United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

July 01, 2003

FINANCIAL ADMINISTRATION MEMORANDUM NO. 2003-015 (II.J.1.)

To: Bureau Assistant Directors, Administration
Chief Executive Officer, National Business Center
Bureau Finance Officers
Finance Officer, Financial Management Services
Director, Office of Acquisition and Property Management

From: William E. Webber, Office of Financial Management
Focus Leader, Asset and Debt Management

Subject: Financial Performance Metrics

The purpose of the FAM is to summarize and implement the integrated financial performance metrics necessary for Office of Management and Budget (OMB), Treasury, and internal reporting requirements. Attached is a table that provides the indicators, measures, objectives, data sources, Office of Financial Management (PFM) staff contacts, and reporting frequency (includes due dates) by functional area. Where a totally new requirement is being established for reporting by the bureaus, a format is attached. Also, for convenience a one-page quick reference guide is attached and is put in monthly and quarterly chronological order. All financial performance reports currently being submitted to PFM will continue in their present formats except the monthly debt management report, which is hereby rescinded.

It should be noted that before the measures were determined, the Performance Team (under the Financial Officers' Partnership) reviewed existing performance measures of Interior, financial performance measures of Agriculture, and the government wide performance measures now required by OMB. The measures were chosen to demonstrate whether bureau finance operations are "healthy"; if not, the measures will indicate which areas require closer management attention. In addition, we all know that achieving and maintaining an unqualified audit opinion requires commitment and hard work. The attached performance measures will help us ensure that we are complying with financial-related laws and regulations.

Implementation of these measures will begin with the quarter ending June 30, 2003, using the due dates indicated in the attachments. Please follow the prescribed formats. Electronic report submissions are encouraged. All bureaus need to take the necessary steps to ensure that the required measures are reported accurately and timely to PFM. If you have any questions regarding this FAM, please contact me at (202) 208-5684.

Attachments

Prior Financial Administration Memorandums on this subject:
None

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DEPARTMENT OF INTERIOR
ACCOUNTING PERFORMANCE MEASURES

PERFORMANCE INDICATOR	PERFORMANCE MEASURE	PERFORMANCE OBJECTIVE	DATA SOURCE	PFM CONTACT	REPORT FREQUENCY
PAYMENTS					
1. Eliminations (intra-DOI)	1.Report elimination data according to key milestone due dates 2.Total dollars and number of transactions on the "Top 100" elimination report	Meets established due dates	Bureaus report to PFM (Eliminations Team)	Phil Daniels (202) 208-5225	Quarterly By the end of the month following EOQ (except end of fiscal year)
2. Invoices paid on time	Percent of payments not requiring interest penalties	97%	Bureaus report to PFM (use the existing report format)	Mike Anthony (202) 208-6824	Monthly By the 20th of the following month
3. Electronic Funds Transfer (EFT)	1.Percent of vendor payments paid by EFT 2.Percent of miscellaneous payments paid by EFT	80% 92%	Bureaus report to PFM (use the existing report format)	Gordon Horwitz (202) 208-7317	Monthly By the 20th of the following month
4. Undelivered orders (UDO)	1.Aging of outstanding UDOs by dollar amount and number of transactions: • One year to two years with no activity for 12 months • Two years to three years with no activity for 12 months • Greater than three years with no activity for 12 months 2.Validation and certification of UDOs	UDOs are valid and adequately documented	Bureau Report (See attached report format)	Kristi Rennekamp (202) 208-4426 or Donna McKethan (202) 208-5224	Quarterly 45 days after EOQ (except end of fiscal year)

