

GOVERNMENT-WIDE FINANCIAL MANAGEMENT METRICS

Although the Corporation is not an agency included under the CFO Act, the agency measures itself against the same U.S. CFO Council Government-wide Financial Management Metrics as are required for CFO Act agencies. From September 2004 through February 2005, the Corporation achieved “green” on only one out of nine (11 percent) of these metrics. A great deal of effort was devoted to improving performance on these metrics. For FY 2007, the yearly average of “green” scores was 62 percent.¹ Comparable average scores for FY 2005 and FY 2006 are 43 percent and 48 percent, respectively. However, for consistency with the government-

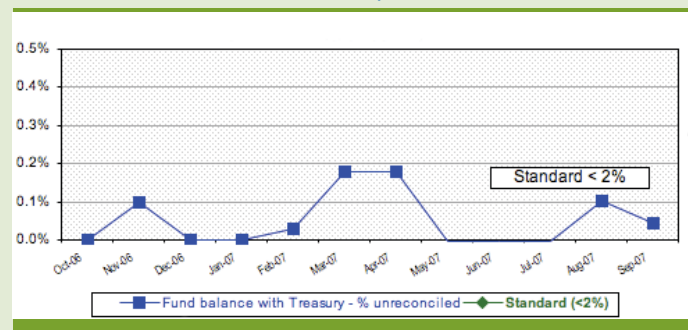
wide methodology, these scores are based on the end-of-the-year month for each prior year (FY 2005 and FY 2006 scores, 78 percent and 56 percent respectively). *In FY 2007, the Corporation exceeded the average for the CFO Act agencies by over 20 percentage points.* While these performance levels have been relatively stable, the Corporation has implemented a number of improved processes. The Corporation is directly addressing the causes of its ratings on specific metrics. Scores are expected to increase in FY 2008 due to planned upgrades to the agency’s automated financial system and related controls.

Performance in each of the individual metrics during FY 2007 is shown in nine separate charts:

- » The first three metrics, Fund Balance with Treasury Reconciliation, Suspense Account Clearance, and Accounts Receivable Delinquency, have been at fully-successful “green” levels for the entire year (Metric 1–3).
- » The Percent of Vendor Payments by Electronic Funds Transfer (EFT) improved greatly in FY 2007. Previously, the Corporation rated at the “red” level because one utility received 30 Treasury checks each month and some other vendors were paid regularly by check. In addition to converting the utility to receive a single monthly EFT payment, the agency also ensured that all new vendors provided EFT bank information and existing vendors were strongly encouraged to convert to EFT payment. These efforts resulted in “green” performance levels for all 12 months (Metric 4).
- » Percent of Vendor Payments Made on Time was a significant challenge throughout the year. Five months were at “red” levels, four at “yellow” levels and three at “green” levels. The Corporation is assessing the steps it can take to improve performance more consistently for this metric (Metric 5).
- » Late Payment Penalties Paid as a Percent of Total Vendor Payments was also a challenge this year. This metric was “red” seven months and “green” five months. The Late Payment Penalties metric is sensitive to the dollar amount of late payments. The Corporation is also further assessing its opportunities to improve its performance (Metric 6).

- » The last three metrics relate to credit card delinquency. During FY 2007, Individually Billed Account (IBA) Travel Delinquency was at “red” levels for seven months, “yellow” levels for two and “green” for three. IBA accounts are paid directly by the employees who travel, and achieving “green” on this metric requires Corporation travelers to keep their delinquencies below two percent. Centrally Billed Travel Delinquency was at a “red” level for one month, “yellow” levels for six months and “green” levels for five months in 2007. Purchase Card delinquency was at “red” levels for five, “yellow” levels for four, and “green” levels for three months in 2007. The last two months of the fiscal year had particularly high Purchase Card delinquency rates exceeding 80 percent. Such rates recently became more likely with the May 2007 change in the formula for this metric prescribed by OMB. Centrally Billed Travel and Purchase Card accounts are paid by the Corporation and achieving “green” for these accounts requires zero percent delinquencies. Management has placed an emphasis on improving these credit card delinquency metrics. In addition, anticipated financial system enhancements should facilitate improved performance in FY 2008, especially for the IBA Travel Cards (Metrics 7–9).

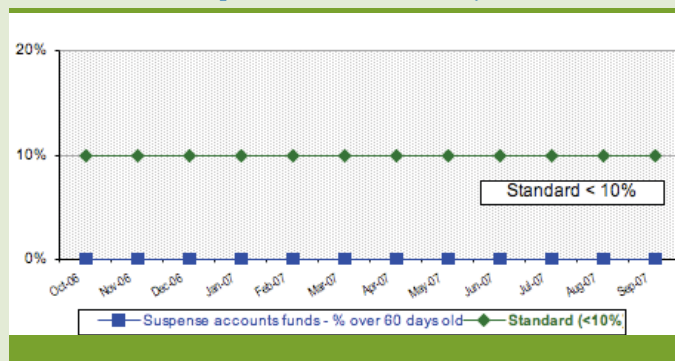
Metric 1. Fund balance with Treasury



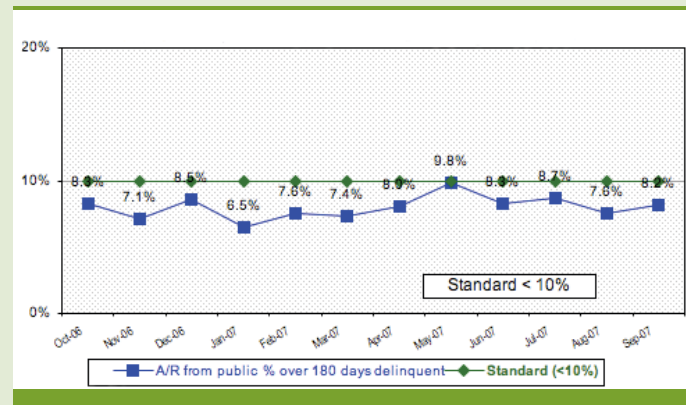
Metrics continue on the following page ▶

1. More detailed information regarding each of these measures is available at: www.cns.gov/about/role_impact/performance.asp.

