

Quick Guide to the Department's Financial Management Green Plan

Green Plan Objectives and Concept:

Objectives:

- Integrate use of financial management information into the decision making process of functions and programs that support execution of the Department's Strategic Plan.
- Document where financial management information is and is not being used for decision making, and how it can become integrated into the decision making process for functions and programs with minimum annual outlays of \$100M.
- Gather green plan examples from every bureau and Departmental Office that manages functions or programs supporting execution of the Department's Strategic Plan.

Concept:

- Use the DOI Business Model to track green plan development across the Department. Shading of business areas corresponds to green plan development status and where financial management information is and is not being used for decision making.
- Work with the Department's Chief Financial Officers (CFO) Council to identify business areas and functions for green plan example development, select green plan topics, prioritize the topics for green plan example development, and determine the schedule for submission of green plan examples to the Office of Management and Budget (OMB) as updates to the Department's Financial Management Green Plan.
- Address both current and future use of financial information to resolve issues or problems in a function or program in individual green plan examples. For business areas that are identified as requiring establishment or expansion of financial information usage, green plan examples will outline a plan for how financial information will be integrated into the decision making process of the program that performs the identified business area or function.
- Update the Green Plan during the 1st and 3rd quarter. Updates consist of new green plan examples and status reports on milestones and metrics in current green plan examples.

The Departmental Green Plan Update Process

Selecting Business Areas for Green Plan Topics

- Business areas and functions for which there is no documented evidence of using financial management information for decision making will be candidates for green plan example development.
- Goal is to have functions that contribute at least 80% of the cost of the business area use financial management information for decision making. If this threshold is met, no green plan examples need to be developed for the business area.
- Selection of business areas and functions for green plan development will be prioritized by relationship to execution of the Department's mission (i.e. whether the business area and functions are mission, mission-support, or administrative), cost of related key performance measure(s), and designation of the business area as having a significant impact on execution of the Department's mission.

Selecting Green Plan Topics

- Criteria for selection of green plan topics are relationship to execution of the Department's Strategic Plan and cost. Cost outweighs core mission designation as a selection criterion for green plan topics.
- Generally, program outlays for the topic must equal or exceed \$100M annually to qualify for selection, unless (1) total outlays of all program(s) performing the function that the topic addresses is less than \$100M, (2) function has a material impact on the execution of the Department's mission, or (3) OMB requested the topic.

Updating the Department's Green Plan

- Update cycle is established one year in advance of actual green plan example submission to OMB. Depending on when in the update cycle their green plan example submission is scheduled, bureaus and Departmental Offices will have up to nine months to prepare green plan examples for the Department's Green Plan.
- DOI CFO Council selects business areas/functions for green plan development and approves green plan topics.
- Bureaus/Departmental Offices work with the Office of Financial Management (PFM) to prepare their green plan examples.
- OMB previews draft green plan examples prior to formal submission.

- All communications on green plan examples between bureaus/Departmental Offices will be through PFM so that PFM can coordinate preparation of green plan examples and response to OMB comments to meet the submission schedule for OMB's formal review of the Department's Green Plan update.
- Once OMB approves the green plan example, bureaus/Departmental Offices must begin reporting on milestones and metrics in their quarterly Internal PMA Financial Management Scorecard.

Preparing Green Plan Examples for the Department's Green Plan

- Use OMB's Green Plan template and answer the questions on the template fully.
- Choose an issue or problem to write about – do not write about the program or business area/function itself.
- Use a storyboard approach to tell how financial information helped to resolve the issue/problem. From reading the example, it should be easy to identify the decision made using financial data.
- Ensure that the green plan addresses what resulted from resolving the issue/problem. Lay out the results by addressing the problem, progress in resolving the problem, the desired result and whether or not the result was achieved.
- Use metrics to document results achieved. Ensure that the metrics selected will indicate how well the goals critical to management are being achieved. By reviewing progress against the measure, there should be no question as to whether the goals are or are not being achieved.
- Green plan goals, business questions, and metrics should all tie together.
- Use tables/charts to summarize financial data when possible, particularly when discussing results achieved in the green plan example. Omit details that do not use financial data.

Progress Reporting on Green Plan Initiatives

Reporting Accomplishments on the PMA Financial Management Scorecard:

- Report on green plan milestones and metrics that come due during the quarter on the PMA Financial Management Scorecard forwarded to OMB.
- Departmental Offices that do not submit Internal PMA Financial Management Scorecards should submit quarterly updates on their green plan milestones and

metrics directly to the Office of Financial Management (PFM) by January 15, March 1, July 15, and September 1 each year.

- PFM will incorporate bureau/Departmental Office green plan accomplishments into the quarterly PMA Financial Management Scorecard forwarded to OMB.
- Accomplishment reporting for the quarterly PMA Financial Management Scorecard should be complete enough for PFM to prepare the status reports for the updates to the Department's Green Plan.

Status Reporting in the Updates to the Department's Green Plan:

- Consists of a one-to-two page summary of green plan activities for the current and prior reporting quarter. Summaries will be prepared for every green plan example in the Department's Green Plan.
- PFM will prepare summaries from the quarterly PMA Financial Management Scorecard and Departmental Office reports but will periodically request supplemental information through a separate informal data call.

The Department's Financial Management Green Plan Objectives and Concept

Green Plan Objectives

The Department of the Interior (DOI) Financial Management Green Plan is built upon the single goal of integrating the use of financial information in the decision making process of programs and functions that are essential to execution of the Department's Strategic Plan.

To achieve this goal, the Department will pursue two courses of action that are consistent with the results standards of the President's Management Agenda (PMA) Financial Management scorecard. These standards require agencies to:

- Demonstrate that it currently produces accurate and timely financial information that is used by management to inform decision-making and drive results in key areas of operations, and
- Implement a plan to continuously expand the scope of its routine data use to inform management decision-making in additional crucial areas of operations.

