



DEPARTMENT OF THE TREASURY TREASURY FRANCHISE FUND

SHUTDOWN STRATEGY

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Section I SHUTDOWN PREPARATION

The Treasury Franchise Fund (The Fund), through the operations of the Bureau of the Public Debt's Administrative Resource Center (ARC) provides a full range of administrative services to federal agencies, including:

- Financial Management
- Human Resources Management
- Information Technology
- Investment Accounting
- Procurement
- Travel Services

The operating status of The Fund's customer agencies vary in the event of a lapse in annual appropriations. The extent to which the functions of The Fund are excepted is based on the operating status of customer agencies. In the event of a lapse in annual appropriations, The Fund does not face an immediate financial impact due to the availability of Franchise reserves and continued reimbursements from customer agencies not impacted by the lapse and thus continue to receive services. The services provided to customer agencies during the shutdown are limited to those services (see service offerings above) included in the current interagency agreement or a subset identified by the customer during Phase I of our shutdown plan.

The Fund will commence the preparation phase upon receiving notification from the Department that a lapse of appropriations is possible and a partial or government-wide shutdown is imminent.

The appropriate point of contact for The Fund is as follows:

Primary Contact - Keith Rake
304-480-8760
Keith.Rake@bpd.treas.gov

Secondary Contact - Paul Deuley
304-480-7072
Paul.Deuley@bpd.treas.gov

In compliance with OMB Circular A-11, a list of program offices outlining excepted and non-excepted organization functions is below (please see also Attachment A).

1. Estimated time to complete shutdown of non-excepted activities	9 days (Franchise reserves are available to fund non-billable costs incurred)
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	during shutdown)
2. Number of employees expected to be on board prior to implementing shutdown plan	1,040
3. Number of employees to be retained due to: <ul style="list-style-type: none"> a. Funded by other than annual appropriated funds * b. Necessary to perform activities expressly authorized by law c. Necessary to perform activities necessarily implied by law d. Necessary for protection of life and property e. Discharge of President's constitutional duties 	** Range 1,040 to 445
4. Total number of excepted employees	* Range 1,040 to 445
<p>(*) In accordance with the Fund's authorizing legislation (31 U.S.C., 322, note), operations are funded through reimbursements from the Department and other federal agencies and beginning capital balances.</p> <p>(**) Represents a range as we process through and fully implement a phased shutdown approach. Please see Section II Shutdown Implementation for a description, including timing and volume, of the Fund's phased approach. The levels will be based on the non-appropriated volumes and the mix of services that would be provided.</p>	

Upon commencement of the Preparation phase, the Fund's employees (includes managers, supervisors and staff) will be notified via email of the potential shutdown of operations. The email will more specifically advise employees of the following:

- The impact of the funding restrictions on the Fund's customer base.
- The intent of the Fund to continue servicing agencies or portions of agencies that continue to operate during a funding lapse.
- The Fund's strategy to handle an on-going funding lapse.
- Excepted or non-excepted status of bargaining and non-bargaining unit staff.
- Health and life insurance coverage will not be affected if employees are furloughed.
- Furloughed employees may arrange to pay their portion of the health benefit costs on an on-going basis or upon their return to duty.
- Specific instructions for any employees that might be in travel or training status during the shutdown.
- Recall conditions and use of call tree to notify employees when to return to duty.
- Name of point of contact will be provided to employees that can answer questions regarding the shutdown plan.

Note - All employee email notifications sent will be communicated to the President of the local chapter of the National Treasury Employees Union (NTEU).

The Fund will also provide regular email updates to the Treasury Fiscal Assistant Secretary and Public Debt's Public and Legislative Affairs Offices on the status of our operations.

Section II SHUTDOWN IMPLEMENTATION

The implementation phase will consist of three phases for the Fund. The Fund can continue to service agencies or portions of agencies that continue to operate during a partial or government-wide shutdown. Additionally, the Fund will manage operations in accordance with the phased approach outlined below.

PHASE 1: (Day 1 and 2)

The first two days will be used to assess and validate customer needs, review their ability to pay, and plan for an orderly shutdown of customers not authorized to operate during a funding lapse. As such, the customer base will be contacted to determine or validate the services that will continue to be provided. In addition, the billing process will be amended to ensure that only the agencies or portions of agencies that are being serviced by the Fund are billed.

