 - Printing and reproduction	3	5	5
25.1 - Advisory and assistance services	46,501	23,325	30,053
25.2 - Other services	36,196	17,358	17,874
25.3 - Other purchases of goods & serv frm Govt accounts	111,274	107,959	112,309
25.4 - Operation and maintenance of facilities	0	10	10
25.7 - Operation and maintenance of equip	72,488	91,241	93,607
26.0 - Supplies and materials	857	911	976
31.0 - Equipment	29,733	39,796	41,369
41.0 - Grants, subsidies, and contributions	15	0	0
91.0 - Confidential Expenditures	30	0	0
<b>Total Non-Personnel</b>	<b>365,114</b>	<b>350,401</b>	<b>368,906</b>
<b>Total Budgetary Resources</b>	<b>\$534,202</b>	<b>\$540,165</b>	<b>\$572,919</b>
<b>Budget Activities:</b>			
Administrative Services (Discretionary Appropriation)	0	0	3,000
Shared Services Programs (SSP)	225,024	219,794	230,329
Administrative Services	146,282	153,622	165,492
Information Technology Services	162,895	166,749	174,098
<b>Total Budgetary Resources</b>	<b>\$534,201</b>	<b>\$540,165</b>	<b>\$572,919</b>
<b>FTE</b>	<b>1,646</b>	<b>1,785</b>	<b>1,888</b>

**2B – Appropriations Language and Explanation of Changes**

<b>Appropriations Language</b>	<b>Explanation of Changes</b>
<p style="text-align: center;">DEPARTMENT OF THE TREASURY TREASURY FRANCHISE FUND</p> <p style="text-align: center;"><b>ADMINISTRATIVE SERVICES</b></p> <p><i>For provision of necessary financial and administrative support services by the Administrative Resource Center to implement requirements of the Digital Accountability and Transparency Act (DATA Act; Public Law 113-101) for Federal agencies, \$3,000,000, to remain available until expended, provided, that such amount shall be in addition to any other amounts available for such purpose.</i></p>	<p>The FY 2017 President’s Budget requests funding to minimize risk and enable compliance with the DATA ACT of 2014.</p>

**2C – Legislative Proposals**

The Franchise Fund has no legislative proposals.

## **Section 3 – Budget and Performance Plan**

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### **3A – Shared Services Programs (SSP)**

*(\$230,329,000 from expenses/obligations):*

SSP supports the goals of shared services by offering administrative and information technology services on a competitive basis, as well as delivering outstanding customer service. The Shared Services Division (SSD) evaluates and examines any new franchise services that may be added to the TFF before they are presented to the SSC for consideration.

TFF supports Treasury’s Strategic Objective number 5.3, to “promote efficient use of resources through shared services, strategic sourcing, streamlined business processes, and accountability,” by providing reliable, consistent, and cost-effective administrative support services.

The service providers under the SSP are organizational components of the Assistant Secretary for Management and Chief Financial Officer (ASM/CFO) within the Departmental Offices (DO). The SSP provides services within the following program categories:

- *Enterprise Business Solutions (EBS)* – Provides support through HR Connect, which is Treasury’s enterprise Human Capital system. HR Connect is a Human Resources Line of Business shared service provider supporting 23 Treasury Bureaus and offices as well as 11 non-Treasury agencies. The EBS provides full lifecycle HR processing such as recruiting, personnel actions, payroll, and new employee processing. HR Connect provides functionality that is interoperable and scalable, and enables customers to meet their Human Capital strategic goals. Additionally, through its Enterprise Data Management team, EBS provides data architecture and integration services that currently support Workforce Analytics (available through HR Connect) and Data ‘N Analytics (DNA, available through desktop visualization tools).
- *Infrastructure Operations* – Provides management of all telecommunications programs within the Office of the Chief Information Officer (OCIO). Infrastructure Operations provides strategic direction to telecommunications programs, ensures that costs are managed according to best practices, and reduces costs where possible.
- *Cybersecurity* – Provides Critical Infrastructure Protection and Information Security services and supports the direct protection of designated Treasury critical infrastructure/key resources against terrorist activity. Cybersecurity also supports the protection (confidentiality, integrity, and availability) of the Department’s systems and the information they process. Cybersecurity also coordinates the Department’s overall activities to implement the Federal Information Security Management Act of 2002.
- *IT Strategy & Technology Management* – Develops an IT Strategy and Transition Plan to meet Treasury’s mission requirements and strategic goals. The Performance Measurement and Governance program collaborates with Bureaus and partners with Capital Planning and Investment Control to ensure the management of IT portfolios aligns with IT transition plans.
- *Additional Programs* –
  - Financial System Integration – Develops and maintains the Financial Analysis and Reporting System (FARS).
  - Office of Civil Rights and Diversity – Provides a service to process complaints under the Equal Employment Opportunity Program (mandated by 29 CFR 1614).