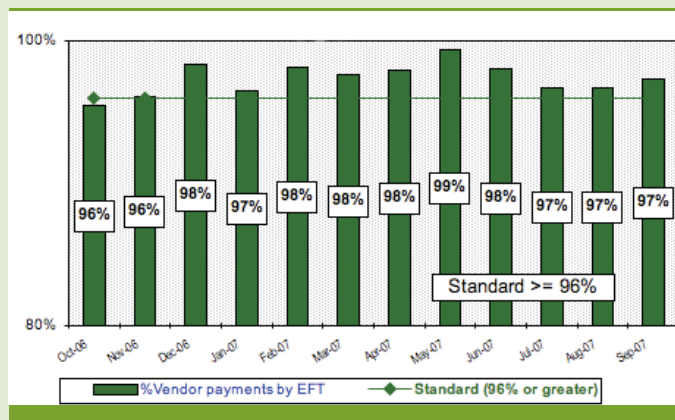
Metric 2. Percent suspense amounts over 60 days old



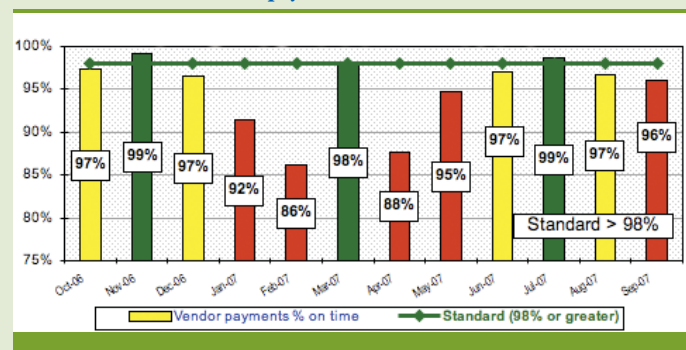
Metric 3. Percent A/R from public over 180 days past due



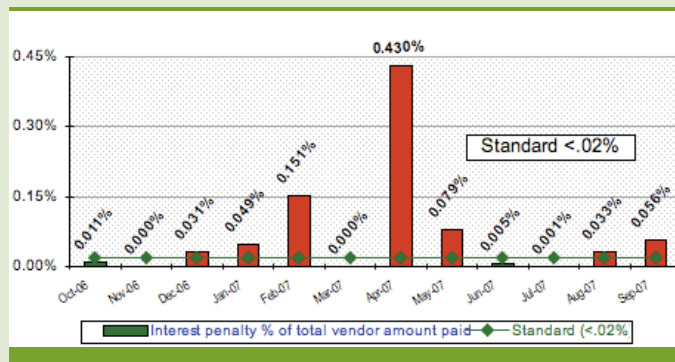
Metric 4. Percent vendor payments made via EFT



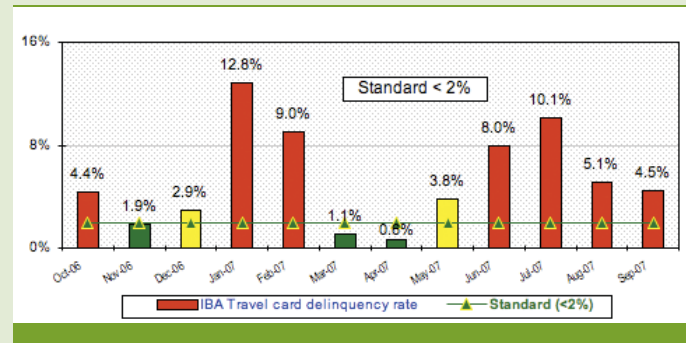
Metric 5. Percent vendor payments made on-time



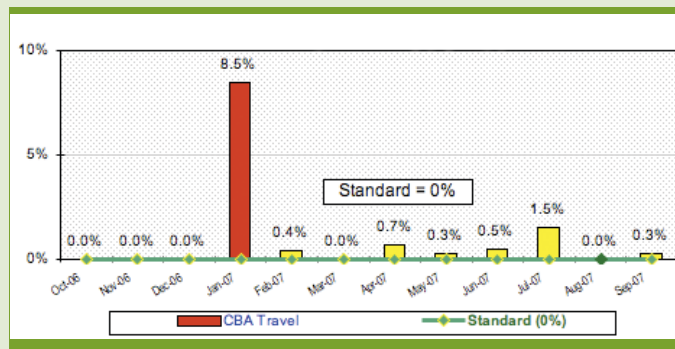
Metric 6. Penalty paid as percent vendor payments



Metric 7. IBA travel card delinquency rate



Metric 8. CBA travel card delinquency rate



Metric 9. Purchase card delinquency rate

