



# Financial Management Service Department of the Treasury

## Agencies' Role in Treasury's Cash Management Operations

### *Presenters*

*Delvis Garcia, Cash Forecasting Division*

*Angela Wong, Office of Fiscal Projections*

# Agencies' Role in Treasury's Cash Management Operations

- Treasury Roles and Responsibilities
  - *Office of Fiscal Projections*
  - *Cash Forecasting Division*
- Long Term and Short Term (Daily) Cash Management Operations
- CASH TRACK Web
- Daily Cash Position Management Conference Call
- TFM Requirements for Large Dollar Notifications
- Large Dollar Notifications Scorecards
- Daily Treasury Statement



# Treasury Roles and Responsibilities

## *Office of Fiscal Projections, Office of the Fiscal Assistant Secretary*

- **Fiscal Forecasting:** Daily projections of cash flow and debt outstanding for debt managers to make short-term financing decisions, and monitoring debt subject to the statutory limit
  - Projects daily cash flows up to twelve months in advance
- **Portfolio Management:** Oversees the management of Treasury's daily cash position, ensuring adequate funds on the Treasury General Account and invest excess cash
- **Budget and Cash Oversight:** Continually review Receipts and Outlays to highlight emerging trends, verify Monthly Treasury Statement (MTS)

# Treasury Roles and Responsibilities

## *Cash Forecasting Division, Financial Management Service*

- Provides program support to the Office of Fiscal Projections in monitoring, forecasting and managing Treasury's cash and debt position
- Receives and processes Large Dollar Notifications from Federal Program agencies and other sources
- Coordinates the Daily Cash Position Management Conference Call
- Publishes the Daily Treasury Statement (DTS)
- Maintains and enhances CASH TRACK Web

*“It’s tough to make predictions, especially about the future!”*

**Yogi Berra**

*New York Yankees*

# Your Role in Cash Management

## *Long Term Cash Management – Fiscal Projections*

### **Baseline forecast**

- Constructed quarterly to support Treasury's quarterly refunding announcements (February, May, August, November)
- Forecast covers a rolling 12-month period (only the immediate 6-month forecast are publicly announced).
- Request Agencies every quarter to submit "Budget A-11" report in accordance with the **OMB A-11 Circular Section 135**

### **Monthly forecast updates**

- Conducted at month-end to incorporate the most up-to-date information for the ensuing three months

# Office of Fiscal Projections

The Office of Fiscal Projections (OFP) is divided into three distinct teams:

- **Receipts**
  - Forecasts and tracks all tax inflows to the Federal government
- **Outlays**
  - Forecasts and tracks expenditures of the government
- **Other Cash / Debt**
  - Forecast and tracks the total outstanding debt of the United States as well as cash flows of other cash categories
  - Forecasts and monitors to the specific day when the United States reaches hits the debt ceiling

# Fiscal Forecasting: Receipts

## Office of Tax Analysis (Treasury)

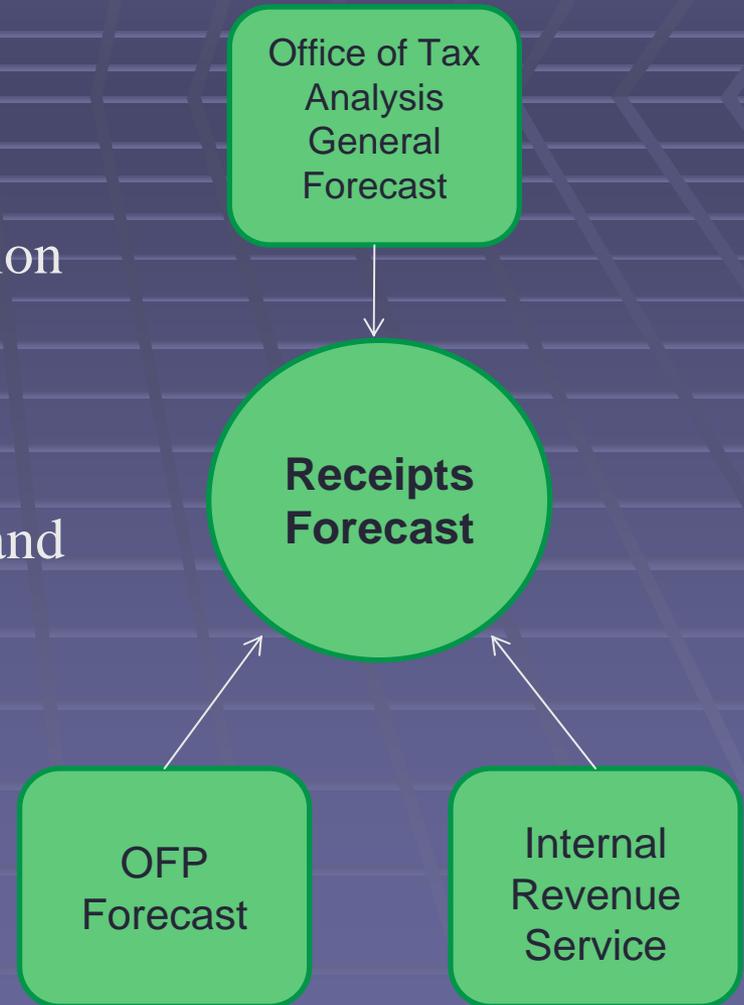
- Provides monthly and annual general forecasts for tax inflows
- President's Budget and Mid-Session Review