ACCOUNTS RECEIVABLE					
1. Referral of eligible debt	Percent of the amount of eligible debt referred to Treasury	93%	Bureau to print TROR when input and send copy to PFM (this will eliminate Treasury delays on data availablility)	Jonathan House (202) 219-4096	Quarterly Bureaus to provide copy of TROR input by 20th of the following month
2. Outstanding debt	Aging of outstanding debt by dollar amount and number of transactions: • One year to two years • Two years and greater	Debt greater than two years is either reclassified or written-off	Bureau to print TROR when input and send copy to PFM	Jonathan House (202) 219-4096	Quarterly Bureaus to provide copy of TROR input by 20th of the following month
CHARGE CARD					
1. Employee delinquent debt	• Dollar amount 60 to 90 days • Dollar amount 90 to 120 days • Dollar amount over 120 days	Delinquent debt not greater than 2% of total outstanding balance	Bank of America monthly report as of cycle cut (19th of each month)	Ted Cross (202) 208-5251	Monthly By the end of the month
2. Transmit Bank of America charge card payments to Treasury	Number of times not transmitted to Treasury within one day of receipt by Bureau	Transmit payment to Treasury the day following receipt of file	Bureaus to Report number of payments not paid within one day.	Ted Cross (202) 208-5251	Quarterly By 5th workday of the following month
GENERAL LEDGER					
1. Cash Balance	Total cash balance dollars reconciled to Treasury (comparison of General Ledger balance to 6653 balance)	1.Treasury 6653 under $10 M monthly and reconciled 2. Treasury 6653 under $1 million at yearend and reconciled. 3.Post corrections within 30 days	Bureaus report. (See attached report format)	Brenda Rodriguez (202) 208-3425	Monthly By the end of following month (except end of fiscal year)

2. Unreconciled cash balances	Dollars by age from 6652 Statement of Differences (SOD) • 0-30 days • 31-60 days • 61 – 90 days • 91 – 120 days • 121 - 150 days • 151 – 180 days • over 180 days	Reconcile all SOD balances within six months	Treasury 6652 SOD (See attached report format)	Brenda Rodriguez (202) 208-3425	Monthly By the end of following month. (except end of fiscal year)
3. Reconcile general ledger to subsidiary	Percent of unreconciled dollars to total dollars for the following balance sheet accounts: accounts receivable, accounts payable, and investments	100% reconciled and corrected by yearend	Bureau Report (See attached report format)	Gordon Horwitz (202) 208-7317	Monthly By the 20th of following month. (except end of fiscal year)
4. Reconcile General Ledger to subsidiary property systems	Percent of unreconciled dollars to total dollars	100% reconciled and corrected by yearend	Bureau Report (See attached report format)	Gordon Horwitz (202) 208-7317	Quarterly By the end of following month. (except end of fiscal year)
5. Uncleared Suspense Accounts (3800 series)	Dollar balances in unsupportable transactions greater than 60 days	Zero dollars in unsupportable transactions greater than 60 days	Bureau Report (See attached report format)	Brenda Rodriguez (202) 208-3425	Quarterly By the end of following month. (except end of fiscal year)
6. Comparison of budgetary to proprietary accounts	Run Hyperion analytics to prove the relationship of budgetary to proprietary accounts	100% reconciled and resolved with the exception of parent/child relationships	Hyperion	Kristi Rennekamp (202) 208-4426 or Donna McKethan (202) 208-5224	Quarterly By the 25th of the month following EOQ (except end of fiscal year)
7. Abnormal balances at the Hyperion Adjusted Trial Balance level	Number of accounts with abnormal balances	All abnormal balances supportable or corrected	Hyperion	Kristi Rennekamp (202) 208-4426 or Donna McKethan	Quarterly By the 25th of the month following EOQ (except end

				(202) 208-5224	of fiscal year)
8. Variance Analysis at the Financial Statement level	Perform variance analysis on all general ledger accounts	All significant variances are supportable or corrected	Hyperion	Kristi Rennekamp (202) 208-4426 or Donna McKethan (202) 208-5224	Quarterly By the 25th of the month following EOQ (except end of fiscal year)

Note: For any reported measure that is not performing at the level indicated by the goal, an explanation must be included in the report as to the reason(s) for the variance and what action(s) will be taken to remedy the variance. Also, include the name and telephone number of the person who will lead the effort to remedy the variance.