- Office of Emergency Preparedness – Ensures continuity of the Treasury Department’s essential functions during disasters and administers emergency mitigation, preparedness, response, and recovery activities.
- Office of Small and Disadvantaged Business Utilization – Advises and aids the Bureaus on small business policies and initiatives.
- Treasury Operations Excellence – Provides Lean Six Sigma training and other services to help Treasury and other federal agencies use entrusted resources more effectively and efficiently.
- Privacy, Transparency, and Records – Provides assistance to Treasury customers to collect, protect, retain, preserve, disclose, and provide access to Treasury’s information resources pursuant to U.S. laws.
- Printing and Graphics – Provides printing services to Treasury customers and assists customers in planning and designing printed publications.
- Treasury Executive Institute – Provides continuous growth and learning opportunities for executives, executive development candidates, and senior managers. Promotes marketplace of ideas by exposing executives to the best practices in leadership models.
- Pass-through Programs – Pass-through payments that support government-wide initiatives.

Description of Performance:

- *Customer Satisfaction with Financial Planning Staff Survey Results* – The Shared Services Division (SSD) established a customer satisfaction measure starting in FY 2014. Results reflect the percentage of customers that rate their communication experience with the SSD Financial Planning staff as either “Good” or “Excellent” on a 5-point scale. The FY 2015 target was 60 percent, and actual results were 69 percent. However, the number of customers taking the survey increased from 19 in FY 2014 to 26 in FY 2015. The SSD will continue to push towards a higher score on this measure through more customer outreach on billing, pricing, financial management and the performance of each of the SSPs.
- *ECM/Web Solutions* – Response time to resolve ECM and Web Solutions non-critical issues/helpdesk tickets is targeted to be within 10 - 15 business days.
- *HR Connect: Customer Satisfaction Annual Survey Results* – EBS continues to improve and strives to maintain the level of customer satisfaction for HR Connect as customer expectations are rising. To improve the user experience, EBS has been working for several years on InCompass, an HR portal. The FY 2011 results are not directly comparable to those from later years as the data collection methodology changed between FY 2011 and FY 2012. No surveys were administered for FY 2009 and FY 2010 due to a system platform upgrade.
- *HR Connect: Employee Update Files* – Transmission of employee update files were made to the specified external benefit provider within established timeframes. EBS continues to improve and stay in its acceptable range, which is relatively wide due to the limited number of transmitted files. EBS’s targets are consistent with the targets used for quarterly Capital Planning and Investment Control process and the Office of Personnel Management reporting for HR Connect.
- *HR Connect: Number of Tickets Escalated to Tier 3* – EBS continues to maintain its current target levels. This target is based on implementing process improvements in the Design Documents and Quality Assurance environments.

### 3.1.1 – Shared Services Programs (SSP) Budget and Performance Plan

Dollars in Thousands

Shared Services Programs (SSP) Budget Activity								
Resource Level	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
	Actual	Actual	Actual	Actual	Actual	Actual	Estimated	Estimated
Expenses /Obligations	\$0	\$0	\$175,258	\$187,498	\$171,861	\$225,024	\$219,794	\$230,329
<b>Budget Activity Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$175,258</b>	<b>\$187,498</b>	<b>\$171,861</b>	<b>\$225,024</b>	<b>\$219,794</b>	<b>\$230,329</b>

Measure	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2015	FY 2016	FY 2017
	Actual	Actual	Actual	Actual	Actual	Actual	Target	Target	Target
Customer Satisfaction with Financial Planning Staff %	N/A	N/A	N/A	57.2	59.1	69.0	62.0	70.0	72.0
ECM/Web Solutions Response Time to Resolve ECM and Web Solutions Non-Critical Issues/Help Desk Tickets within 10-15 Business Days	N/A	N/A	92.8	96.8	95.0	82.0	90.0	90.0	90.0
HR Connect Customer Satisfaction %	N/A	93.0	90.0	90.0	90.1	84.0	90.0	85.0	91.0
HR Connect Employee Update Files- Transmission of Employee Update Files Made to the Specified External Benefit Provider Within Established Timeframes	N/A	N/A	98.3	96.8	100.0	97.3	90.0	90.0	90.0
HR Connect Number of Tickets Escalated to Tier 3	N/A	N/A	303.0	212.0	242.0	128.0	222.0	200.0	200.0

Key: DISC - Discontinued

### 3B – Administrative Services

*(\$168,492,000 from expenses/obligations):*

ARC's administrative services activity supports OMB's and the Department of the Treasury's shared services concept, which furthers "good government" by standardizing the administrative financial systems and processes required to operate federal organizations. Value is provided through cost sharing opportunities in systems capital investments as well as reduced operating costs by providing consolidated, high quality, value added services. ARC has three important roles within Treasury:

- OMB designated FSSP for the Financial Management Line of Business.
- Support organization for Treasury's Human Resources Line of Business.
- Designated provider for the Budget Formulation and Execution Line of Business.

These lines of business provide administrative support functions with a focus on financial management, procurement, travel, and human resources. The program's success is evidenced by the increasing demand for services.

*Description of Performance:*

- Administrative Services proposes to discontinue the performance measure, Procurement Savings Negotiated, and create a new measure, Timely Contract Issuance.
- Administrative Services also measures indirect costs as a percentage of total costs. This provides TFF management with a measure that encourages efficiency in administrative operations and helps to ensure services are provided at the lowest possible cost. TFF will continue to pursue customer growth and evaluate indirect cost expenditures to maintain actual performance at or below the established target.