## OFP Forecast

- Modifies OTA monthly forecast and incorporates it into OFP forecast
- Creates daily forecast based on historical trends and times series

## Internal Revenue Service

- Provides daily information



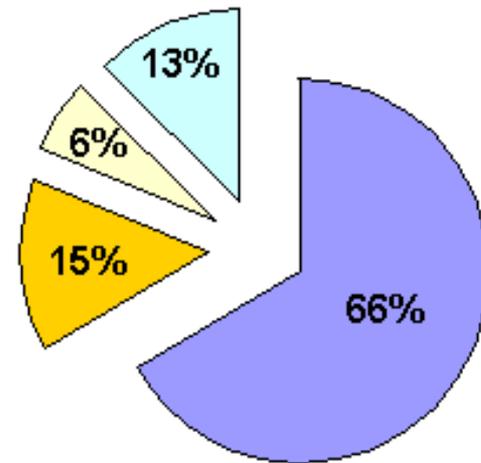
# Fiscal Forecasting: Receipts

## Sources of Tax Receipts:

- Individual Withheld Taxes
- Individual Non-withheld Taxes
- Corporate Taxes
- Other Taxes

Typical Composition of Tax Flows

■ Withheld      ■ Non-withheld  
■ Corporate      ■ Other



FY 2011

# Fiscal Forecasting: Outlays

## Office of Management and Budget (OMB)

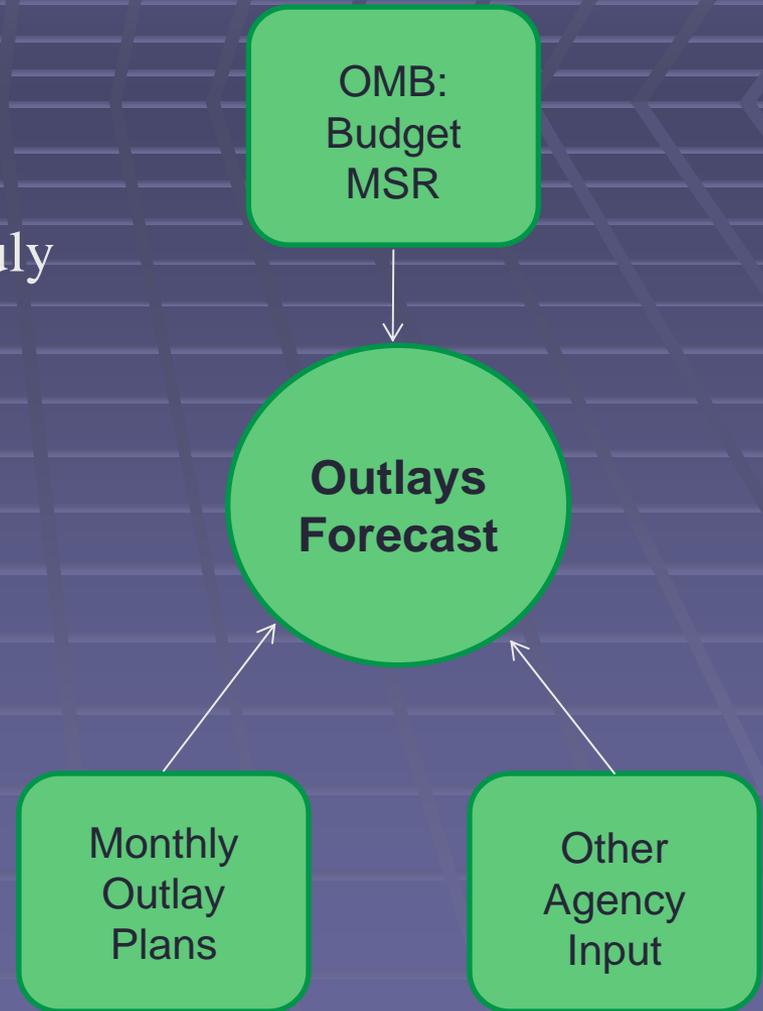
- President's Budget in February
- Mid-Session Review (MSR) in July

