

APPENDIX B: FMS Organizational Structure

The Financial Management Service (FMS), a bureau of the U.S. Department of the Treasury, is the Federal Government's financial manager. FMS' four business lines are: (1) payments, (2) collections, (3) governmentwide accounting, and (4) debt collection. FMS' mission is to provide central payment services to Federal program agencies (FPAs), operate the Federal Government's collections and deposit systems, provide governmentwide accounting and reporting services, and manage the Government collection of delinquent debt owed to the Federal Government. This is accomplished by providing financial services, information, advice, and assistance to customers, including taxpayers, the Department of the Treasury, FPAs, Government policymakers, and Congress.

Federal Finance

The Office of the Assistant Commissioner, Federal Finance, provides executive direction, leadership, and technical guidance for managing the Federal Government's cash and credit management programs. It provides for the development, implementation, and dissemination of tools, policies, regulations, standards, and guidelines affecting all aspects of the Government's cash and credit management programs.

Federal Finance exercises effective control of cash and credit management activities, as well as investment and loan services for Government funds ensuring that policies, standards, and fiscal procedures are specifically designed to reduce Treasury financing costs. The centralization of cash and credit management control functions has the primary objectives of holding down the cost for depositary and payment services, minimizing the levels of cash held outside the Treasury, enhancing the daily utilization of funds, and accelerating the flow of taxes and other receipts into the Treasury.

Federal Finance is composed of two directorates: (1) the Asset Management Directorate and (2) the Cash Management Directorate.

(1) The Asset Management Directorate

The Asset Management Directorate, under the Assistant Commissioner, Federal Finance, provides leadership in the development of methods to improve governmentwide asset management programs such as: Federal credit management; financial management marketing and education; intergovernmental cash management practices between the Federal Government and the 50 States, the District of Columbia, and the 5 U.S. Territories; and grant management practices. It develops, modifies, and markets financial management programs, products, and services used in the movement of funds and/or information into and from the Federal Government or between Federal agencies. The Directorate is composed of four components: Program Assistance Division, Program Compliance Division, Product Promotion Division, and Risk Management Division.

The Program Assistance Division (PAD) ensures that Federal program agencies use the most efficient and effective payment, collection, and cash management processes, and assists agencies in overcoming obstacles to implementing improved processes. PAD works with Federal agencies, financial institutions, and other stakeholders to develop plans and strategies to resolve conversion issues related to electronic funds transfer (EFT) systems. PAD is also responsible for establishing and monitoring international funds arrangements.

The Program Compliance Division (PCD) ensures that Federal program agencies and States adhere to Treasury's cash management requirements. PCD develops and implements effective cash management guidance for all Federal agencies whose financial activities affect the cash account of the Treasury. PCD also oversees adherence of Federal agencies to legislative regulatory directives; reviews agency asset management operations to identify and implement improvements in collection and payment processes; and implements the requirements of the Cash Management Improvement Act (CMIA) for the transfer of funds between the Federal Government and the States. In addition, PCD provides a liaison role with State governments and Federal agencies as a technical advisor to design systems improvements for State/Federal collection problems.

The Product Promotion Division (PPD) promotes and supports the implementation of cash management systems designed to improve governmentwide financial management objectives by enhancing the delivery of payments to the public and the collection of revenues to the Government. PPD markets payments and collections, products and services, and publishes a variety of cash management materials.

The Risk Management Division (RMD) identifies the risks to Treasury's account related to the management of the Government's assets and initiating action to reduce those risks. RMD has both an internal and external role. Internally, the RMD ensures that a sound risk management program exists for the systems and programs within the Federal Finance area. Externally, RMD focuses on minimizing the risk in how the Government manages its credit programs, grant programs, and real property management programs.

(2) The Cash Management Directorate

The Cash Management Directorate, under the Assistant Commissioner, Federal Finance, provides leadership for the Federal Government's cash management, payments, and collections programs. It develops and modifies financial management programs, products, and systems used in the movement of information and funds to and from the Government.

The Directorate's initiatives are in response to requests from Federal agencies, States or FMS organizations, internal research, or legislative or regulatory changes. The Directorate is composed of five components: Applied Technology Division, Collections Modernization Division, Electronic Banking Services Division, Financial Services Division, and Cash Management Policy and Planning Division.