DOI's approach to meeting these standards is to:

- Baseline the use of financial information for decision making across the Department in functions and programs supporting the execution of the Department's Strategic Plan,
- Monitor the performance of these programs and functions through green plan example milestones and measures to ensure cost effective delivery of program/function products and services and the optimization of resources attendant to execution of the programs and functions; and
- Identify programs and functions with outlays equal to or exceeding \$100M where financial information is not used for decision-making, or is incidental to decision-making. For these programs and functions, validate that financial information should be part of the decision-making process or is not integral to decision-making, and then document how financial information will become part of the decision making process.

Green Plan Concept

The DOI Green Plan is a compendium of green plan examples documenting how program managers and bureau or departmental headquarters management currently use, or plan to use, financial information to ensure cost effective delivery of products and services within their program or functional area. These green plan examples primarily address programs or functions tied to the Department's Strategic Plan, and are identified with one or more business or service area in the DOI Business Model.

The DOI Business Model (Figure 1) is a high level architectural framework of Interior's business lines that directly execute the Department's mission or support mission-critical activities, and the functions that each business and service area contains (functions are not shown in Figure 1). Each of the business and service areas decompose into one or more functions. The core business and service areas consist of functions that tie to the Strategic Plan, and are the focus of the Department's Green Plan Program. How program managers use financial information in these functions is the subject of the green plan examples.

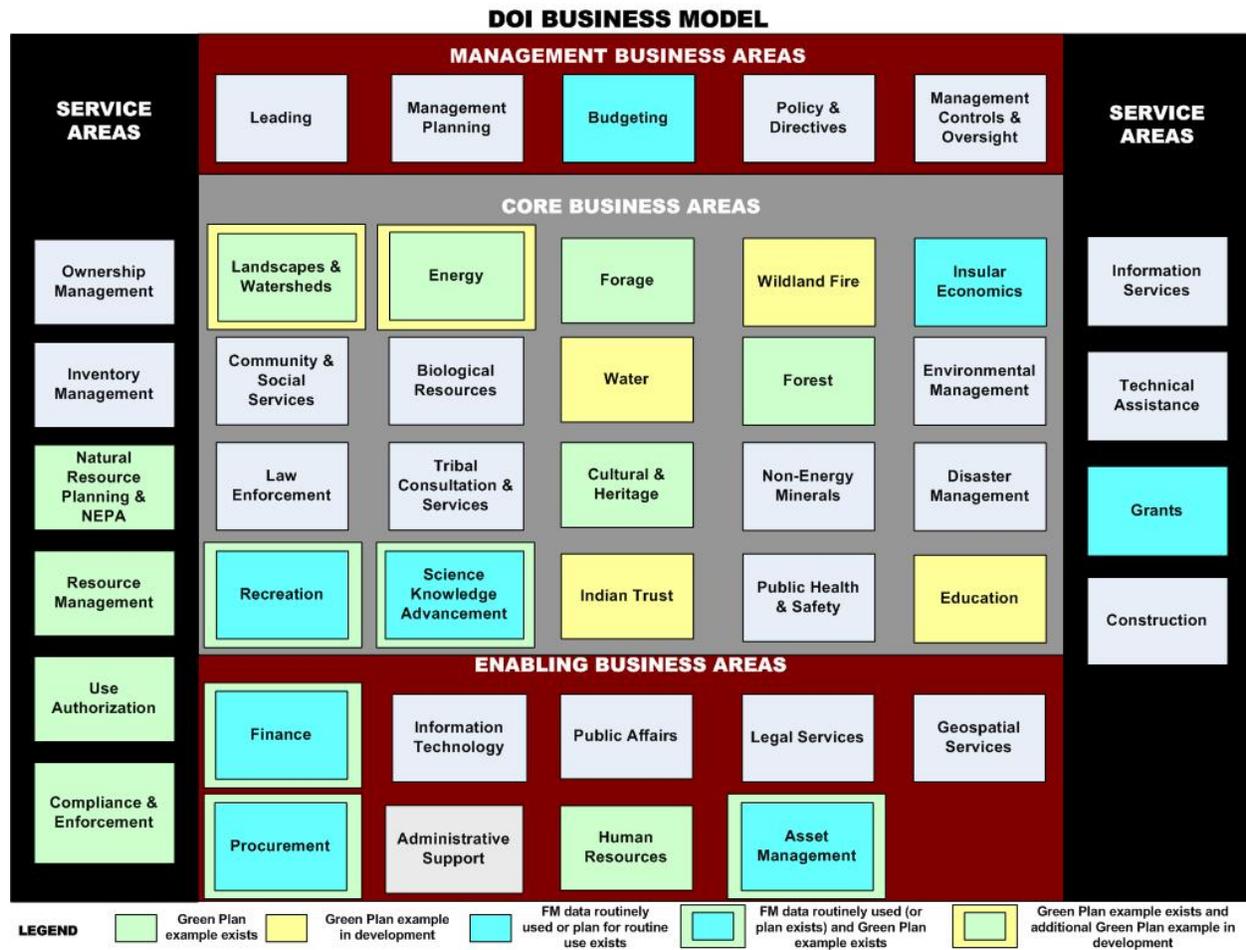


Figure 1

The DOI Business Model will be used to chart progress in green plan example development and provides a quick visual summary of the status of green plan example development across the Department. Green plan examples have been developed for functions shaded green. Functions for which green plan examples will be developed for inclusion in a subsequent update to the Department's Green Plan are shaded yellow. These are areas that the Department has identified either for baselining the current use of financial information for decision-making, or for expanding the use of financial information into key areas of operations.

Functions for which the Department must baseline the use of financial management information for decision making remain unshaded. Functions for which the use of financial management

information for decision making has become routine across the Department are shaded blue. The shading of business and service areas correspond to the status of green plan development or the use of financial information within the functions defining the business or service area. Business or service areas are shaded blue when the functions contributing at least 80% of the cost of the business or service area are routinely using financial management information for decision making.