## Monthly Outlay Plans (A-11)

- Standard spending plans from agencies on quarterly basis

## Other Agency Input

- Information is updated through interactions with individual agencies
- New information is entered into forecast daily



# Fiscal Forecasting: Outlays

## Major Outlay categories

### *Social Security*

- Supplemental Security Income
- Social Security Annuity

### *Defense*

- Military Active Duty
- Military Retirement

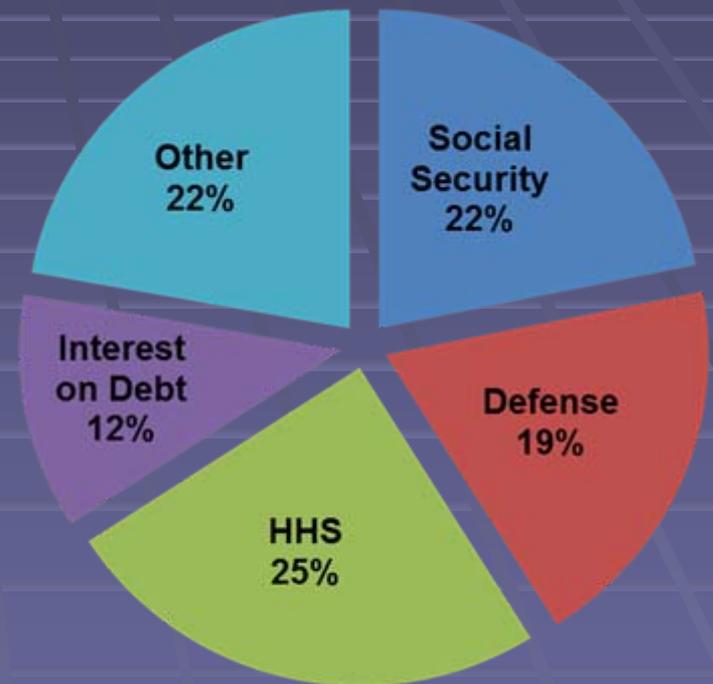
### *Health and Human Services*

- Medicare: Payments to HMO's & Part D
- Medicaid

### *Interest on Debt*

- Marketable Securities
- Government Account Series
- Other Non-Marketable Securities

## Total Budget Outlays



**FY 2011**

# Sample Budget A-11 Reports

## Department Of Labor

MAF	Agency Outlay Plan	Fiscal Year	Reporting Period	OCT Periodic	NOV Periodic	DEC Periodic
3899	DOT Federal Aviation Administration	2012	APR	1,257	1,487	1,406
3935	DOT Federal Highway Administration	2012	APR	4,284	3,770	3,872
3955	DOT Federal Railroad Administration	2012	APR	249	44	289
3975	DOT Federal Transit Administration	2012	APR	1,343	865	1,156
3998	DOT Other Department of Transportati	2012	APR	161	367	198
<b>total</b>				<b>7,294</b>	<b>6,533</b>	<b>6,921</b>

## ED-12

**NOT FOR PUBLIC RELEASE**

**OMB CIRCULAR A-11 OUTLAY PLAN**

**3/30/12**

DEPARTMENT OF EDUCATION

Fiscal Year 2012

(in millions of dollars)

