

# Treasury Franchise Fund

## Program Summary by Budget Activity

(Dollars in thousands)

Budget Activity	FY 2008	FY 2009	FY 2010		
	Obligated	Estimated	Estimated	\$ Change	% Change
Consolidated/Integrated Administrative Management	\$180,361	\$11,293	\$0	(\$11,293)	(100.00%)
Financial Management Administrative Support Services	\$96,952	\$146,828	\$147,968	\$1,140	(78.0%)
Financial Systems, Consulting and Training	\$13,691	\$2,117	\$0	(\$2,117)	(100.0%)
<b>Total Cost of Operations</b>	<b>\$291,004</b>	<b>\$160,238</b>	<b>\$147,968</b>	<b>(\$12,270)</b>	<b>(7.66%)</b>

### Explanation of Budget Estimate

Historically, the Treasury Franchise Fund (the Fund) has reported activity in the following budget activities.

- Consolidated/Integrated Administrative Management
- Financial Management Administrative Support Systems
- Financial Systems, Consulting and Training

In FY 2010, the Fund is reporting only the Financial Management Administrative Support Systems budget activity, Public Debt's Administrative Resource Center (ARC). The remaining activities were eliminated due to Treasury decisions to transition out of those business lines because they were not consistent with Treasury's core mission or are not advantageous to be offered as a shared service. ARC is projecting a net increase in budgetary resources of 2 percent for FY 2010. The net increase is comprised of increases due to estimated inflation adjustments and anticipated new customers, and a decrease due in the assisted acquisition service line.

### Purpose of Program

The Treasury Franchise Fund (the Fund) is a revolving fund that supplies financial and administrative services on a fee-for-service basis. The Fund has transformed the

administrative support arena in the Federal Government through a shared services business model that offers marketplace success through competition. The Fund became permanent in the Consolidated Appropriations Act, 2005 (Public Law 108-447) and is codified in U.S.C. 322, note. In addition, Public Debt's Administrative Resource Center (ARC) is a federal shared service center and was recognized as a Center of Excellence in 2005.

Since inception, the Fund has been a leader in redefining the processes and methods for delivering administrative products and services to federal customers. The Fund offers one-stop shopping to customers and we use streamlined processes, ensure full accountability, offer competitive prices and timely services. In FY 2010, the Fund will maintain its commitment to excellence and will meet or exceed all applicable strategic goals and benchmarks.

### Explanation of Budget Activities

**Consolidated/Integrated Administrative Management (No funding)** In previous fiscal years, FedSource was reported under this budget activity. With Treasury's decision to transition out of the FedSource service line, the Franchise Fund has discontinued this budget activity in 2010.

**Financial Management Administrative Support Services (\$147,968,000 from reimbursable programs)** This Franchise Fund budget activity includes Public Debt’s Administrative Resource Center (ARC), an OMB approved federal shared service provider. ARC provides accounting, procurement, travel, human resources, and information technology services to federal customers and is a Center of Excellence for Financial Management.

Treasury Agency Services were reported under this budget activity. With Treasury’s decision to transition out of these service lines, the Franchise Fund has discontinued this budget activity in 2010.

### Legislative Proposals

The Treasury Franchise Fund has no legislative proposals for FY 2010.

**Financial Systems, Consulting and Training (No funding)** In previous fiscal years, the Federal Consulting Group and

### TFF Performance by Budget Activity

Budget Activity	Performance Measure	FY 2006	FY 2007	FY 2008		FY 2009	FY 2010
		Actual	Actual	Actual	Target Met?	Target	Target
Consolidated/Integrated Administrative Management	Operating expenses as a percentage of revenue –Consolidated/Integrated Administrative Management (%) (E)	4.00	4.30	17.70	Yes	N/A	N/A
Financial Management Administrative Support Services	Operating expenses as a percentage of revenue—Financial Management Administrative Support (%) (E)	17.00	15.10	3.60	Yes	12.00	12.00
Financial Systems, Consulting and Training	Operating expenses as a percentage of revenue—Financial Systems, Consulting and Training (%) (E)	10.00	6.70	6.49	Yes	N/A	N/A

Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, and M - Management/Cust. Satisfaction

### Description of Performance

The Treasury Franchise Fund (the Fund) has defined customer satisfaction and operating expenses as a percentage of revenue as key performance measurement areas.

In FY 2008, all budget activities did not meet the Fund’s performance targets. Specifically, the Consolidated/Integrated Administrative Management activity (FedSource) failed to meet the operating expense performance target due to decreased revenue and

increased operating costs caused by closeout activities.

The Fund discontinued the customer satisfaction performance metric in FY 2008 for the budget activities being closed out (FedSource, Federal Consulting Group and Treasury Agency Services) and discontinued all performance metrics for these activities in FY 2009. The remaining budget activity (Administrative Resource Center) exceeded all of the Fund’s performance metrics in FY 2008 and is expected to meet them in FY 2009 and FY 2010.