The Office of Financial Management works with the Department's Chief Financial Officers (CFO) Council to identify business areas and functions for green plan example development, select green plan topics, prioritize the topics for green plan example development, and determine the schedule for submission of green plan examples to the Office of Management and Budget (OMB) as updates to the Department's Green Plan.

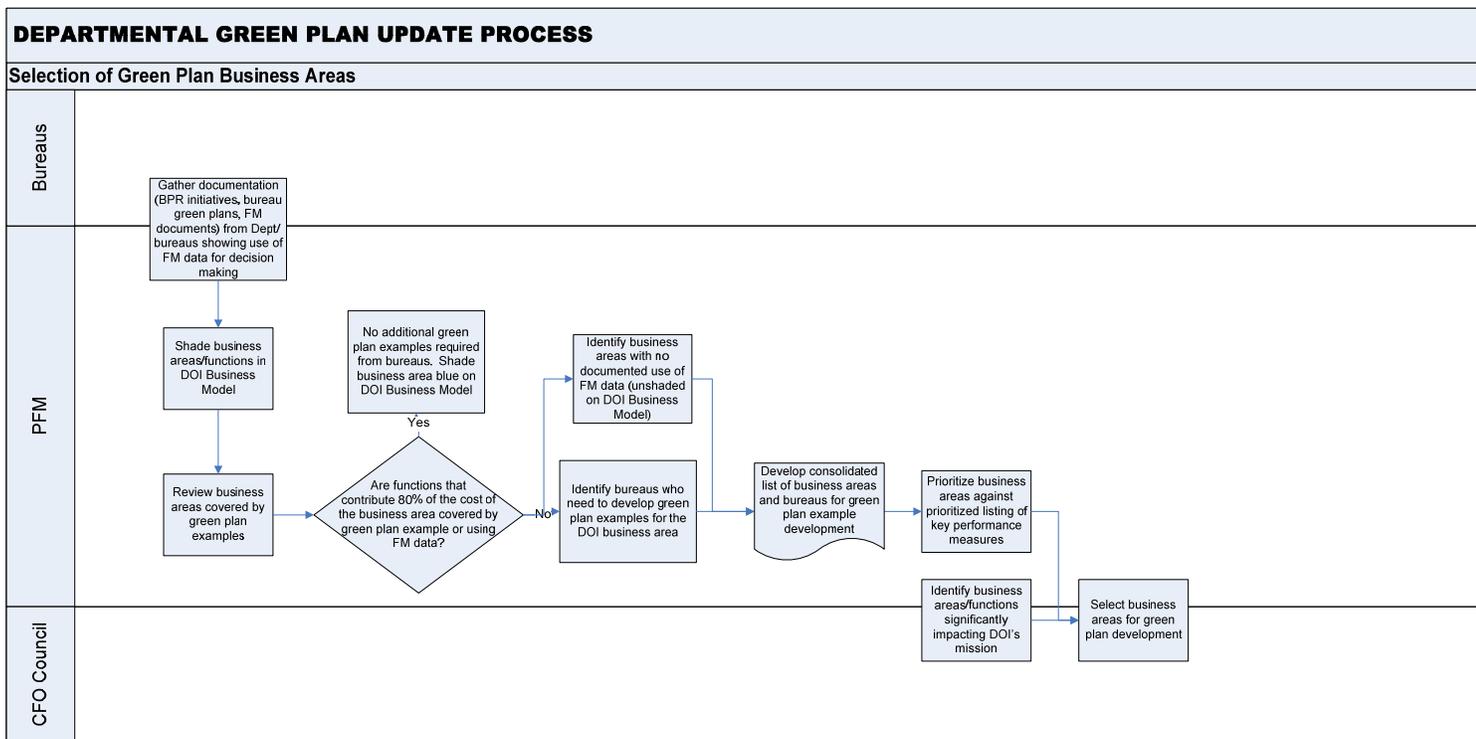
Bureaus and Departmental Offices develop green plan examples on the programs or initiatives that perform the selected functions. Individual green plan examples can address both current and future use of financial information to resolve issues or problems in a program or functional area. Bureaus and Departmental Office green plan examples document current usage and can also describe planned expansion of the use of financial information within the program or functional area. For areas that are identified as requiring establishment or expansion of financial information usage, green plan examples will outline a plan for how financial information will be integrated into the decision making process of the program that performs the identified business area or function.

The Department intends to have green plan examples from every bureau and Departmental Office that manages the programs and functions supporting the execution of the Department's Strategic Plan. The inclusion of green plan examples from every bureau and Departmental Office will occur over successive updates of the Department's Green Plan. The Department will update the Green Plan twice yearly, during the 1st and 3rd quarter. Updates consist of new bureau/Departmental Office green plan examples and status reports on the milestones and metrics in current bureau/Departmental Office green plan examples (see Appendix 4).

The Departmental Green Plan Update Process

The Departmental Green Plan update process consists of two phases – selecting DOI Business Areas for green plan topics and updating the Department's Green Plan - which are depicted in Figures 2 and 5. Figure 2 shows how the Department selects business areas and functions from the DOI Business Model (Figure 1 in Appendix 1). Bureaus and Departmental Offices performing these functions prepare green plan topics focused around a problem or issue that the use of financial management information helped to resolve. Figure 5 shows the steps for updating the Department's Green Plan. Each figure also depicts who is responsible for executing each step in the update process. Each step in the two phases is described in detail below.