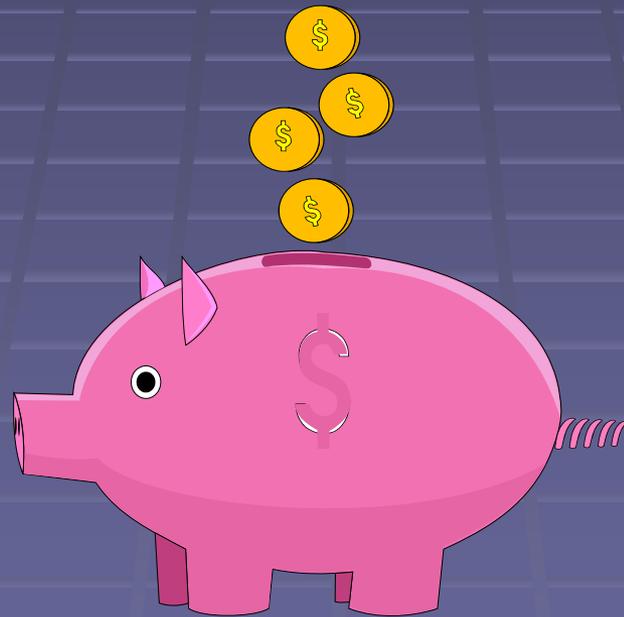
Sum of Curr Est			Rpt Month		
A-11 outlay plan	MTS Li	Account	A. Oct est	B. Nov est	C. Dec est
1. Education for the disadvantaged	2595	91 0900	767	1,113	1,364
		91 0901	273	229	222
<b>1. Education for the disadvantaged Total</b>			<b>1,040</b>	<b>1,342</b>	<b>1,586</b>
2. State Fiscal Stabilization Fund	2602	91 1909	353	225	265
<b>2. State Fiscal Stabilization Fund Total</b>			<b>353</b>	<b>225</b>	<b>265</b>
3. Other Elementary & Secondary Education	2600	91 0102	84	139	112
		91 0103	2	3	1
	2601	91 1000	333	406	466
		91 1001	39	25	29
	2604	91 0012	251	256	338
		91 0101	6	8	10
2607	91 0203	31	33	35	

# Your Role in Cash Management

## *Short Term (Daily) Cash Management – Cash Forecasting Division*

- Processing Large Dollar Notifications
- Receiving FMS RFC Payment Files (ACH and Wire Payments)
- Updating the Estimated Cash Position (3-Day Forecast)
- Estimating Treasury's Operating Balances
- Reconciling Prior Day's Opening and Closing balances for the TGA
- Reconciling and reporting all transactions for the Daily Treasury Statement

# Where's the Money?





# Treasury General Account (TGA)

- Serves as the U.S. Government's "checking" account
- TGA Balances are maintained and reconciled by FRB New York
- All Federal Government deposits and payments flow through the TGA



# Treasury Tax and Loan Accounts (TT&L)

- Served as the U.S. Government's interest bearing "savings" account
- Used to hold tax receipts and excess cash until needed
- Deposits were held at designated Financial Institutions across the U.S.
- As of January 1, 2012 Treasury is no longer using the TT&L Accounts
- New Treasury Investment Policy in progress

# CASH TRACK Web



Cash management information system used to support the following cash management activities:

- Assisting the Office of Fiscal Projections in estimating governmental collections and disbursements
- Supporting the Daily Conference Call
- Receiving and processing transmittal files
- Receiving and processing Large Dollar Notifications
- Reconciling the TGA Balances and associated transactions
- Producing the Daily Treasury Statement

# Importance of Daily Cash Management Operations to Treasury

- Monitoring receipt and payment activity for the US Government
- Assure adequate funds are available to make payments
- Minimize interest on borrowings; maximize earnings on excess cash
- Critical daily operations and public assurance

# Daily Cash Position Management Conference Call



# Daily Cash Position Management Conference Call

- Held every banking day at **9:00 a.m.** between:
  - **Office of Fiscal Projections (Treasury)**
  - **Cash Forecasting Division (FMS)**
  - **FRB NY – Monetary Projections/Open Market Operations Group**
  - **Federal Reserve Board of Governors**
- Overview of 3-Day forecast of payments, collections, debt issuance and redemptions
- Final decision on Estimated Operating Balances based on updated forecast information