Administrative Services created 10 new operational metrics in FY 2014 for each service line. These measures provide actual performance of each service line in isolation rather than as a blended organizational measure. Administrative Services will continue to pursue customer growth, seek business process improvements, and evaluate direct and indirect cost expenditures to manage performance.

### 3.1.2 – Administrative Services Budget and Performance Plan

Dollars in Thousands

Administrative Services Budget Activity								
Resource Level	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
	Actual	Actual	Actual	Actual	Actual	Actual	Estimated	Estimated
Expenses/Obligations	\$93,046	\$109,555	\$116,571	\$127,747	\$131,578	\$146,282	\$153,622	\$165,492
Discretionary Appropriation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000
<b>Budget Activity Total</b>	<b>\$93,046</b>	<b>\$109,555</b>	<b>\$116,571</b>	<b>\$127,747</b>	<b>\$131,578</b>	<b>\$146,282</b>	<b>\$153,622</b>	<b>\$168,492</b>

Measure	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2015	FY 2016	FY 2017
	Actual	Actual	Actual	Actual	Actual	Actual	Target	Target	Target
Direct Cost as a Percentage of Award Dollars	N/A	N/A	N/A	N/A	0.4	0.1	0.5	0.5	0.5
Direct Cost per AP Transaction	N/A	N/A	N/A	N/A	65.4	54.22	74.0	73.0	65.0
Direct Cost per FTE in Core HR Services	N/A	N/A	N/A	N/A	976.3	963.0	1,100.0	1,075.0	1,050.0
Direct Cost per System User - Oracle	N/A	N/A	N/A	N/A	18,261.0	21,724.0	18,315.0	18,300.0	18,300.0
Direct Cost per Travel Voucher	N/A	N/A	N/A	N/A	24.8	21.1	28.0	27.0	27.0
First Call Resolution - Oracle %	N/A	N/A	N/A	N/A	61.0	57.0	50.0	50.0	50.0
Hiring Timeliness %	N/A	N/A	N/A	N/A	89.0	87.0	85.0	85.0	85.0
Indirect Cost Admin Services %	N/A	N/A	24.0	23.0	27.1	27.5	22.0	25.0	25.0
Procurement Savings Negotiated %	N/A	N/A	N/A	N/A	11.3	2.8	6.0	DISC	DISC
Timely Contract Issuance	N/A	N/A	N/A	N/A	N/A	N/A	N/a	90.0	90.0
Travel Voucher Payments Timeliness %	N/A	N/A	N/A	N/A	99.0	99.0	98.0	98.0	98.0
Unqualified Audit Opinions %	N/A	N/A	N/A	N/A	96.0	100.0	100.0	100.0	100.0

Key: DISC - Discontinued

### 3C – Information Technology Services

(\$174,098,000 from expenses/obligations):

The Information Technology Services Activity provides shared services to a variety of federal customers, both internal and external to Treasury. Value is provided through IT infrastructure consolidation and standardized IT service delivery in a modern, technically innovative, and secure environment. Customers avoid costly, long-term development projects when they take advantage of TFF's shared services and environments. Services include information systems security, hosting, and software engineering. Additionally, end-user support and professional services are provided to the Fiscal Service and TFF.

TFF, designated by the OMB as a Shared Service Center for Information Systems Security Line of Business, provides agencies with proven Security Assessment and Authorization and Continuous Monitoring services. TFF, authorized by the Department, is one of two Treasury trusted internet connection providers and hosts Treasury's public domain name system. TFF delivers information security support to other federal agencies, while improving quality, accelerating delivery, and reducing customer costs.

Secure hosting services are provided for production, contingency, and development/test regions. TFF has critical supporting roles in the Public Key Infrastructure (PKI) Shared Service Provider designation of the Department of the Treasury. TFF's PKI and directory experience makes end-to-end identity management solutions available to customers.

Rapid Application Development techniques and a demonstrated ability to integrate commercially available solutions combine to provide high quality software engineering services at a competitive price.

Effective in FY 2017, TFF will expand its use of Information Technology Services performance measures to better track each of its business lines by discontinuing its current metric and establishing the following new measures:

- 1) Fiscal IT Hosting – Percentage of time service is operational (uptime excluding planned maintenance)
- 2) Percentage of Annual Testing/Annual Assessment to 800-53 standard.
- 3) Percentage of capital investment projects with improved rating (red to yellow/green or yellow to green) on the IT Dashboard within 90 days.
- 4) Percentage of POA&M's Scheduled for Closure in Last 30 Days Closed Early or On-Time.
- 5) Number of engagements in strategic sourcing or "Service Provider" or other shared services opportunity.