Selecting Business Areas for Green Plan Topics



Note: No more than 6 topics will be selected annually

Figure 2

The first step in selecting business areas from the DOI Business Model for green plan topics is identifying which business areas require green plan examples. These are business areas that have no documented use of financial management information for decision making. To determine the business areas that lack such documentation, the Department will gather documentation from the bureaus and Departmental Offices that address how they use financial management information. Green Plan examples are not the only means by which bureaus and Departmental Offices have documented the use of financial management information for decision making. Business process reengineering initiatives, efficiency analyses, management

reports, and budget justification documents are a few examples of other ways by which organizations routinely document how they use financial management information. The gathering of this documentation will not be done through a concerted data call, but will generally be collected as documentation submitted to PFM to support a PMA Financial Management scorecard rating. (See FAM 2007-021 (II.A.) – *Guidelines for Preparing and Reporting Accomplishments on the Internal President's Management Agenda (PMA) Financial Management Scorecard*). Documentation submitted to support individual green plan examples may also show how financial management information is used for decision making in business areas that are not the subject of the green plan example. Documentation gathering will be an ongoing process.

Once the documentation is gathered, PFM will review the documentation to determine to what extent functions within a business area are using financial management information for decision making and shade the business area and functions. The goal in green plan development is to have functions that contribute at least 80% of the cost of the business area use financial management information for decision making. If this threshold is met, the business area is shaded blue on the DOI Business Model and no additional green plan examples need to be developed for this business area. If this threshold is not met, functions for which there is no documentary evidence of using financial management information for decision making will be identified for green plan example development. Functions and business areas that are not using financial management information for decision making will remain unshaded.

PFM then prepares a list of business areas and functions for green plan example development. This list consists of business areas and functions that are unshaded. PFM prioritizes this list against the key performance measures in the Department's Performance and Accountability Report (PAR). The prioritized list is then presented to the DOI's Chief Financial Officers (CFO) Council who selects no more than six business areas and functions from this list for green plan example development during the next fiscal year. The selection of business areas and functions is done one year in advance of submission of the green plan examples to the Department and OMB, to allow bureaus and Departmental Offices sufficient time to plan for and prepare the green plan examples. The selection of business areas and functions for green plan examples will be done during 2nd quarter.

Prioritizing the Selection of Business Areas for Green Plan Development

The PAR identifies 26 performance measures that provide a picture of overall performance against the Department's Strategic Plan. These 26 performance measures will be costed in every PAR from Fiscal Year 2007 forward and represent what the Department considers to be important to monitor. The Department uses these measures to track yearly progress, identify strategies for performance improvement and identify possible agency-wide initiatives.

The Department has linked the Green Plan to these 26 key performance measures. Considering the importance of these measures in representing the Department's overall performance against its Strategic Plan, the Department wants to ensure that the business areas, functions and programs that these performance measures represent are using financial management information

for decision making effectively. Each of these 26 performance measures is linked to the business areas and functions in the DOI Business Model. (See Figure 3)

PAR Measures Mapping to DOI Business Model

Mission Area	End Outcome Goal	Representative Strategic Plan Measure	Business Area Mapping	Business Area Functions	Bureaus	FY07 Cost of Measure (\$M)	Combined cost of measures (\$M)	Green Plan Example
Resource Protection	GOAL: Improve the understanding of National ecosystems and resources through integrated interdisciplinary assessment	Percent of targeted science products that are used by partners for land or resource management decision making	Science Knowledge Advancement	Scientific Data Management	USGS	\$1,224.777	\$1,324.033	Fiscal Management of the Cooperative Water Program (USGS)
Resource Use	GOAL: Improve the understanding of energy and mineral resources to promote responsible use and sustain the Nation's dynamic economy	Percent of targeted science products that are used by partners or customers for land or resource management decision making	Science Knowledge Advancement	Scientific Data Management	USGS	\$99.256		
Recreation	GOAL: Improve the quality and diversity of recreation experiences and visitor enjoyment on DOI lands	Percent of visitors satisfied with the quality of their experience	Recreation	Recreation Resource Planning; Recreation Facilities	BLM, FWS, NPS	\$1,144.336	\$1,144.336	Core Operations Analysis (NPS); Recreation Fee Collection Model (NPS)
Serving Communities	GOAL: Improve protection of lives, resources, and property	Percent of unplanned and unwanted wildfires on DOI land controlled during initial attack	Wildland Fire	Wildland Fire Fighting Operation	BIA, BLM, FWS, NPS	\$825.011	\$954.079	Wildland Fire Fighting Operations - future (Office of Wildland Fire Coordination)
Serving Communities	GOAL: Improve protection of lives, resources, and property	Percent of acres treated which achieve fire management objective as identified in applicable management plans	Wildland Fire	Land Treatments	BIA, BLM, FWS, NPS	\$129.068		
Resource Use	GOAL: Deliver water consistent with applicable State and Federal law in an environmentally responsible and cost-efficient manner	Water infrastructure is in fair to good condition as measured by the Facilities Reliability Rating	Water	Water Facilities Operations	BOR	\$749.680	\$749.680	Dam Safety and Maintenance (BIA) - future

Figure 3

The Department does not presume that any key performance measure is more important than another. Each key performance measure is equally important, but the cost of these measures varies. Therefore, to determine the ordering of business areas and functions for green plan development, the Department rank ordered the measures and concomitant business areas/functions by the combined cost of measures, which represents the relative order in which the business areas and functions will be considered for green plan development. Business areas and functions with high cost performance measures are generally selected for green plan development first, in cascading order.

The Department selected these performance measures as being indicative of how well the Department is executing its mission and monitors the cost per unit of performance closely. As these performance measures are scrutinized, the Department wants to ensure that program managers in the associated business areas and functions are not only cognizant of what their cost per unit of performance is, but are taking steps to ensure that the work done in their business areas and functions is performed efficiently and effectively. Preparing green plan examples focuses the program managers' attention on the cost of doing business and documenting how they are currently controlling costs, or providing a plan of action to control costs. The Department focuses on the business areas and functions associated with high cost performance measures first, as high cost is usually an indicator of needed business process improvement

Coupled with the listing of 26 key performance measures is a worksheet showing which bureaus and Departmental Office contribute to these key performance measures, the cost contribution of these organizations to each measure, and the percentage of total cost of each measure borne by the contributing bureaus/Departmental Offices (see Figure 4). Once a business area and/or function is selected for green plan example development, the Department uses this worksheet to determine which bureaus or Departmental Offices need to prepare green plan examples.