PHASE 2: (Day 3 thru 9)

Based on final assessments in phase 1, reductions in staff resources and non-fixed expenses will begin. A fraction of staff will be retained to support the agencies or portions of agencies that the Fund continues to service during a government-wide shutdown and to meet the Fund's mission essential functions. Mission essential personnel consist of approximately 16% of franchise staff and are those designated in the Fund's Contingency Plan to provide a minimum level of communication, administrative and information technology operational, help desk and support services in the event of an emergency. Seniority and OMB guidance will be the tools used to determine the basis for selecting the staff that will be asked to report to work. As soon as staffing decisions are made, employees will be notified as to their status and notices (See Attachment C) will be provided in person by a Franchise Fund management official prior to furlough, whenever possible. Employees not physically present (e.g., shift employees, off site employees, employees on travel or leave, etc.) will be notified of their status, to the extent possible, via phone, email, fax, or other available mechanism. If necessary, these employees will receive their notice after their furlough begins. All staffing decisions and staffing notifications will be communicated to the President of the local chapter of the NTEU. Additionally, NTEU will be given notice and the opportunity to bargain post furlough implementation.

The BCPO will notify the appropriate Program Offices/COTRs if their contracts will be impacted by a lapse in funding. In accordance with the awarded contract terms, the current status of funding and any necessary action required of the contractor will be made available to the contractor at the following website: <http://www.publicdebt.treas.gov/vendorinfo/vendor> info.htm. It is the contractor's responsibility to monitor this website for information regarding contract funding. On a case by case basis, and as warranted, a contractor will be notified via email if re-starting performance is necessary despite lack of resolution to the lapse in funding.

PHASE 3: (Day 10 and beyond)

Management will continue to assess the financial impact and status of the Fund, including the impact on the Fund's operating reserves. Based on the assessment, management may authorize the following actions:

- 1. Establishment of negotiation goals and timeline that will mitigate the funding lapse's financial impact in a timely manner and at minimal cost; and**
- 2. Renegotiate terms with suppliers; and/or**
- 3. Renegotiate current contracts with agencies or portions of agencies that the Fund continues to service to ensure that fixed costs are fully funded.**

Section III REACTIVATION OF FUNCTIONS

The Fund will re-establish all operations that were curtailed during the government-wide shutdown upon receiving notification from the Department that a continuing resolution and/or appropriation has been enacted. The Fund will follow the process outlined below:

- The call tree will be activated to inform employees of the date to return to tour of duty.**
- Point of contact information will be provided to employees for any questions.**
- Employees will be notified how issues, such as benefits, are being impacted by reactivation.**
- The President of the local chapter of NTEU will be notified of the communication provided to inform employees to return to tour of duty.**

The Fund will modify agreements with customers that were not fully serviced by the Fund during the government-wide shutdown to reduce those agreements appropriately for services that were not provided.

**LISTING OF FUNCTIONS
BY SHUTDOWN CATEGORY**

TREASURY FRANCHISE FUND

<u>FUNCTIONAL ACTIVITY/ PROGRAM/OFFICE</u>	<u>CATEGORY</u>	
	<u>EXCEPTED*</u>	<u>NON-EXCEPTED</u>
<u>Administrative Resource Center</u>		
Office of the Assistant Commissioner		X
Division of Franchise Services	X	
Accounting Services Division	X	
Business Technology Division	X	
Human Resources Division	X	
Travel Services Division	X	
Division of Procurement	X	
<u>OFFICE OF INFORMATION TECHNOLOGY</u>		
Office of the Assistant Commissioner	X	
Division of Infrastructure Services	X	
Division of Operations	X	
Division of Program Services	X	
Division of Services Management	X	
Division of Systems Development	X	
<u>OFFICE OF PUBLIC DEBT ACCOUNTING</u>		
Investment Accounting Services	X	

*** Please see Section II Shutdown Implementation that outlines the Fund's phased approach.**

SUMMARY OF SHUTDOWN IMPACTS*

BUREAU: TREASURY FRANCHISE FUND

A. Estimated time to complete shutdown of "non-excepted" activities.	9 days
B. Number of employees expected to be on board prior to implementation of shutdown plan (direct and reimbursable). (as of 02/02/11)	1,034
C. Number of "excepted" employees to be retained under the plan that are:	
1. Funded by other than annual appropriations; or	<u>(*) 100% - 43%</u>
2. Engaged in military, law enforcement or direct provision of health care activities; or	_____
3. Necessary for protection of life and property; or	_____
4. Discharge of President's constitutional duties	_____
Subtotal, "Excepted" Positions	<u>(*)1034 to 445</u>
D. Percentage "Excepted"	<u>(*) 100% - 43%</u>

(*) Represents a range as we process through and fully implement a phased shutdown approach. Please see Section II Shutdown Implementation for a description, including timing and volume, of the Fund's phased approach. The levels will be based on the non-appropriated volumes and the mix of services that would be provided.