### 3.1.3 – Information Technology Services Budget and Performance Plan

Dollars in Thousands

Information Technology Services Budget Activity								
Resource Level	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
	Actual	Actual	Actual	Actual	Actual	Actual	Estimated	Estimated
Expenses/Obligations	\$73,858	\$72,905	\$149,581	\$152,050	\$149,992	\$162,895	\$166,749	\$174,098
<b>Budget Activity Total</b>	<b>\$73,858</b>	<b>\$72,905</b>	<b>\$149,581</b>	<b>\$152,050</b>	<b>\$149,992</b>	<b>\$162,895</b>	<b>\$166,749</b>	<b>\$174,098</b>

Measure	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2015	FY 2016	FY 2017
	Actual	Actual	Actual	Actual	Actual	Actual	Target	Target	Target
Fiscal IT Hosting - Percentage of Time Service is Operational (Up Time Excluding Planned Maint.)	N/A	99.0							
Indirect Cost IT Services %	N/A	N/A	19.0	22.0	27.1	11.4	19.0	19.0	N/A
Number of Engagements in Strategic Sourcing or "Service Provider" or Other Shared Services Opportunity	N/A	2.0							
Percentage of Annual Testing/Annual Assessment to 800-53 Standard	N/A	90.0							
Percentage of Capital Investment Projects with Improved Rating (Red to Yellow/Green or Yellow to Green) on the IT Dashboard within 90 Days	N/A	100.0							
Percentage of POA&Ms Scheduled for Closure in Last 30 Days - Closed Early or On Time	N/A	90.0							

Key: DISC - Discontinued

## **Section 4 – Supplemental Information**

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### **4A – Summary of Capital Investments**

ARC's planned investments enhance the capabilities and capacity of our financial management shared services. Investing in Service Oriented Architecture will allow the Bureaus to streamline application connections resulting in benefits that include reducing development time, using industry development best practices for coding efforts, allowing real time processing of transactional data between systems, and system independent communication between systems. In addition, this effort will provide more flexibility and more efficient interfaces with customers' third-party applications.

ARC also plans to expand the use of an enterprise-wide financial statement reporting tool and update operational (transactional) reporting and analytical tools in order to provide a more efficient interpretation of large volumes of data, long-term stability, and improved presentation and distribution capabilities.

A summary of capital investment resources, including major information technology and non-information technology investments, can be viewed and downloaded at:  
<http://www.treasury.gov/about/budget-performance/Pages/summary-of-capital-investments.aspx>

This website also contains a digital copy of this document.

4B – Treasury Franchise Fund Program Costs

This information is being provided to fulfill requirements of Section 122, Public Law 113-235, Consolidated Appropriations Action, 2015.

**Treasury Franchise Fund – Shared Services Programs FY 2015 Total Charges by Customer**

Customers	Enterprise Business Solutions	Infrastructure Operations	Cybersecurity	IT Strategy and Technology Management	Non-Information Technology Services	Totals
Alcohol and Tobacco Tax and Trade Bureau	235,503	599,478	35,188	21,156	222,785	1,114,110
Alcohol, Tobacco, Firearms and Explosives	1,313,131	31,495			139,601	1,484,227
Architect of the Capitol	245,719				75,390	321,109
Bureau of Engraving and Printing	1,388,692	3,944,341	146,540	84,494	1,120,685	6,684,752
Bureau of the Fiscal Service	3,903,276	835,028	178,136	104,904	1,530,851	6,552,195
Commodities Futures Trading Commission					72,904	72,904
Community Development Financial Institutions Fund	216,904	25,255	5,548	57,041	118,842	423,590
Consumer Financial Protection Bureau	1,553,046	3,387,268	118,558	21,217	381,407	5,461,496
DC Pensions	12,203	93,261	1,314	790	41,940	149,508
Department of Commerce	6,897,492	141,888			399,523	7,438,903
Department of Education					122,479	122,479
Department of Homeland Security - Customs and Immigration Service					77,278	77,278
Department of Homeland Security – Headquarters					196,841	196,841
Department of Housing and Urban Development	3,423,471	33,158			231,619	3,688,248
Department of Justice – Antitrust					43,742	43,742
Department of Justice – Headquarters					126,853	126,853
Department of Labor	4,722,468	67,767			218,429	5,008,664
Departmental Offices Office of Technical Assistance	14,475	104,129	1,460	878	39,494	160,436
Departmental Offices S&E	2,192,605	7,651,368	685,592	54,383	2,737,424	13,321,372
Departmental Offices Terrorism Risk Insurance Program	6,321	51,795	730	439	18,089	77,374
DHS - U.S. Secret Service	1,492,029	27,245			61,383	1,580,657
Environmental Protection Agency					284,952	284,952
Executive Office for Asset Forfeiture	959,232	199,400	2,117	1,273	64,879	1,226,901
Export Import Bank of the Inspector General					5,832	5,832
Federal Communications Commission	51,375				4,759	56,134