Bureau Contribution to Key Performance Measures Worksheet

ABC/M ID	Representative Strategic Plan Measures	Bureau	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Plan	% contributions (2007 actual)	% contributions (2008 planned)
End Outcome GOAL 1: Improve the Quality and Diversity of Recreation Experiences and Visitor Enjoyment on DOI Lands									
554	Percent of visitors satisfied with the quality of experience	Department			1,273,925,343	1,144,335,910	1,183,143,898		
		BLM	14,034,854	12,232,588	8,343,004	5,562,070	9,011,772	0.0049	0.0076
		FWS			151,071,073	159,187,694	163,199,223	0.1391	0.1379
		NPS	1,045,610,411	1,089,764,504	1,114,511,266	979,586,146	1,010,932,903	0.8560	0.8544

Figure 4

Not all bureaus/Departmental Offices contributing to a particular performance measure need to prepare a green plan example. If most of the cost of the performance measure comes from a single bureau/ Departmental Office, only that bureau/Departmental Office needs to prepare a green plan example for the business area/function linked to the performance measure. If several bureaus/Departmental Offices contribute comparable portions of the cost of the performance measure, then all of these bureaus/ Departmental Offices must prepare a green plan example for the business area/function linked to the performance measure, or collaborate on developing a single green plan example addressing the work they do in that business area/function.

Not all functions under the core business areas are tied to these 26 performance measures. However, the functions that are linked to the 26 performance measures will be the first priority for green plan development. Once the functions represented by the 26 performance measures have made the use of financial information for decision making routine, the remaining core mission and mission support functions will become the focus of green plan development.

This prioritization of functions and business areas does not override any request from a program manager or the financial management community to designate a function or business area for

either green plan example development or migration of financial management data decision making. PFM and the DOI CFO Council will review the request and collaboratively decide to approve/disapprove the request based on the urgency of the requirement to have financial information available for decision making

Identifying Business Areas and Functions That Have a Significant Impact on Execution of the Department's Mission

Certain business areas and functions that have a significant impact on execution of Interior's mission, such as Indian trust fund management or wildland fire fighting, can be selected for green plan example development ahead of the business areas and functions with high cost performance measures. The decision to develop green plan examples for these critical business areas and functions depends on two factors: (1) whether the functional proponent is ready to devote resources to prepare a green plan example, and (2) whether the DOI CFO Council agrees to the "out of order" selection of business areas and functions. The Department's Office of Wildland Fire Coordination (OWFC), for example, has agreed to do a green plan example on wildland fire fighting operations, but must time preparation of the green plan example around wildland fire season. Wildland fire ranks third on the Department's green plan priority list, but this green plan example may be submitted after green plan examples addressing lower ranking business areas and functions. As another example, Indian trust fund management ranks tenth on the Department's green plan priority list (based on cost of the Indian trust related key performance measures) but has a material impact on the Department's mission; therefore, the Department approached the Office of the Special Trustee (OST) to prepare a green plan example on Indian trust fund management during FY09, ahead of other higher ranking business areas and functions.

Identifying functions and business areas that significantly impact the Department's mission is a management judgment call. The DOI CFO Council, in collaboration with PFM, will designate critical functions and business areas for green plan development. This designation applies only in the context of green plan development. The DOI CFO Council will agree on the criteria prior to applying the criteria to identify functions and business areas significantly impacting the execution of the Department's mission.

Suggested criteria for identifying functions and business areas significantly impacting the execution of the Department's mission are listed below. These criteria are adopted from the November 2000 General Accountability Office (GAO) Report on Determining Performance and Accountability Challenges and High Risks, GAO-01-159SP. Generally, a function or business area can significantly impact the execution of the Department's mission if they have one or more programs that:

- Are recognized by the general public as having national significance
- Could impact health and safety of individuals and property
- Are components of national security or national defense
- Could affect the economic growth of the Nation
- Could impact citizens' rights or privacy
- Could reduce confidence in government

- Could compromise sensitive information
- Could result in significant economic loss in fiscal and physical assets, revenue sources, contingencies or potential liabilities to the Department

Any function or business area meeting one or more of these criteria will be designated as significantly impacting the execution of the Department's mission.