The Applied Technology Division (ATD) develops card-based and electronic money-based systems used to move funds and information for the Government such as electronic check, stored value cards, and the transmitting of funds via the Internet. ATD implements financial improvement programs that ensure effective control over the Government's funds.

The Collections Modernization Division develops and modifies collection and payment programs, products, and program support systems used in the collection and payment of funds and/or information for the Government.

The Electronic Banking Services Division oversees the implementation of governmentwide electronic funds collection and payment applications, coordinating with Federal agencies and depository institutions and the Federal Reserve. These systems are designed to achieve and complement Government financial management objectives.

The Financial Services Division (FSD) manages paper-based Government collection systems designed to achieve and complement Government financial management objectives and enhance the collection of revenues for the Government. FSD manages/oversees Government collection systems such as the Treasury General Account Depository Network, the General Lockbox Network, and the Internal Revenue Service (IRS) Lockbox Network.

The Cash Management Policy and Planning Division (CMPPD) develops, issues, and coordinates cash management policy, procedures, standards, guidelines, and instructions for governmentwide payments, collections, financial services, and cash balance management. CMPPD promotes comprehensive and consistent application of cash management principles for the improvement of the Government's financial position.

Financial Operations

Office of the Assistant Commissioner, Financial Operations (FO), provides a financial infrastructure for Federal payments, claims, collections, as well as other transactions. FO accomplishes its mission by providing financial services, operating financial systems, and overseeing miscellaneous accounts.

FO is responsible for the reconciliation of all check issues and payments. FO resolves claims for and against the Government resulting from Treasury checks having been lost, stolen, forged, or otherwise improperly negotiated. Individual citizens, who receive benefit payments; vendors, who provide goods or services for the Government; and taxpayers, who are due a refund from the Internal Revenue Service, may submit the claims. FO works closely with other Federal program agencies, the Federal Reserve Banks, and commercial banking institutions.

FO is also responsible for a variety of financial activities, including assessing the quality of surety companies as acceptable sureties on Federal bonds, certifying payments for International Claims Programs, accounting for U.S. investments in domestic and international development banks, and certifying payments for judgment fund awards and settlements.

FO provides for the operation, management, and “value-added” improvement of major governmentwide financial information systems and processes that meet the ever-changing needs of FMS and its customers. As part of this effort, FO executes a process of continuous review and improvement to the financial information systems of the Government in order to meet changing requirements that originate with the Federal financial community, Congress, and the public.

Regional Operations

Office of the Assistant Commissioner, Regional Operations (RO), is responsible for managing and operating Federal payment systems and for disbursing approximately 85 percent of all Federal payments. Payments are issued for virtually all-Federal agencies in the Executive Branch, except the Department of Defense and certain independent Federal agencies. RO promotes and implements new and improved payment transfer systems, including electronic funds transfer (EFT) through the Automated Clearing House (ACH) and Fedwire.

Debt Management Services

Office of the Assistant Commissioner, Debt Management Services (DMS), is responsible for the development and implementation of the Treasury's responsibilities under the Debt Collection Improvement Act (DCIA) of 1996, which includes the maintenance and expansion of governmentwide debt collection services. DMS reports on the condition of Government receivables and collection of delinquent debt to Congress, OMB, Federal agencies, and the public.

Governmentwide Accounting

Office of the Assistant Commissioner, Governmentwide Accounting (GWA), provides the financial infrastructure for Federal central accounting and governmentwide reporting; the reconciliation of agency and bank reporting differences; and the generation of regular daily, monthly, and quarterly financial reports. In addition, Governmentwide Accounting is responsible for the annual compilation and publication of the Financial Report of the U.S. Government (formerly the audited consolidated financial statement). This functional area develops accounting policy and standards, sets reporting requirements, and creates the mechanisms Federal program agencies (FPAs) use to improve the ways in which they manage their accounting and reporting activities. In performance of these responsibilities, the accuracy, integrity, and security of governmentwide financial information are thus ensured. This infrastructure results in the ultimate accumulation and publication of governmentwide financial information. GWA accomplishes its mission by providing, operating, and overseeing financial resources and systems as well as setting standards for data integrity and reporting.

GWA's primary customers are the FPAs. However, as mandated by law, GWA also serves the Congress, the President, and the public. The provision of these services allows FPAs to handle financial transactions necessary for the measurement and success of their programs and to provide accounting guidance and reporting mechanisms for compliance with legislation.