




DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

ASSISTANT SECRETARY

November 22, 2013

ACTION MEMORANDUM FOR ACTING DEPUTY SECRETARY MILLER

FROM: Richard L. Gregg, Fiscal Assistant Secretary 
SUBJECT: Financial Management Federal Shared Service Provider Designation Application

RECOMMENDATION:

That you approve the letter of intent confirming that Treasury, specifically the Bureau of the Fiscal Service – Administrative Resource Center (ARC), be designated as a Financial Management Federal Shared Service Provider (FSSP).

 **Approve** _____ **Disapprove** _____ **Let's Discuss**

BACKGROUND:

As set forth in Office of Management and Budget (OMB) Memorandum M-13-08, "Improving Financial Systems through Shared Services" the Department of the Treasury is applying to be a designated FSSP.

During the first phase of the designation process, interested agencies must complete the signed letter of intent and respond to the mandatory Financial Management FSSP Screening Criteria (both documents are included as attachments).

The Screening Criteria was developed by the Office of Financial Innovation and Transformation (FIT) to establish the minimum qualifications a FSSP must meet to serve external customers. These qualifications build on the Financial Management Line of Business (FMLoB) Due Diligence Checklist (last revised in 2006), in collaboration with federal agencies and private industry. Qualification questions include requirements related to service offerings, as well as compliance, capital, and technology requirements. There are two sets of criteria, one for current providers (including Treasury) and another for agencies that intend to become providers. A response of "no" to any of the questions will result in disqualification from the process.

OMB and FIT are anticipating on making FSSP designations in Q2 of Fiscal Year 2014.

ATTACHMENTS:

1. Financial Management FSSP Letter of Intent
2. Financial Management FSSP Screening Criteria

Letter of Intent from the Department Deputy Secretary or equivalent:

In submitting this letter, I,

Mary J. Miller, Acting Deputy Secretary and Under Secretary for Domestic Finance

confirm on behalf of Treasury Department

that

Bureau of the Fiscal Service - Administrative Resource Center (ARC)

will be applying to be a Federal Shared Service Provider (FSSP) for financial management. I confirm that

Bureau of the Fiscal Service - Administrative Resource Center (ARC)


meets all of the FSSP Screening Criteria. If selected,

Bureau of the Fiscal Service - Administrative Resource Center (ARC)

will provide, at a minimum, the mandatory financial management services to other federal agencies throughout the federal government.

If selected to be a FSSP for financial management Bureau of the Fiscal Service - Administrative Resource Center (ARC) will comply with the implementation of OMB Memorandum 13-08. In doing so, Bureau of the Fiscal Service - Administrative Resource Center (ARC) will agree to:

- Support the growth of the FSSP organization and the development of technical capabilities through, but not limited to, onboarding new CFO Act agencies, sometimes concurrently, to meet the Agency Modernization Timetable¹ as reported by federal agencies;
- Participate in workshops to help standardize and capture the prices of service offerings consistently, which will then be published in the Products & Services Catalog²;
- Enter my agency's data in the SSP Benchmarking Tool³;
- Participate in the governance for this initiative⁴; and
- Include external agency customers in its financial management governance structure such that they have a voice in decisions that impact them.


Signature of Department Deputy Secretary or Equivalent

11/25/13
Date

¹ The **Agency Modernization Timetable** will assist FSSPs in planning efforts with prospective customer agencies by sharing a timeline and overview of the anticipated demand on an annual basis. The Office of Financial Innovation and Transformation (FIT) received the information from agencies and asked them to confirm it in September-October 2013. Note that FIT did not independently verify the agency-provided data. Additionally, due to the government shutdown all agencies did not have time to confirm the initial data before its release.

² The **Products & Services Catalog** will be a tool with all of the mandatory and optional products and service offerings that financial management FSSPs offer. It will be launched in spring of 2014 and will include pricing information by provider for all of the offerings. Prior to its release FSSPs will participate in workshops to help standardize the inputs and associated business processes for each of the service offerings.

³ The **Financial Management Benchmarking project** was launched by the Shared Services Roundtable in February 2012. Soon after launching the project, Treasury worked with a group of providers to develop a common methodology for measuring price and performance for seven (7) financial management processes. Going forward, the methodology and tool for measuring the cost and performance of common federal financial management processes provided by FSSPs will be expanded and made public for agencies and others to use. All designated FSSPs will be required to input their data in the tool.

⁴ FIT will be establishing **governance** for the designated FSSPs. This governance will not take the place of the FSSP's own governance structure with its customers, but rather will focus on strategic matters such as overall performance measures for the FSSPs and the initiative. The details of the governance are under development, but it is envisioned that it will be government-wide with representatives from FSSPs, customer agencies, Treasury, and OMB.