**CONT. Treasury Franchise Fund – Shared Services Programs FY 2015 Total Charges by Customer**

<b>Customers</b>	<b>Enterprise Business Solutions</b>	<b>Infrastructure Operations</b>	<b>Cybersecurity</b>	<b>IT Strategy and Technology Management</b>	<b>Non-Information Technology Services</b>	<b>Totals</b>
Federal Deposit Insurance Corporation	446,018				17,841	463,859
Federal Emergency Management Agency	396,152				24,938	421,090
Federal Financing Bank	21,097	181,255	2,555	1,536	47,186	253,629
Federal Reserve Board					5,832	5,832
Financial Crimes Enforcement Network	175,740	584,516	25,259	15,187	186,183	986,885
Financial Stability Oversight Council	40,980	124,783	1,825	1,097	31,525	200,210
General Accountability Office	670,554	13,336			31,347	715,237
General Services Administration					131,227	131,227
Internal Revenue Service	40,867,896	61,775,729	6,518,767	3,779,165	14,713,327	127,654,884
Office of Financial Research	366,590	5,529,214	194,121	9,437	179,334	6,278,696
Office of Financial Stability	1,344,440	538,348	9,199	5,531	344,566	2,242,084
Office of Government Ethics					5,832	5,832
Office of Inspector General	119,071	543,535	16,333	9,349	147,560	835,848
Office of the Comptroller of the Currency	1,910,541	1,232,322	288,585	173,508	971,307	4,576,263
Overseas Private Investment Corporation					13,123	13,123
Peace Corps	636,358				25,454	661,812
Small Business Administration	495,995				5,625	501,620
Small Business Lending Fund Administration	18,075	129,529	1,825	1,097	90,458	240,984
Special Inspector General for TARP	164,032	770,827	29,712	8,427	143,802	1,116,800
State Small Business Credit Initiative Administration	14,249	72,609	1,022	615	24,707	113,202
TFF Administrative Resource Center	3,248,504	1,966,799	100,453	60,397	220,842	5,596,995
Treasury Inspector General for Tax Administration	421,177	2,067,125	235,664	36,738	231,868	2,992,572
U.S. Mint	1,738,076	1,450,285	158,586	82,255	1,066,798	4,496,000
United States Agency for International Development	1,972,561	20,235			95,479	2,088,275
Veterans Benefits Administration					86,027	86,027
<b>GRAND TOTAL</b>	<b>83,696,048</b>	<b>94,193,323</b>	<b>8,759,089</b>	<b>4,530,914</b>	<b>27,094,142</b>	<b>218,359,543</b>

**Treasury Franchise Fund – Administrative Resource Center FY 2015 Total Charges by Customer**

<b>Customers</b>	<b>Financial Management Services</b>	<b>FMLoB FEES</b>	<b>Human Resource Services</b>	<b>Procurement Services</b>	<b>Travel Services</b>	<b>Information Technology Services</b>	<b>Grand Total</b>
ACCESS BOARD	200,133		60,790	132,529	37,965		431,417
ADMIN OFFICES OF THE US COURTS	260,306						260,306
ADMINISTRATION FOR CHILDREN AND FAMILIES	96,474				6,990		103,464
ADMINISTRATIVE RESOURCE CENTER						18,167,519	18,167,519
AFRICAN DEVELOPMENT FOUNDATION	1,025,661			453,894	40,468		1,520,023
AGENCY FOR INTERNATIONAL DEVELOPMENT - OIG	85,542						85,542
AGENCY FOR INTERNATIONAL DEVELOPMENT U.S.	83,497	91,112					174,609
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU	784,180		917,000	665,473	226,384		2,593,037
ALCOHOL TOBACCO FIREARMS AND EXPLOSIVES					533,464		533,464
ARMED FORCES RETIREMENT HOME	1,119,024		1,409,419	829,578	36,457		3,394,478
BUREAU OF ENGRAVING AND PRINTING			688,934		98,503		787,437
BUREAU OF THE FISCAL SERVICE	11,633,169		4,488,062	4,868,990	412,832	137,104,922	158,507,975
CDFI PROGRAM FUND	938,890		168,527	318,345	33,419		1,459,181
CENTER FOR DISEASE CONTROL					1,099,092		1,099,092
CHEMICAL SAFETY AND HAZARD BOARD	256,589			22,398	39,980		318,967
CONSUMER FINANCIAL PROTECTION BUREAU	1,256,958		3,504,004	1,217,161	1,099,637	4,100	7,081,860
CONSUMER PRODUCT SAFETY COMMISSION					10,938		10,938
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	88,755						88,755
DC PENSIONS PROJECT OFFICE	1,773,907		32,097	22,884	1,353	1,616,413	3,446,654
DEFENSE NUCLEAR FACILITIES SAFETY BOARD			81,969				81,969
DENALI COMMISSION	308,156		61,120	116,303	25,215		510,794
DEPARTMENT OF AGRICULTURE		159,282					159,282
DEPARTMENT OF COMMERCE		95,819				262,700	358,519
DEPARTMENT OF DEFENSE		187,342					187,342
DEPARTMENT OF EDUCATION		219,288					219,288
DEPARTMENT OF ENERGY	155,110	124,236					279,346
DEPARTMENT OF HEALTH & HUMAN SERVICES		219,288			97,229		316,517
DEPARTMENT OF HOMELAND SECURITY	299,887	187,342				506,434	993,663
DEPARTMENT OF HOMELAND SECURITY - CIS					590,800		590,800
DEPARTMENT OF HOMELAND SECURITY - OIG	715,609				317,677		1,033,286
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	8,662,388	230,616	11,720,729	1,311,651	1,934,025		23,859,409
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - OIG			1,597,120	244,817			1,841,937
DEPARTMENT OF JUSTICE		124,236					124,236
DEPARTMENT OF JUSTICE - CIVIL DIVISION	107,632						107,632
DEPARTMENT OF LABOR	211,900	141,399					353,299