Updating the Department's Green Plan

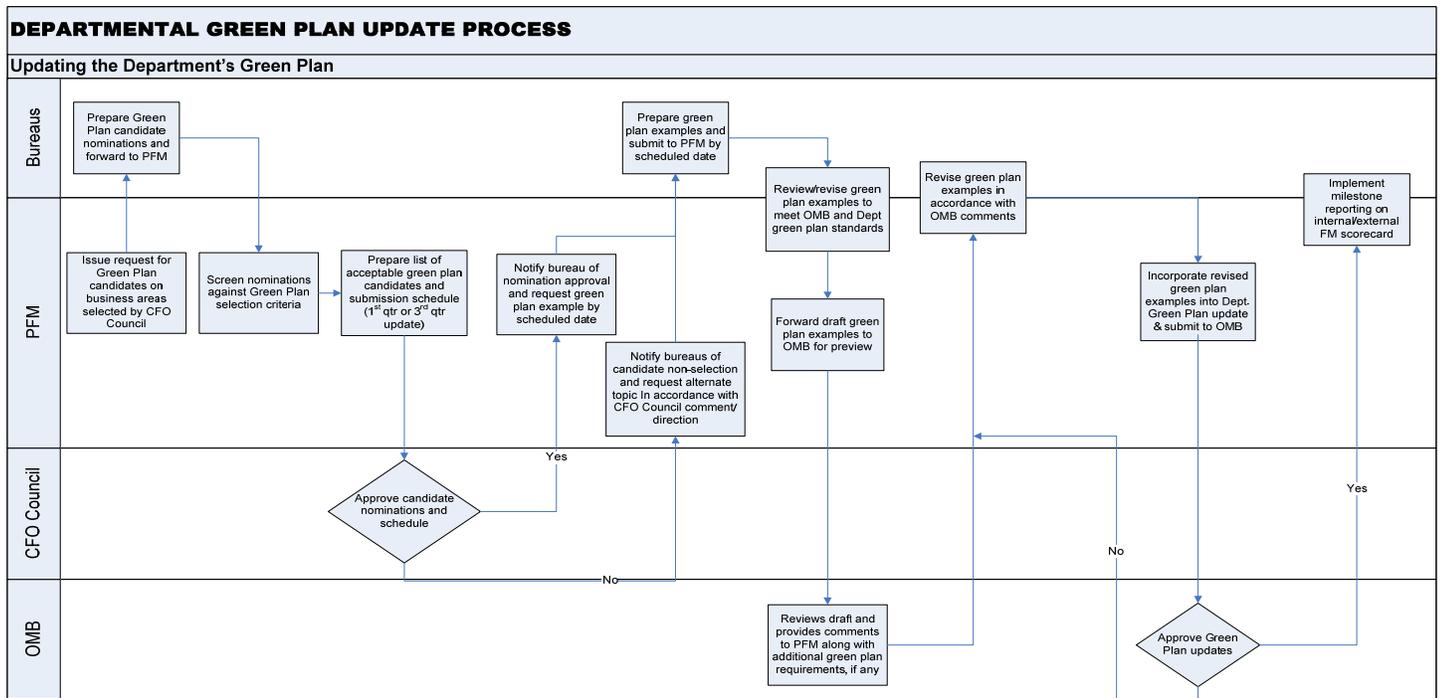


Figure 5

Once the DOI CFO Council selects the business areas and functions for green plan example development, PFM will contact the bureaus and Departmental Office that perform the selected business areas and functions for topics. Green plan topics focus on a problem or initiative in the selected business area or function that the bureau/Departmental Office is currently addressing, or has recently resolved. Bureaus and Departmental Offices will forward suggested green plan topics to PFM who will screen the topics against the Green Plan selection criteria described below. PFM will forward Green plan topics meeting the selection criteria to the DOI CFO Council for approval, together with a schedule for submitting the green plan examples as either a 1st quarter or 3rd quarter update to the Department's Green Plan

When the DOI CFO Council approves the green plan topic and submission schedule, PFM will inform the bureaus and Departmental Offices that their green plan topics were approved and begin working with them to prepare green plan examples to meet Departmental and OMB green plan standards (See Appendix 3). If the bureau/Departmental Office green plan topic was not approved, PFM will communicate the DOI CFO Council's decision to them together with

reasons for non-approval, and work with the bureau/Departmental Office to select an alternate green plan topic.

Typically, bureaus and Departmental Offices prepare several iterations of their green plan examples before the examples are ready to be sent to OMB for preview. PFM and OMB will review draft green plan examples to see how well the green plan examples address the questions in the green plan template (Appendix 3). Additionally, OMB will coordinate the green plan example with their bureau examiners to determine whether there are additional questions/issues they would like the green plan example to address. OMB will send comments on the draft green plan examples to PFM who will, in turn, forward those comments on to the bureaus/Departmental Offices who prepared those green plan examples.

Communications between bureaus/Departmental Offices and OMB on green plan examples will be through PFM, so that PFM can coordinate the preparation of green plan examples and response to OMB comments to meet the submission schedule for OMB's formal review of the Department's Green Plan update. PFM will forward draft green plan examples to OMB for preview during the 2nd and 4th quarters of the fiscal year.

Once the green plan examples are formally submitted to OMB in the Department's Green Plan update, major revisions to the green plan examples should not be required, as substantive issues should have been addressed during OMB's preview of the draft green plan examples. Minor revisions to green plan milestones, metrics, or tweaks to clarify general composition are to be expected. Minor revisions should not preclude OMB approval of the new green plan examples. After OMB approves the green plan examples, bureaus/Departmental Offices must begin reporting on the milestones and metrics in their quarterly Internal PMA Financial Management Scorecard (See Appendix 4).

Criteria for Selecting Topics for Green Plan Examples

The primary criteria for selection of green plan topics are relationship to execution of the Department's Strategic Plan and cost. The Department prioritizes the selection of topics based on designation of the topic as mission, mission-support, or administrative and on the size of program outlays related to the topic. Cost outweighs core mission designation as a selection criterion for green plan topics. A topic may address a core function, but program outlays may be insignificant in relation to the outlays of the bureau or Departmental Office performing the function. In this case, the topic would be a lower priority for selection as a green plan example.

In general, program outlays for the topic must equal or exceed \$100M annually to qualify for selection. However, there are three exceptions to this rule. A function identified for baselining or expansion of financial management data usage may have an outlay of less than \$100M if (1) the total outlays of all program(s) performing the function are less than \$100M, (2) the function has a material impact on the execution of any Departmental mission area, such as the management of Indian trust funds, or (3) the topic is of interest to OMB. A topic of interest to OMB may be selected for green plan development regardless of program outlays. Multiple topics relating to a single function (multiple programs discharging a single function) may be combined to meet the cost criterion. A single green plan example, therefore, may be a

compilation of green plan examples from multiple bureaus and/or Departmental Offices addressing the same function.

Although the Department will concentrate primarily on topics related to execution of the Department's Strategic Plan, if a topic covering an administrative area is of interest to OMB it will be selected for green plan example development. For example, OMB expressed an interest in Financial Management Line of Business (FMLOB) pricing which addresses the development of fees for recoupment of administrative service costs. The National Business Center prepared a green plan on FMLOB pricing to accommodate OMB's request.