Procedures for General Ledger Measures:

1. Cash Balances – Bureaus determine percent of total cash balance dollars reconciled to Treasury and report to PFM. Report on prior month activity; for example, the performance report for March 30 will include reconciled data for January because of Treasury's reporting schedule.
2. Unreconciled Cash Balances – Bureaus determine the age of statement of difference amounts and report to PFM. Report on prior month activity; for example, the performance report for March 30 will include data for January because of Treasury's reporting schedule.
3. Reconcile General Ledger to Subsidiary – Bureaus will provide percent of unreconciled dollars to total dollars for specific balance sheet accounts to PFM 20 days after the end of the month.
4. Reconcile General Ledger to Subsidiary Property System – Bureaus will provide percent of unreconciled dollars to total dollars for property to PFM 30 days after the end of the quarter.
5. Uncleared Suspense Accounts – Bureaus will research and adjust suspense transactions and document valid transactions required to remain in suspense. Quarterly, Bureaus will provide PFM dollar balances for unsupportable transactions greater than 60 days old.
6. Comparison of Budgetary to Proprietary Accounts – Quarterly, PFM will run Hyperion analytics and list discrepancies. Bureaus will report if discrepancies are reconciled.
7. Abnormal Balances at the Hyperion Adjusted Trial Balance Level – Quarterly, PFM will run Hyperion analytics and list discrepancies. Bureaus will report if discrepancies are corrected.
8. Variance Analysis at Financial Statement Level – Quarterly, PFM will run variance analysis and request Bureau explanation for significant variances.

DEPARTMENT OF INTERIOR

ACCOUNTING PERFORMANCE MEASURES - Quick Reference (6/27/03)

PERFORMANCE INDICATOR	DATA SOURCE	PFM CONTACT	DUE DATE	NEW/ EXISTING
Monthly Reports:				
Invoices paid on time (Prompt Payment Act)	Bureaus report to PFM (use the existing monthly Prompt Payment report format)	Mike Anthony (202) 208-6824	By the 20th of the next month	Existing
Electronic Funds Transfer (EFT)	Bureaus report to PFM (use the existing monthly report format)	Gordon Horwitz (202) 208-7317	By the 20th of the next month	Existing
Reconcile general ledger to subsidiary	Bureau Report (See attached report format)	Gordon Horwitz (202) 208-7317	By the 20th of the next month (except end of fiscal year)	New
Employee travel card delinquent debt	Bank of America monthly report as of cycle cut (19th of each month)	Ted Cross (202) 208-5251	By the end of the next month	Existing
Cash Balance	Bureaus to report to PFM (See attached report format)	Brenda Rodriguez (202) 208-3425	By the end of the next month (except end of fiscal year)	New
Unreconciled cash balances	Treasury 6652 Report (See attached report format)	Brenda Rodriguez (202) 208-3425	By the end of the next month	New
Quarterly Reports:				
Transmit Bank of America charge card payments to Treasury	Bureaus to Report number of payments not paid within one day. (See attached report format)	Ted Cross (202) 208-5251	By 5th workday of the month following EOQ	New
Outstanding debt	Bureau to print TROR when input and send copy to PFM (this will eliminate Treasury delays on data availablility)	Jonathan House (202) 219-4096	Bureaus to provide copy of TROR input by 20th of the month following EOQ	New
Referral of eligible debt	Bureau to print TROR when input and send copy to PFM (this will eliminate Treasury delays on data availablility)	Jonathan House (202) 219-4096	Bureaus to provide copy of TROR input by 20th of the month following EOQ	New
Comparison of budgetary to proprietary accounts	Hyperion	Kristi Rennekamp (202) 208-4426 or Donna McKethan (202) 208-5224	By the 25th of the month following EOQ (except end of fiscal year)	New
Abnormal balances at the Hyperion Adjusted Trial Balance level	Hyperion	Same as above	By the 25th of the month following EOQ (except end of fiscal year)	New
Variance Analysis at the Financial Statement level	Hyperion	Same as above	By the 25th of the month following EOQ (except end of fiscal year)	New
Reconcile general ledger to subsidiary property systems	Bureau Report (See attached report format)	Gordon Horwitz (202) 208-7317	By the end of the month following EOQ (except end of fiscal year)	New
Uncleared Suspense Accounts (3800 Series)	Bureaus to report to PFM (See attached report format)	Brenda Rodriguez (202) 208-3425	By the end of the month following EOQ (except end of fiscal year)	New
Eliminations (intra-DOI)	Current Bureau report to PFM (Eliminations Team)	Phil Daniels (202) 208-5225	By the end of the month following EOQ (except end of fiscal year)	Existing
Undelivered orders (UDO)	Bureau Report (See attached report format)	Kristi Rennekamp (202) 208-4426 or Donna McKethan (202) 208-5224	45 calendar days after EOQ (except end of fiscal year)	New