**CONT. Treasury Franchise Fund – Administrative Resource Center FY 2015 Total Charges by Customer**

<b>Customers</b>	<b>Financial Management Services</b>	<b>FMLoB FEES</b>	<b>Human Resource Services</b>	<b>Procurement Services</b>	<b>Travel Services</b>	<b>Information Technology Services</b>	<b>Grand Total</b>
DEPARTMENT OF STATE	553,956	95,892					649,848
DEPARTMENT OF THE INTERIOR	1,313,550	124,236					1,437,786
DEPARTMENT OF TRANSPORTATION		230,616					230,616
DEPARTMENT OF VETERANS AFFAIRS		158,998					158,998
DEPARTMENT OF VETERANS AFFAIRS - OIG			1,440,764				1,440,764
DEPARTMENT OF VETERANS AFFAIRS - TAC						475,474	475,474
ELECTION ASSISTANCE COMMISSION	371,779			127,607	19,731		519,117
ENVIRONMENTAL PROTECTION AGENCY		95,819				48,700	144,519
FARM CREDIT ADMINISTRATION	311,070			46,925	234,018		592,013
FARM CREDIT SYSTEM INSURANCE CORPORATION	158,890			1,274	4,165		164,329
FEDERAL EMERGENCY MANAGEMENT AGENCY					54,982		54,982
FEDERAL HOUSING FINANCE AGENCY	837,629			218,974	327,232		1,383,835
FEDERAL HOUSING FINANCE AGENCY - OIG	315,540		455,244	380,814	84,185		1,235,783
FEDERAL LABOR RELATIONS AUTHORITY	413,124			48,610	34,813		496,547
FEDERAL MARITIME COMMISSION	264,555			61,414	20,583		346,552
FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION	338,571		145,670	21,931	36,369		542,541
FINANCIAL CRIMES ENFORCEMENT NETWORK	593,012		217,635	692,250	63,943	2,250,890	3,817,730
FOOD AND DRUG ADMINISTRATION					680,584		680,584
GENERAL SERVICE ADMINISTRATION		41,332					41,332
GULF COAST ECOSYSTEM RESTORATION COUNCIL	198,395			26,567	13,258		238,220
INTER AMERICAN FOUNDATION	670,735			727,437	28,341	-	1,426,513
IRS CRIMINAL INVESTIGATION DIVISION						509,216	509,216
MERIT SYSTEMS PROTECTION BOARD	432,782			24,327	56,236		513,345
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION	172,721	124,236				459,233	756,190
NATIONAL ARCHIVES & RECORDS ADMINISTRATION	3,533,196			521,163	338,196		4,392,555
NATIONAL MEDIATION BOARD	316,155			229,568	51,583	108,300	705,606
NATIONAL SCIENCE FOUNDATION		132,262		2,511	74,447		209,220
NUCLEAR REGULATORY COMMISSION		41,332					41,332
OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION	227,428			17,245	20,758		265,431
OFFICE OF ADMINISTRATION, EXEC OFF OF THE PRES	1,150,913			300,784	402,457		1,854,154
OFFICE OF FINANCIAL STABILITY	319,244		252,963	39,217	30,435		641,859
OFFICE OF GOVERNMENT ETHICS	311,280		204,873	199,824	23,401		739,378
OFFICE OF INFORMATION TECHNOLOGY	696,078		862,046	1,195,401	101,540		2,855,065
OFFICE OF NATIONAL DRUG CONTROL POLICY				4,100			4,100
OFFICE OF PERSONNEL MANAGEMENT		41,332					41,332
OFFICE OF TECHNICAL ASSISTANCE (OTA)	582,817		25,459	38,852	458,234		1,105,362
OFFICE OF THE COMPTROLLER OF THE CURRENCY				134,792			134,792