Topics that can be viewed as everyday accounting or financial management practice, such as the management of undelivered orders, will not be selected. OMB is not interested in agencies recounting how they conduct their routine financial management business.

The complete update schedule is shown below. Entries refer to fiscal year quarter and cover two fiscal years. Planning for green plan examples occurs during the current fiscal year; preparation and review of green plan examples occur during the following fiscal year.

<u>Task Description</u>	<u>Timeframe for Completion</u>
PMF prepares list of business areas and functions for green plan example development	1st qtr of current fiscal year
DOI CFO Council selects business areas and functions for green plan example development	2 nd qtr of current fiscal year
PFM requests green plan topics from bureaus and Departmental Offices and prepares list of topics for DOI CFO Council approval	2 nd qtr of current fiscal year
Bureaus and Departmental Offices prepare green plan examples	4 th qtr of current fiscal year for 1 st qtr submission to OMB – next fiscal year; 2 nd qtr for 3 rd qtr submission to OMB – next fiscal year
PFM forwards draft green plan examples to OMB for preview	4 th qtr of current fiscal year for 1 st qtr submission to OMB – next fiscal year; 2 nd qtr for 3 rd qtr submission to OMB – next fiscal year
Bureaus/Departmental Offices finalize green plan examples based on OMB comments	4 th qtr of current fiscal year for 1 st qtr submission to OMB – next fiscal year;

<u>Task Description</u>	<u>Timeframe for Completion</u>
PFM forwards final green plan examples to OMB as updates to the Department's Green Plan	2 nd qtr for 3 rd qtr submission to OMB – next fiscal year 1 st and 3 rd qtr next fiscal year
Begin milestone and metric reporting on PMA Internal Financial Management Scorecard	2 nd qtr for 1 st qtr submission; 4 th qtr for 3 rd qtr submission

Preparing Green Plan Examples for the Department's Green Plan

Green Plan examples address questions in OMB's Green Plan template. That template, and what OMB and the Department expect to see in response to each of the questions in the template, are reproduced below. Two OMB-approved green plan examples – the U.S. Geological Survey's green plan example on their Cooperative Water Program, and the National Park Services' green plan example on their Recreation Fee Program – are included in this Appendix at Attachments 1 and 2 as practical examples of how to address the questions in OMB's Green Plan template.

In preparing green plan examples, OMB has advised agencies to do the following:

- Provide concise responses to each question on the template.
- Limit the green plan example to two to three pages. Page limitation does not include tables or charts that supplement discussion of key points or support documentation of results in the green plan document.
- Clearly explain the issue addressed in the green plan example and how financial information is used to resolve the issue. From reading the example, it should be easy to identify the decision made using financial data.
- Include the dollar value of the green plan initiative in relation to program outlays so that OMB can gain an appreciation of the impact of the green plan initiative to an agency's mission, i.e. is the initiative a significant part of the organization's total outlays, or just a small portion.
- Clearly explain how success is measured in terms of critical milestones and program metrics.
- Clearly explain how financial data is being provided to program managers to encourage them to use financial data for decision making. OMB is interested in knowing how financial data is being made easier for program managers to use, i.e. special reports for specific programs, program-related IT systems that process financial data and produce user reports, etc.
- Use a storyboard approach to get to the end result. Describe what caused the problem/issue, how it was resolved, and what resulted from resolving the problem/issue.
- Omit details that do not use financial data.
- Use tables/charts to summarize financial data when possible, particularly when discussing results achieved in the green plan example. Tables and charts can be attached (rather than included directly in the document) to the green plan example and referenced in the discussion.

Questions addressed in the Green Plan Example template are numbered to facilitate reference to the question topic. Organizations do not need to number the questions when preparing their green plan examples.

Green Plan Example Template

1. Introduction

Briefly describe the bureau/Departmental Office mission and what the organization performing the program or function that is the subject of the green plan does. Describe the program, function or business area that is the subject of the green plan example and how it relates to the bureau/Departmental Office's mission. Mention the dollar value of the green plan initiative in relation to program outlays in the introduction. Limit the introduction to no more than two or three paragraphs.

2. What goals are critical to management?

Describe the underlying need that is being met through the green plan initiative. For example, the business area, function or program could be selected because it has been one of the bureau's/ Departmental Office's top management challenges for the past several years or because it is critical to achieving the bureau/Departmental Office mission and is a key cost driver.

3. What business area, risk or deficiency is the agency addressing through this initiative?

This expands upon the discussion on goals critical to management in question #2 and focuses on a specific problem or issue. Lay out the problem or issue and discuss how financial management is key to addressing a solution to the problem or issue.

4. What results are managers driving with this initiative?

Discuss the goals management is achieving to respond to the underlying need described in question #2. For example, the goal could be to reduce costs, improve decision making, strengthen internal controls, etc. and *must* include a quantifiable measure addressing each goal, i.e. achieve a 10% reduction in overhead costs, reduce improper payments by 5% over the upcoming fiscal year. ***The key here is to ensure that the measures selected will indicate how well the goals critical to management are being achieved. By reviewing progress against the measure, there should be no question as to whether the goals are or are not being achieved.*** Initiatives without a quantifiable measure, such as an initiative that focuses on a process-oriented activity like data collection, can adopt a proxy measure. In such cases, the initiative must demonstrate a clear link between the proxy measure and the goals the initiative is trying to achieve, and clearly explain that relationship.

5. What are the business questions that managers are answering with this initiative?

Specify the key business questions that managers are trying to answer for the business areas, functions or programs identified in question #2 and the problem/issue discussed in question #3. What are the key questions that managers need to answer on a systematic basis to ensure improvements are being made and performance is being sustained over time. The business questions should tie questions #2 and #3 together.

6. *What data does the agency use to support this initiative and is it readily available?*

Identify the data used (or to be used) to report on the initiative. Bureaus/Departmental Offices should address whether this data is available through paper-based reports or systematically as well as whether additional reporting tools are required and/or being developed and when they may be available. The data should answer or support the goals that the agency is hoping to achieve, support the questions that managers are looking to answer in question #5, and be used as input to calculate the results discussed in question #8 below.

