United States Department of the Interior

OFFICE OF THE SECRETARY
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FINANCIAL ADMINISTRATION MEMORANDUM NO. 2007-009 (II.J.1)

To: Bureau Assistant Directors, Administration
Director, National Business Center
Bureau Finance Officers
Director, Office of Acquisition and Property Management

From: Michael Powers
Associate Director
Office of Financial Management

Subject: Financial Performance Metrics

The purpose of this Financial Administration Memorandum is to communicate the attached changes to the current Government-wide Metric Tracking System (MTS) metrics. The Chief Financial Officers Council's Performance Measurement Transformation Team has made changes to six of the nine current MTS metrics to address agency concerns.

The changes to the metrics do not require the bureaus to report additional financial performance data. However, as a result of the accelerated availability of the charge card data by the GSA SmartPay office into the MTS, the deadline for reporting MTS metrics is being accelerated by 15 days. Instead of reporting metrics 45 days following the reporting month, the reporting deadline will change to 30 days following the reporting month, beginning with June reporting. Thus, the data for June 2007 is reported into the MTS by the end of July.

To ensure that the Office of Financial Management (PFM) meets the reporting deadline for inputting the data into the MTS, the due dates of the following financial performance metrics, as defined in FAM 2003-015, will change with the reporting of June 2007, data. The new due dates will allow PFM sufficient time to consolidate, analyze, and report the data into the MTS.

Performance Indicators	Old Due Date	New Due Date
Fund Balance with Treasury	By the end of the next month	By the 20th day of the next month
Unreconciled cash balances	By the end of the next month	By the 20th day of the next month
Uncleared Suspense Accounts	By the end of the month following quarter	By the 20th day of the month following the quarter

Should you have any questions or require additional information on this subject, please contact Michael Anthony on (202) 208-6824.

Attachment

Prior Financial Administration
Memorandums on this Subject:

No. 2006-004 (II.J.1), March 13, 2006 - Active
No. 2003-015 (II.J.1), July 1, 2003 – Active

Metric changes

Metric 2: Amount in Suspense Greater than 60 Days Old

1. The metric will only include the 3875 suspense account balance.
2. The new goals will be:

Green:	Less than 5%
Yellow:	Between 5% and 15%
Red:	Greater than 15%

3. Though the metric will now only be calculated off of the 3875 balance, information will also be collected for the 3880 and 3885 accounts. This information will be reported as contextual information along with the metric. The system will also have the capability to collect other account balances if new suspense accounts are created in the future.

   Explanation: These changes align the metric with the Treasury and OMB policy to discontinue use of the main 3875 suspense account, by focusing the metric on the 3875 account and tightening the goals. The information collected on other suspense account balances will be used to ensure the focus on these balances does not decrease as attention is increased on the 3875 account.

   Agency Action: Agencies should be prepared to input separate suspense balances (net and absolute) greater than 60 days old for the 3875, 3880, and 3885 accounts.

Metric 5a: Percent Non-Credit Card Invoices Paid on Time

1. The dollar value of non-credit card invoices paid on time will be collected, in addition to the number of non-credit card invoices paid on time. Using this information, the "Percent of Non-Credit Card Dollar Value Paid on Time" will be calculated and reported as contextual information in MTS.

   Explanation: The additional information collected in MTS will be used to better understand agency performance. The current metric calculation will not change. Given the large differences in the dollar value of individual invoices, knowing the dollar value of invoices paid on time as well as the number of invoices is important to understanding agency performance.

   Agency Action: Agencies should be prepared to input the dollar value of non-credit card invoices paid on time, in addition to the current information collected.

Metric 5b: Percent of Interest Penalties Paid

1. The metric will be redefined as "dollars of interest per $1 million in total payments".

   Explanation: This is a change in the metric calculation only, to make the metric easier to understand. For instance, during 2006 interest penalties ranged from 0.0101% to 0.0160% of total payments under the current metric definition. With the new definition, interest penalties will have ranged from $101 to $160 of every $1 million in payments, a more easily interpretable range. The goals and prior period data will be recalculated in the MTS system.

   Agency Action: No action required by agencies.

Metric 6a – 6c: Charge Card Delinquency Rates (Individually and Centrally Billed Travel, and Purchase Card)

1. Change the calculation for each charge card metric to "Dollar amount of balances outstanding over 61 days divided by the average net charge volume two months to six months prior to the current month."

   Explanation: Currently agencies experience spikes in delinquencies due to seasonal fluctuations in charge card usage and a period mismatch between the metric numerator and denominator. Also, differences in normal agency payment behavior (i.e., pay daily vs. pay monthly) lead to disparities in the total balances calculated at the end of the period (the denominator), which make interagency comparisons difficult. The new metric calculation will control for both of these factors.

   Agency Action: Starting with June reporting, agencies will no longer be required to input information for the three charge card metrics (6a, 6b, and 6c). This information will be loaded directly by the GSA SmartPay office into the MTS system approximately 15 days after the end of each month. Agencies will be able to view this information in MTS when the system is made available for inputting around the 20th of the month. If agencies need to make changes to the data they will be able to do so with concurrence from the SmartPay office and OMB.