**CONT. Treasury Franchise Fund – Administrative Resource Center FY 2015 Total Charges by Customer**

<b>Customers</b>	<b>Financial Management Services</b>	<b>FMLoB FEES</b>	<b>Human Resource Services</b>	<b>Procurement Services</b>	<b>Travel Services</b>	<b>Information Technology Services</b>	<b>Grand Total</b>
OFFICE OF THE INSPECTOR GENERAL	310,334		321,078	144,884	64,570		840,866
PENSION BENEFIT GUARANTY CORPORATION						177,897	177,897
RAILROAD RETIREMENT BOARD					21,396		21,396
SECURITIES AND EXCHANGE COMMISSION	139,992						139,992
SMALL BUSINESS ADMINISTRATION		67,475					67,475
SOCIAL SECURITY ADMINISTRATION		67,475				604,681	672,156
SPECIAL INSPECTOR GENERAL - TARP	310,821		455,186	264,186	114,732		1,144,925
TREASURY DEPARTMENTAL OFFICES	3,781,301		5,536,797	1,415,565	729,478	4,427,155	15,890,296
TREASURY FRANCHISE FUND/SHARED SERVICES PROGRAM	519,951	95,892	503,349	321,504	97,840		1,538,536
TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION	680,115		1,232,370	655,071	293,287		2,860,843
TRICARE MANAGEMENT ACTIVITY					57,829		57,829
TRUST FUND - BLACK LUNG DISABILITY	179,956						179,956
TRUST FUND - FEDERAL DISABILITY	499,290						499,290
TRUST FUND - FEDERAL HOSPITAL INSURANCE	516,550						516,550
TRUST FUND - FEDERAL OLD AGE & SURVIVORS	499,290						499,290
TRUST FUND - FEDERAL SUPPLEMENT INSURANCE	559,685						559,685
TRUST FUND - OIL SPILL LIABILITY	132,763						132,763
TRUST FUND - UNEMPLOYMENT	707,257						707,257
UNITED STATES AIR FORCE	1,748,347						1,748,347
UNITED STATES MINT	7,963,572		2,888,130	2,592,069	222,347		13,666,118
US ARMY CORPS OF ENGINEERS BALTIMORE DISTRICT					17,000		17,000
US COURT OF APPEALS FOR VETERANS	225,739			7,266	10,199		243,204
US HOUSE OF REPRESENTATIVES	120,473						120,473
USDA FOOD AND NUTRITION							-
USDA FOREST SERVICE	121,939						121,939
USDA NATURAL RESOURCE CONSERVATION SERVICE						164,544	164,544
USDA OCIO INTERNATIONAL TECHNOLOGY SERVICES			1,137,729				1,137,729
USDA OFFICE OF INSPECTOR GENERAL			67,409				67,409
<b>Grand Total</b>	<b>63,164,562</b>	<b>3,096,857</b>	<b>40,476,473</b>	<b>20,666,155</b>	<b>11,430,597</b>	<b>166,888,178</b>	<b>305,722,822</b>

## Shared Services Programs and Administrative Resource Center Activity Descriptions

The Shared Services Programs (SSP) within the Treasury Franchise Fund provides common administrative services that benefit customers both within Treasury and outside agencies. The SSP provides these services on a centralized basis, where they can be administered more advantageously and more economically than they could be provided otherwise. Descriptions of these services are provided below.

Enterprise Business Solutions (EBS) is an organization within the U.S. Department of the Treasury's (Treasury) Departmental Offices (DO), Office of the Chief Information Officer (OCIO) that creates, implements, and maintains information technology solutions in an efficient and innovative manner through shared and scalable products, platforms and services. EBS offers its customers a variety of services available through four (4) distinct product suites; Enterprise Content Management, Enterprise Data Management, HR Connect and Web Solutions. HR Connect, an Office of Personnel Management officially designated Human Resources Line of Business (HR LOB), Shared Service Center (SSC) offers HR solutions across the federal space. Infrastructure Operations includes services such as the Enterprise Infrastructure Services (EIS), Treasury Enterprise Voice (TEV), Treasury Network (TNet), and the Treasury Enterprise Identity Credential and Access Management (TEICAM) services. The EIS program offers services including the development and implementation of additional enterprise-wide infrastructure capabilities and services available to Treasury Departmental Offices and other customers; such as cloud, big data, and others.

The TEV program provides telecommunications capabilities to customers. These services include internal telephony service, Voice Mail with email notification, connections to the public switched telephone network (PSTN), local and long distance calling, Audio Conferencing and certain Video Conferencing, Automatic Call Distribution, Interactive Voice Response Systems, Call Center Services, Custom Emergency 911 Services, associated cabling and physical plant maintenance and the related support and maintenance for these systems. TNet provides a secure enterprise voice, video and data wide area network that connects authorized domestic and international government facilities across the US, the US territories, and at select US Embassies via the State Department's network. TNet Wide Area Network (WAN) service is a cost effective enterprise network supporting Bureau business needs and enabling agency technological initiatives, such as Data Center Consolidation and Mobile Treasury. TEICAM provides requirements; coordination, management processes, technical coordination for Personal Identity Verification (PIV), credential and access management compliance, Public Key Infrastructure (PKI), and establishes the Enterprise Identity Credential and Access Management (EICAM) capabilities Treasury-wide.

Cybersecurity services include supporting the direct protection of designated Treasury Cyber Critical Infrastructure/Key Resources against terrorist activity. The Government Secure Operations Center serves as the focal point for management of cyber incidents and is responsible for security detection, analysis and incident management lifecycle practices to improve the Department's overall security posture. IT Strategy and Technology Management services include assisting customers with collaboration efforts to develop and implement procedures and policies

to manage Treasury's IT portfolio; partners with Enterprise Architecture Programs so management of IT portfolios aligns with IT transition plans (e.g., refresh/replacement/consolidation of IT systems and facilities) and Department Strategic Plans. Additional services include developing and managing an IT Strategy and Transition Plan to meet Treasury's mission requirements and strategic goals. This entails collaborating with Bureaus and partnering with Performance Measurement and Governance to ensure management of the Treasury IT portfolio aligns with IT transition plans.

