



Centralized Receivables Service (CRS) Pilot

More Efficient and Timely Collections

Presentation for the 22nd Annual FMS Conference

What is the CRS Pilot?

- The CRS Pilot is an initiative to centralize the servicing and management of non-tax government accounts receivable on behalf of Federal agencies.
- CRS is one of FIT's 12 high-impact initiatives identified as a potential area for cost savings and transparency improvements in Federal financial management.
- CRS is focused on managing pre-delinquent debt and complements both FMS' management of delinquent debt and provision of collection and reporting services, specifically Pay.gov and TRS.

Background

- Treasury's Office of Financial Innovation and Transformation (FIT) was created to address the need for greater efficiency and transparency in the Federal financial management environment.
- FIT has identified approximately \$1-2 billion in annual savings opportunities to be had by deploying common technology solutions, expanding shared transactional services, and promoting standardization and benchmarking.
- The Financial Management Service (FMS) is the Treasury bureau responsible for operating the federal government's collections and deposit systems and managing the collection of delinquent debt owed to the government.

U.S. Treasury's Vision

To transform end-to-end receivables management to increase collections and reduce agency costs by integrating two centers of excellence, the new Centralized Receivables Service (CRS) and the Debt Management Services (DMS)

Current AR Challenges

- Decentralized and fragmented across government
- Manual/paper based processes
- Lack of basic receivables processing (i.e. invoicing)
- Hundreds of *Billing and Collection* solutions
- Customized implementations with little automation
- Infrequent use of best practices (proactive, aggressive collection techniques)
- Lack of data standards and poor data quality

About the CRS Pilot

- FMS is managing the CRS pilot in partnership with FIT.
- FMS selected U.S. Bank to provide commercial-like service levels for agencies.
- Solutions and services will integrate with existing Treasury capabilities—the Treasury Reporting System (TRS) and Pay.gov.
- Nine Federal agency programs agreed to participate in the pilot.
- Pilot period expected to last 3 years with 2 option years
- There is no charge to agencies during the pilot period
- A kick-off meeting was held on June 21, 2012 and subsequent developmental meetings are ongoing.
- FMS and U.S. Bank have defined a “standard” yet flexible work flow process for managing Federal accounts receivable that is compliant with Federal standards and guidance and that utilizes industry leading practices.
- One agency program is targeted to go-live by the end of the calendar year with rolling go-live dates for the remaining agencies in FY 2013.

Benefits of CRS

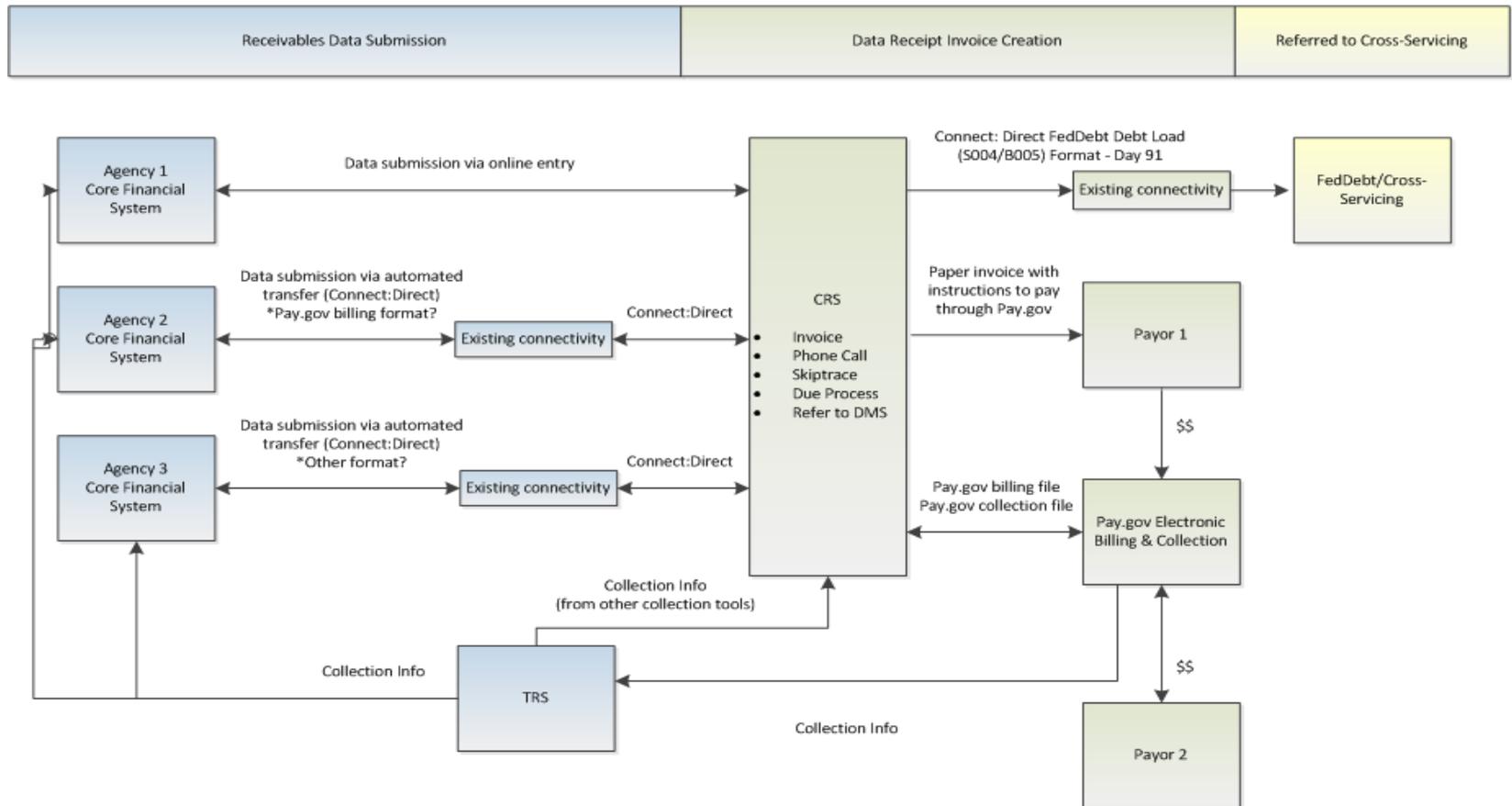
- Improved collections
- Reduced agency costs
- Fewer debts becoming seriously delinquent
- Allows agencies to increase their focus on core missions
- Improved data quality and visibility
- Advancement of the government-wide all electronic initiative

CRS Service Model

- Agencies will transfer valid accounts receivable to CRS for servicing.
- Agencies will retain accounting functions associated with posting receipts.
- CRS will utilize the expertise and services of U.S. Bank to provide receivables servicing—including invoicing, phone calls, skip tracing, due process notification and referral to DMS if delinquent.
- U.S. Bank will have an at-scale service center, a technology platform, and a fully integrated set of tools including: workflow; data storage; client agency portal; document management; credit reporting; skip tracing; and auto-dialing.

CRS Proposed Architecture

Centralized Receivables Service Process Flow



Contacts

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