# Large Dollar Notifications

## Volume I, Treasury Financial Manual, Part 6 Chapter 8500

### General Requirements

#### *What/When to report:*

Disbursements and collections

If \$500 million or greater – 5 business days prior

If \$50 million or greater – 2 business days prior

*Or at least by 8:30 a.m. on the day of settlement*

#### *Applicable to:*

Agency certifying/financial officers

Treasury Regional Financial Centers

Non-Treasury disbursing officers

Agencies with delegation of disbursing authority

# Large Dollar Notifications

## Requirements for Daily Disbursements

- Agencies submitting daily ACH and wire disbursements equal or greater than \$50 million must provide Large Dollar Notifications to FMS daily, by 8:30 a.m. on the day of settlement
- Applicable to both, TDOs and NTOs
- Estimated daily total must be provided



# Large Dollar Notifications

## Requirements for DoD Vendor Payments

- All DFAS centers and other Defense installations making EFT Vendor Payments must provide Large Dollar Notifications to FMS daily, by 8:30 a.m. on the day of settlement
- 2-Day advance notice is required for estimated daily totals exceeding \$500 million



# Large Dollar Notifications

## Requirements for U.S Military Payroll

- All DFAS centers and other Defense installations making EFT Payments for Military active duty and Military retirees must provide Large Dollar Notifications to FMS for payments exceeding \$50 million
- 2-Day advance notice is required for these payments



# Large Dollar Notifications

## Other Requirements

- Treasury may require additional information to certain agencies, depending on the nature of their business
  - *Rolling forecast, daily estimates of 3-Day forecast*
  - *Monthly forecast report, instead of daily*
  - *Estimated weekly totals, instead of daily*
- The need for these reports is determined by:
  - *Magnitude of dollar amounts*
  - *Volatility of timing*
  - *Temporary programs*

# Large Dollar Notifications

## Exceptions from LDN Requirements

- Treasury may grant exceptions from LDN requirements to certain agencies, depending on the nature of their business
- ASAP grants for specific programs may not be subject. Estimated weekly totals may be required
- IPAC Transactions are not subject to LDN

# Large Dollar Notification Information

## *Advance Notice of Large Deposits or Disbursements of \$50 million or more (FMS Form 187)*

- Agency Location Code or DFAS Station Number
- Contact Name and Phone Number
- Description of Transaction (Deposit or Disbursement)
- Transaction Settlement Date
- Dollar Amount (Daily Total)
- Transaction Mechanism (ACH, Wire or Check)
- Federal Reserve Bank location, applicable to NTDOs
- Depository or payee information

# Advance Notification Form (FMS 187)

**AGENCY REPORT FOR TREASURY CASH FORECASTING  
ADVANCE NOTICE OF LARGE DEPOSITS OR DISBURSEMENTS OF  
\$50 MILLION OR MORE**

**Date of Report:** \_\_\_\_\_ **Email Address:** [Funds\\_Control@fms.treas.gov](mailto:Funds_Control@fms.treas.gov)

**To:** Cash Forecasting Division  
Financial Management Service  
Department of the Treasury  
Prince George Metro Center II  
3700 East West Highway, Rm 5A04  
Hyattsville, MD 20782

**Faosimile:** 202-874-9945  
**Telephone:** 202-874-9789

**From:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Agency Location Code or  
Defense Station Symbol Number:** \_\_\_\_\_

**Contact Name:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_

**Description of Transaction:** \_\_\_\_\_  
Deposit ( )                      Disbursement ( )

**Transaction Settlement Date:** \_\_\_\_\_

**Total Amount (USD):** \_\_\_\_\_

**Transaction Mechanism:** Fedline/Fedwire ( )      ACH ( )      Check ( )

**Federal Reserve Bank Location, if applicable:** \_\_\_\_\_

**Payee or Depository Name:** \_\_\_\_\_

**Location:** \_\_\_\_\_

*"I would like to become a Cash Track Web user, please contact me" ( )*

**Note to Agencies:** Transmit report by 8:30 AM EST, Monday-Friday.  
Cash flow projections updated daily by 8:45 AM.

# How to submit LDNs?

- Become a CASH TRACK Web User  
<https://cashtrack.fms.treas.gov>
- E-mail FMS Form 187:  
[Funds.Control@fms.treas.gov](mailto:Funds.Control@fms.treas.gov)
- Fax FMS Form 187: (202) 874-9945
- Call: (202) 874-9789