Periodic Report Formats by Title

($ in millions)

General Ledger Reconciliations

Month _____

	General Ledger Balance	Subsidiary Ledger Balance	Reconciled Balance	Unreconciled Balance
Investments	$	$	$	$
Accounts Receivable	$	$	$	$
Accounts Payable	$	$	$	$

Explanation: (An explanation must be given for all instances where bureau did not achieve the performance objective.)

Payments to Bank of America

Month _____

	Current Month	Year-to-Date FY
# of payments not made within one business day		
$ amount of payments not made within one business day	$	$

Explanation: (An explanation must be given for all instances where bureau did not achieve the performance objective.)

Property System/General Ledger Reconciliations

Quarter Ended _____

	General Ledger Balance	Subsidiary Ledger Balance	Reconciled Balance	Unreconciled Balance
Personal Property	$	$	$	$
Real Property	$	$	$	$

Explanation: (An explanation must be given for all instances where bureau did not achieve the performance objective.)

Cash Balance Reconciled to Treasury (SGL 1010 - All Fund Symbols)

Month _____

	Reconciled Balance	Unreconciled Balance
SGL 1010	$	$
Corrections posted within 30 days?		(Yes or No)

NOTE: Target is to keep unreconciled under $10 million monthly (for the months of October through August) and under $1 million by September 30th of each year.

Explanation: (An explanation must be given for all instances where bureau did not achieve the performance objective.)

Unreconciled Cash Balances

Month _____

	Amount
0-30 days	$
31-60	$
61-90	$
91-120	$
121-150	$
151-180	$
over 180	$

Explanation: (An explanation must be given for all instances where bureau did not achieve the performance objective.)

Uncleared Suspense Accounts (by account)

Quarter Ended _____

	Amounts 1-60 Days	Amounts 61 Days and Older	Amounts Unsupportable 61 Days and Older
F3845	$	$	$
F3875	$	$	$
F3879	$	$	$
F3880	$	$	$
F3885	$	$	$

Explanation: (An explanation must be given for all instances where bureau did not achieve the performance objective.)

Bureau of _____

Aged Outstanding Unliquidated Obligations (UDO) by Number of Transactions and Dollar Amount

For the period ending _____

Source: Regional Undelivered Orders worksheets and regional certifications
Performance Objective: UDOs are valid and adequately documented
Performance Measures:
1. To provide an aging of UDOs greater than one year old with no activity
2. To provide Bureau-wide certification of UDOs

1. Aging of Undelivered Orders

	Number of Transactions	Dollars
One year to two years with no activity for 12 months		
Two years to three years with no activity for 12 months		
Greater than three years with no activity for 12 months		
Total	0	$0.00

Explanation for above balances:

2. Certification

I hereby certify that a review of all outstanding obligations as of (DATE) 2003 has been performed and find that related supporting documentation is complete and can be readily accessed by our office as needed. These documents checked off as valid on the report should remain outstanding until other necessary actions such as goods and/or services are delivered and approved receipt by responsible official, and receiving reports, invoices, etc., received in the Finance Office for processing in the finance system.

_____ _____

Signed Deputy Chief Financial Officer Date