Date:

To: (insert employee name)

From:

Subject: Furlough

In the absence of either a Fiscal Year (insert year) appropriation or a continuing resolution, no further financial obligations may be incurred by impacted agencies, except for those related to the orderly suspension of agency operations or performance of excepted activities as defined by the Office of Management and Budget (OMB). Because your services are no longer needed for orderly suspension of operations, you are not engaged in one of the excepted functions, and you are not needed to support a franchise customer in performing these functions during this shutdown period, you are being placed in a furlough status effective (insert date).

You are responsible for monitoring on a daily basis the status of the government shutdown. You may call Public Debt's emergency number at 877- 273-1919 for information regarding the shutdown and up to date instructions. You should also listen to public broadcasts and when you hear that a continuing resolution or an FY (insert year) appropriation has been approved; you will be expected to return to work on your next regularly scheduled work day. Failure to report back to work as directed will result in a continued nonpay status.

This action is being taken because of a sudden emergency requiring curtailment of the agency's activities; therefore, unfortunately, no advance notification is possible. The customary 30-day advance notice period and opportunity to answer are therefore suspended under the provisions of 5 CFR 752.404 (d)(2) or for Senior Executive Service employees under 5 CFR 359.806(a).

A limited number of employees will be retained as allowed by OMB guidance for the orderly suspension of agency operations or for performing one of the excepted activities defined by OMB.

During the furlough period, you will be in a nonpay, nonduty status. In accordance with Title 31 of the U.S. Code (U.S.C.), Section 1342, during the furlough you are not permitted to serve as an unpaid volunteer, but must remain away from your work place unless and until recalled. Therefore, you are directed not to use or access any Government equipment—e.g., Government laptop, Blackberry, etc.—for the use of performing work during the furlough.

Leave during a furlough is restricted for most Government employees, however, because Treasury's Franchise Fund sets aside funds to cover annual leave when the leave is accrued, you may be able to use leave. Requests for leave should be directed to your supervisor or other available management official in your Office.

Employees who have completed a probationary or trial period or one year of current continuous employment in the competitive service under other than a temporary appointment may appeal this action to the United States Merit Systems Protection Board (MSPB). Employees in the excepted service who have veterans' preference may appeal to the MSPB if they have completed one year of current continuous service in the same or similar positions as the one they now hold. Employees in the excepted service who do not have veterans' preference and who are not serving a probationary or trial period under an initial appointment pending conversion to the competitive service may appeal to the MSPB if they have completed two years of current continuous service in the same or similar positions in an Executive agency under other than a temporary appointment limited to two years or less. SES career appointees adversely affected may also appeal. Employees have a right to representation in this matter and may be represented by an attorney or other person of their choosing.

If you are an employee serving a probationary or trial period, you may appeal this decision to the Merit Systems Protection Board (MSPB), if you believe that this action is based upon either your marital status or political affiliation.

If you have the right of appeal to MSPB and wish to appeal this action, you must file the appeal within 30 calendar days after the effective date of your furlough. Please note if you do not submit an appeal within the time set by statute, regulation, or order of a judge, your appeal may be dismissed as untimely unless a good reason for the delay is shown. You may also prepare and file your appeal electronically by accessing the MSPB website at www.mspb.gov and following the link to e-Appeal. You may also access the website to obtain a copy of the MSPB regulations and appeal form and the address of the MSPB Regional Office having jurisdiction.

Bargaining unit employees may grieve this action in accordance with Article 32 of the Labor-Management Agreement or may appeal to MSPB in accordance with the procedures outlined above, but not both. If you elect to file a grievance, you have 15 work days from the date you became aware of this particular action to do so.

If you have any questions regarding this memorandum you may contact [\(insert name\)](#), Human Resources Specialist, Bureau of the Public Debt, at (304) 480-[\(insert number\)](#).

Deciding Official

Date

I acknowledge receipt of this decision.

Employee's Signature

Date

Date:

To: (employee name)

From:

Subject: Furlough

In the absence of either a Fiscal Year 2011 appropriation, or a continuing resolution, no further financial obligations may be incurred by impacted agencies, except for those related to the orderly suspension of agency operations or performance of excepted activities as defined by the Office of Management and Budget (OMB).

It has been determined that your services are needed for orderly suspension of operations, you are engaged in one of the excepted functions, or you are needed to support a franchise customer in performing these functions. As a result, you are not being placed in a furlough status. You will be expected to report to work as regularly scheduled.

If you have any questions regarding this memorandum you may contact (insert name), Human Resources Specialist, Bureau of the Public Debt, at (304) 480-(insert number).

I acknowledge receipt of this decision.

Employee's Signature

Date