

DOL Financial Systems and Operations

Modernization of the Department's Core Accounting System

The OCFO continues to work with DOL agencies in modernizing the Department's core accounting system, DOLAR\$. While DOLAR\$ has been a highly effective system over the past twelve years, it is now in need of replacement. Pending OMB and Congressional funding approval, the overall modernization effort will follow a phased implementation timeline over the next three to four years.

During FY 2002, OCFO has continued enhancements to its financial data warehouse (FDS). The OCFO developed FDS to enhance DOL fiscal operations at the agency and program levels by improving the delivery of timely, accurate, useful information to financial and program managers. FDS provides DOL agencies with next-day reporting, a more intuitive user interface to financial data, and drill-down capabilities allowing users to move from aggregated to transactional data seamlessly.

Debt Management

The Debt Collection Improvement Act of 1996 (DCIA) established the Department of the Treasury as the central agency for collection of Federal debts over 180 days delinquent, and DOL cross services all delinquent debts in accordance with this statute. Once these debts are referred, the Department of the Treasury has several collection tools at its disposal, including issuing demand letters, conducting telephone follow-up, referring debts for administrative offset, performing administrative wage garnishment, and referring debts to private collection agencies. Since DOL does not operate loan or other commercial programs, debt management accounts for a relatively small part of our financial management activity. The majority of debts managed by DOL relate to the assessment of fines and penalties in our enforcement programs. During FY 2002, the Department referred 94 percent of all eligible delinquent debt to Treasury for collection. This represents a 2 percent increase over FY 2001.

DEPARTMENT-WIDE DELINQUENT DEBT DATA (IN THOUSANDS)

	FY 2000	FY 2001	FY 2002
DELINQUENT DEBT (1-180 DAYS)	\$20,268	\$21,261	\$19,898
DELINQUENT DEBT (181+ DAYS)	\$61,792	\$72,410	\$67,847
TOTAL COLLECTIONS	\$118,360	\$127,296	\$127,581
NEW RECEIVABLES	\$141,076	\$153,221	\$155,845
ELIGIBLE TO BE REFERRED	\$63,815	\$77,302	\$72,108
DEBTS REFERRED TO TREASURY DURING FY 2001	\$58,992	\$70,917	\$67,572

Electronic Fund Transfer (EFT)

DOL made over 98 percent of its salary, awards, travel and miscellaneous payments electronically in FY 2002. Electronic vendor payments increased by five percent over the FY 2001 rate.

The Department continues to lag behind government averages due to the low EFT participation and the heavy volume in ESA's medical and benefits programs. These FECA programs account for over 80 percent of DOL's total payment volume. Overall, the Department's FY 2002 EFT performance of 39 percent represents an increase over the FY 2001 total.

DOL EFT PAYMENTS

	FY98	FY99	FY00	FY01	FY02
ADMINISTRATIVE VENDORS	53%	58%	64%	69%	74%
TRAVEL & MISCELLANEOUS	83%	98%	99%	99%	99%
SALARY & AWARDS	96%	97%	97%	96%	98%
ESA PROGRAMS	23%	32%	27%	26%	28%
TOTAL	36%	46%	41%	38%	39%

SOURCE: DOL DOLAR\$ AND TREASURY FMS EFT REPORTS.