Some of the non-IT related services include the Civil Rights and Diversity program (CRD), Financial Systems Integration (FSI), Office of Emergency Preparedness (OEP), Small and Disadvantaged Business Utilization (SDB) and Treasury Executive Institute (TEI). CRD administers an Equal Opportunity Program, mandated by 29 CFR 1614, to provide equal opportunity in employment for all persons and to prohibit discrimination in employment, including providing prompt, fair and impartial processing of complaints. FSI develops and maintains the Financial Analysis and Reporting System, which performs analysis and reporting functions for proprietary and budgetary accounting, audit follow-up, management control, and risk management. OEP supports Treasury efforts to prepare for emergencies. This program supports emergency preparedness and business continuity planning exercises. SDB advises customers on small business policies and initiatives; training and advising small businesses on how to do business with the Department of the Treasury; advising and training procurement officials on small business matters; monitoring and reporting progress toward procurement goals. TEI is a shared service provider and center of excellence for delivering and administering high quality, cost-effective executive and leadership training and development programs that align to and advance the Federal Government's and Treasury's mission and performance. TEI sponsors and promotes the continued growth, development and success of the Department of the Treasury's Executive Corps, senior leaders and those of its client partners.

The Administrative Resource Center (ARC) within the Treasury Franchise Fund Administrative Business Line provides services within the following major service lines, as follows: Financial Management Service Line, Procurement Service Line, Travel Service Line, and Human Resources Service Line. The Financial Management Service Line provides a complete range of accounting and budget services. Total accounting and budget support include transaction processing, system setup and support, and comprehensive reporting is offered. Specific financial management services include: processing accounting transactions for single, multi, and no-year appropriated funds, as well as revolving and trust funds, preparing financial statements and other useful financial management reports, providing financial audit support, and budget services including payroll projection.

The Procurement Service Line offers support ranging from simplified acquisitions to full-scale large contract acquisitions. Contract administration services are also available. Additionally, a web-based procurement system, PRISM, that is fully integrated with our accounting system and staff dedicated to configuration and maintenance as well as assisting end-users with software functionality questions, is offered.

The Travel Service Line provides a full-service, stand-alone travel agency for federal agencies compliant with the President's Management Agenda (PMA) and E-Gov requirements and adheres to all Federal Travel Regulations. Use of a web-based travel expense reporting software,

Concur CGE, supports the processing of travel documents for any itinerary. Further, multiple travel management centers with highly experienced travel agencies are used. In addition, full relocation services and management for transferring employees and their agencies is provided. ARC uses moveLINQ, a relocations expense management system developed by mLINQS, to process relocations for its customers. The Human Resources Service Line delivers a full range of integrated professional HR services, including: position classification, staff acquisition, payroll, processing, and recordkeeping, employee benefits, labor and employee relations, workers' compensation, and personnel security.

### **Pricing for the Above Activities**

SSP utilizes many different cost methodologies in determining the customer prices. Some examples of its costs drivers include an FTE-Based methodology that incorporates the cost allocation of the FY 2015 FTE levels from the FY 2016 President's Budget Appendix. Another example is an Account Based methodology, whereby cost allocations are based on FY 2015 Budget Levels from the FY 2016 President's Budget Appendix. An example of a cost driver within the Account Based methodology is the average number of prior year Treasury Information Executive Repository (TIER) records from pay period 00 through pay period 12, FY 2012, 2013, and 2014. Another example would be the total number of NC4 locations for each customer (NC4 is the company that provides the NC4 Risk Center system, which allows the Treasury Operations Center to monitor Treasury facilities and personnel on a global scale). The Procurement Transaction cost methodology - cost allocation is based upon the number of Federal Procurement Database Next Generation (FPDNG) transactions from the FPDSNG for the most recent prior year. Also, some programs utilize the print job value-based cost methodologies - cost allocations based on the value of print jobs from a specific period of time. The usage-based cost methodologies - cost allocations is based on multiple usage cost drivers.

Determining charges for ARC services begins with a process similar to that used by appropriated agencies whereby labor and non-labor needs are identified for a future year within the budget formulation process. The formulated budget is then allocated to each service. These allocations are guided by existing organizational structure and management input. The overhead budgets are then allocated to the services based on each service's proportion of direct FTEs. Each Service Budget is then allocated to customers receiving that service based on each customer's percentage of total drivers. Drivers are the objective measure of effort defined specifically for each service. Each year, reserve requirements are calculated for each service line. These requirements are then compared to estimated actual reserves by service line. When differences are identified, the customers' costs by service are adjusted pro rata within each service line to reduce or eliminate projected differences. Fiscal Service Executive Management review pricing recommendations and provide the final approval of customer pricing.

### **Customers' Role in Governing the Treasury Franchise Fund**

The Treasury Franchise Fund incorporates a governance process in which two governing bodies review, vet, and approve various shared services matters. The Financial Management Oversight Committee (FMOC) serves as a due diligence working group to perform preliminary reviews of new shared services. Reviews will be conducted prior to any new activities being considered and presented to the Shared Services Council (SSC). The FMOC will support and review Treasury Franchise Fund related matters for the Assistant Secretary for Management and SSC.

The FMOC may also review Treasury Franchise Fund procedures and policies that are for new shared services lines of business entering the Treasury Franchise Fund, which includes but is not limited to unique policies that are currently in existence in the Treasury Franchise Fund. In order to ensure that the customer perspective is accounted for in decision-making, there is a process in place by which Treasury and non-Treasury organizations can provide feedback and input into the Treasury Franchise Fund governance issues. Customer involvement and input will provide an opportunity for the SSC to obtain constructive feedback and ensure customer concerns are addressed.