# LDN Quarterly Scorecards

- Implemented in July 2010
- Created to measure timeliness and accuracy of LDN reporting
- Issued with the Quarterly Scorecard Letters from FMS.
- Currently under revision to incorporate new TFM requirements for all agencies



# Timeliness and Accuracy Measures

## *Performance*

### *Standard*

### *Performance Criteria*

### *Accuracy of Reporting*

*Green if the LDN reported was accurate 90 to 100% of the time.*

*Yellow if the LDN reported was accurate 75 to 89% of the time.*

*Red if LDN reported was accurate less than 75% of the time.*

# Timeliness and Accuracy Measures

## *Performance*

### *Standard*

### *Performance Criteria*

### *Timeliness of Reporting*

*Green if agency has submitted 90 to 100% of all their LDNs with a 2 to 5 day advance notification.*

*Yellow if agency has submitted 75 to 89% of all their LDNs with a 2 to 5 day advance notification.*

*Red if agency has submitted less than 75% of all their LDNs with a 2 to 5 day advance notification.*

# LDN Scorecards

## Cash Forecasting Division Large Dollar Notification Summary

For the Period Of:	
04/02/12	08/28/12

Agency: Railroad Retirement Board  
Bureau: Fiscal Operations

Settlement Date	Notification Date	Date Variance	LDN Amount	Actual Amount	Amount Variance	Deposit/ Disbursement	Fedwire/Fedline Amount
04/02/12	03/15/12	18	163,000,000.00	163,000,000.00	0.00	Deposit	163,000,000.00
05/01/12	04/12/12	19	187,000,000.00	187,000,000.00	0.00	Deposit	187,000,000.00
06/01/12	05/16/12	17	228,000,000.00	228,000,000.00	0.00	Deposit	228,000,000.00

Large Dollar Notification Summary			
Notice Violation	0	Tolerance Violation	0
Notice Compliance Percentage	100.00%	Tolerance Compliance Percentage	100.00%

### Large Dollar Notification Scorecard

Railroad Retirement Board  
Fiscal Operations

Quarterly Scorecard for the 3rd Quarter FY 2012

Standard	Performance Criteria	Score	Comments
Accuracy of Reporting	Green if the LDN reported was accurate 90 to 100% of the time.	Green	
	Yellow if the LDN reported was accurate 75 to 89% of the time.	100%	
	Red if LDN reported was accurate less than 75% of the time.		
Timeliness of Reporting	Green if agency has submitted 90 to 100% of all their LDN's with a 2 to 3 day advance notification.	Green	
	Yellow if agency has submitted 75 to 89% of all their LDN's with a 2 to 3 day advance notification.	100%	
	Red if agency has submitted less than 75% of all their LDN's with a 2 to 3 day advance notification.		

The attached LDN Analysis spreadsheet provides details of how we determined your score based on the reporting received over the last quarter. If you have any questions or concerns on the information presented in the large dollar notification scorecard please give us a call at (202) 874-9790.

Good!!!



# Daily Treasury Statement

- Summarizes the cash and debt operations of the Federal Government
- Opening and closing balances for the Operating Cash and Outstanding Debt
- Includes deposits and withdrawals of specific agency programs and major functions, including Public Debt Transactions, Federal Income Tax Refunds and Tax Deposits
- Certain transactions reported only when for \$50 million or more
- Information is reported on a modified cash basis with deposits reported as received and withdrawals reported as processed
- Released to the public everyday at **4:00 p.m.** EST
- DTS Website: **[www.fms.treas.gov/dts](http://www.fms.treas.gov/dts)**

# Questions???



## Cash Forecasting Division:

*Office Number: (202) 874-9789*

*Email: [Funds.Control@fms.treas.gov](mailto:Funds.Control@fms.treas.gov)*

**Delvis R. Garcia**

*Operations Team Leader*

*(202) 874-9956*

*[Delvis.Garcia@fms.treas.gov](mailto:Delvis.Garcia@fms.treas.gov)*

**Angela Wong**

*Fiscal Affairs Specialist*

*(202) 622-7571*

*[Angela.Wong@treasury.gov](mailto:Angela.Wong@treasury.gov)*