7. *How is the data being used strategically to achieve the goals?*

Describe the link between collecting the data and using it to achieve the desired goals in questions #2 and #3. A key element of information driving decisions is that the information should answer the questions managers ask. This is different from providing information to managers who then must find a way to use that information. ***Do not simply list reports available to management without describing how these reports help managers answer the business questions or achieve the objectives of the green plan initiative (questions #4 and #5 above).*** To explain how the information is being used, agencies can respond to questions such as the following:

- How is the data presented (e.g. monthly reports, e-mail "pushes" of problem indicators, dashboards) to review key business problems rapidly?
- How is data used to answer the key business questions (question #5 above)?
- Based on the answers to the key business questions, what is the process for changing operating procedures to better achieve the goals critical to management (question #2) and address the problem or issue discussed in question #3 above?
- Who in the organization looks at the information?
- Are regular meetings scheduled to discuss the information?
- How are managers and others held accountable for improvement?

8. *How are results measured?*

Building on the goals and objectives identified in question #2-4, bureaus/Departmental Offices should describe the following:

- The measures used to monitor progress.
- Baseline performance. This is how the organization is currently performing.
- Any interim targets/objectives (target and date projected for achieving the target). These are benchmarks that determine how well the agency is achieving the goals and objectives of the green plan initiative. Include discussion of comparisons of future performance against baseline performance and what "course corrections" the agency will undertake to keep performance aligned with the goals and objectives of the green plan initiative.
- The long-term goal (goal and date projected for achieving the goal). This is the stated objective for the green plan initiative and how the agency will determine when the green plan initiative has achieved its stated objective.

9. *What are other critical milestones for this effort?*

List the critical milestones for the green plan initiative by fiscal year and quarter. These are the milestones that will be included in the Internal PMA Financial Management Scorecard.

Attachments:

Park Service Recreation Fee Green Plan



E:\Green Plan\
Revised OMB submitt

USGS Cooperative Water Green Plan



E:\Green Plan\
Revised OMB submitt

Progress Reporting on Green Plan Initiatives

Progress reporting on green plan initiatives consists of two steps – reporting green plan accomplishments on the quarterly PMA Financial Management Scorecard, and preparing status reports on green plan activities as part of the semi-annual update to the Department's Green Plan.

Reporting Green Plan Accomplishments on the Quarterly PMA Financial Management Scorecard

Once the Department and OMB have approved a green plan example, the organization that developed the green plan example must report on the milestones and metrics that are to be accomplished each quarter. OMB requires green plan milestone updates as part of the Department's PMA Financial Management Scorecard reporting. In turn, the Department requires bureaus and Departmental Offices that submit Internal PMA Financial Management Scorecards to incorporate green plan milestone updates in their quarterly scorecard reporting (See FAM 2007-021 (II.A.) – *Guidelines for Preparing and Reporting Accomplishments on the Internal President's Management Agenda (PMA) Financial Management Scorecard*). The milestone update reporting includes quarterly updates on the metrics that measure progress on accomplishing green plan goals and results. The Department's (External) PMA Financial Management Scorecard incorporates the bureau/Departmental Office scorecard updates. Departmental Offices that do not submit an Internal PMA Financial Management Scorecard should submit quarterly updates on their green plan milestones and metrics directly to the Office of Financial Management (PFM) in accordance with the schedule for Internal PMA Financial Management Scorecard reporting established in FAM 2007-021, i.e. January 15, March 1, July 15, and September 1.

Accomplishment reporting for the quarterly PMA Financial Management Scorecard should be complete enough for PFM to prepare the status reports for the updates to the Department's Green Plan.

Status Reporting in the Updates to the Department's Green Plan

Status reporting for updates to the Department's Green Plan expands upon accomplishment reporting from the quarterly PMA Financial Management Scorecards. It consists of a one-to-two-page summary of green plan activities for the current and prior reporting quarter, i.e. the 1st quarter update addresses activities accomplished during the 4th quarter of the prior fiscal year and 1st quarter of the current fiscal year, and the 3rd quarter update addresses activities accomplished during 2nd and 3rd quarter of the current fiscal year. A summary will be prepared for every green plan example in the Department's Green Plan.

PFM will prepare the summaries from the Internal PMA Financial Management Scorecard reports and input from Departmental Offices that do not submit scorecards. However, PFM may request information not ordinarily included on the quarterly PMA Financial Management Scorecard to satisfy OMB's request for additional information. Depending on the timing of the

request and when the additional information must be submitted to OMB, PFM will request these items either through an e-mail or phone call to the organizations that prepared green plan examples, or as an additional reporting requirement on the Internal PMA Financial Management Scorecard. These additional items will be included in the updates to the Department's Green Plan.

The summaries of green plan activities will cover the following items:

- **Business Objective** – a summary of the goals, risks, and deficiencies addressed in the green plan example. (PFM prepares from green plan example.)
- **Business Questions** – bulletized listing of business questions that managers are answering with the green plan initiative. (PFM prepares from green plan example.)
- **Action** – summary of activities over the past six months to progress green plan example business objectives and business questions that are not addressed as accomplishments on achieving green plan milestones or metrics. (PFM prepares from scorecard).
- **Measure** – the performance measures/metrics in the green plan example stating how success is measured to know that the desired outcome for the green plan initiative is being achieved. (PFM prepares from green plan example).
- **Results** - accomplishments on achieving green plan milestones and metrics taken from the quarterly PMA Financial Management Scorecards. This includes a statement addressing whether all milestones and metrics have been met and the green plan initiative is being closed out. (PFM prepares from scorecard.)
- **Other** – addresses OMB request for additional information on the green plan initiative. (PFM prepares from informal data call and from scorecard.)