



U.S. Department of Agriculture Office of the Chief Financial Officer

Overview

On May 15, 1862, President Abraham Lincoln signed legislation to establish the U.S. Department of Agriculture (USDA). Two and a half years later in his final message to Congress, Lincoln called the USDA, "The People's Department." For more than 150 years, USDA has impacted the lives of generations of Americans by providing leadership on food, agriculture, natural resources, rural development, nutrition and related issues based on public policy, the best available science, and effective management.

Today, USDA is made up of 29 agencies and offices with nearly 100,000 employees who serve the American people at more than 4,500 locations across the country and abroad. The Office of the Chief Financial Officer (OCFO) is responsible for the financial leadership of the overall USDA enterprise and manages approximately \$208 billion in assets and \$143 billion in annual spending.

Over the years, and in response to a number of executive orders, the OFCO's administrative charter evolved and it became a certified Federal Shared Service Provider for both financial and human resource (HR) management across the federal government. As such, financial, HR and payroll services are provided to customer agencies on a cost-recovery basis and are defined under service level agreements. Under the purview of the OCFO, the National Finance Center (NFC) assists other federal agencies by providing cost-effective, standardized and interoperable financial and human resource management solutions that support their strategic missions.

With the recent success of Food and Nutrition Service's \$70 billion-dollar grant program, the USDA's CFO began talks with other USDA and non-USDA agencies to leverage ezFedGrants, USDA's grants management solution. EzFedGrants is a comprehensive grants management solution, capable of administering from cradle to grave, the nearly \$100 billion of USDA loans, guarantees, and insurance that flow annually in support of American farmers and ranchers, and has been built

to scale to meet the grant requirements of additional external federal agencies. To accomplish this objective, USDA chose Pegasystems to serve as the grantee-facing, self-service portal, and core technology used to automate the many complex processes of the grants management lifecycle across many disparate organizations.

“ ezFedGrants is a holistic, modern grants management solution that allows USDA to meet its aggressive customer service, operational efficiency, visibility and compliance goals. As an example, USDA has been able to streamline the payments process using Pega integrated with SAP Financials and CRM from six to eight months on average down to just three business days. ”

CHRIS COPPENBARGER
Senior Policy Advisor, USDA

USDA holistic grants management solution improves efficiency, visibility and compliance

Automated processes dramatically improve customer satisfaction, increase employee productivity and lower operational costs

USDA was able to capture, standardize and consolidate undocumented processes into Pega, allowing for massive operational efficiencies and cost savings with the very first go-live with the Foreign Agriculture Service (FAS). Soon after, the Food and Nutrition Service (FNS) successfully went live, processing its \$100+ billion portfolio through the ezFedGrants solution. Prior to this solution, many of the grant processes within these agencies were paper-based and could take months to transact. This inefficiency was compounded by USDA having 17 individual and autonomous grant-making organizations. USDA employees fielded high volumes of calls on a daily basis to track status of awards and payments. Time spent responding to these calls impeded employees from focusing on more important, value-add mission activities.

BEFORE PEGA:

- Payments required 14 human touches
- End-to-end payment processing took six to eight months on average
- Employees spent a disproportionate amount of time tracking down status of awards and payments for grant customers

AFTER PEGA:

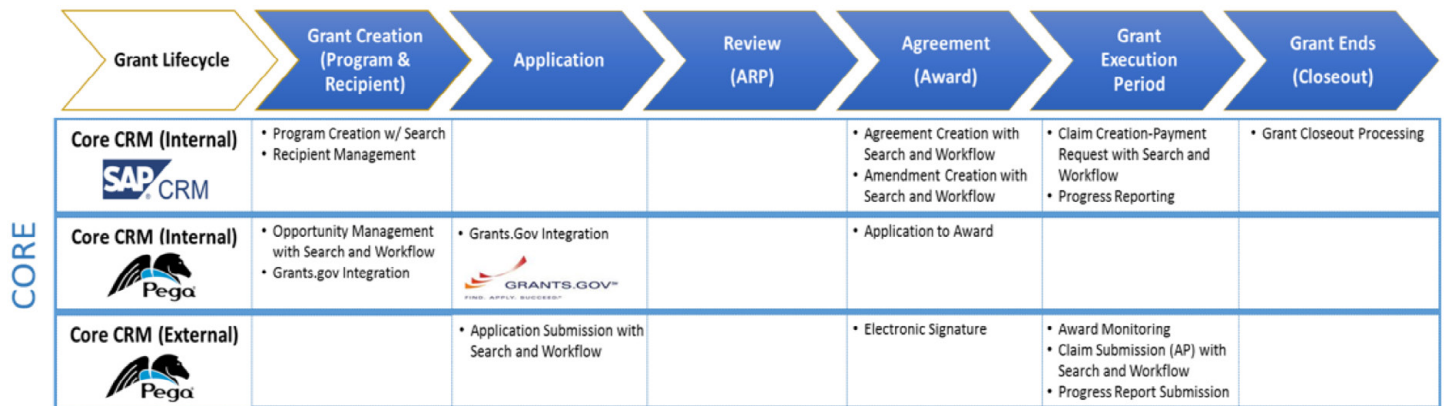
- Human touches are reduced down to a single touchpoint
- Payment processing now takes three business days, one of which is because of electronic funds transfer processing
- Customers are able to see award and payment status online through the Pega portal

USDA selected best-of-breed technical platforms and integrated them together to form one holistic grants management solution. As a result, USDA leveraged Pega’s self-service portal to interface with external users and standardized many disparate grant program processes across the department using Pega’s robust intelligent business process management capability. The Pega solution is integrated with SAP CRM to manage transactional contracts and SAP Financials to meet its federal financial management and reporting requirements. Grants are now reconciled to the financials throughout the program lifecycle as automated alerts communicate discrepancies to external organizations and allow for reconciliation to the general ledger which is the single source of truth. Additionally, the solution captures the agreement terms and conditions, makes certain that checks and balances are in place and an audit trail exists to prove separation of duties.

Many other integrations exist including Grants.gov and USAspending.gov, which allow for ease of posting opportunities and enable maximum transparency to the taxpayer. Additionally, ezFedGrants is integrated to the United States’ System for Award Management (SAM) vendor registration solution, allowing the USDA to track important metrics such as vendor type and status, as well as manage to the Department of Treasury’s, “Do Not Pay Effort.” This holistic solution allows the USDA to manage grants throughout the entire lifecycle—from initial request for proposal to close out. Solution functionality allows the USDA to accommodate scope changes, reimbursements, awards through standard payments, advances, or electronic draw payments. Complex workflows allow for the USDA to follow the many federal, department, agency, and program regulatory requirements, while allowing both internal and external stakeholders full visibility into the status of its transactions. Easily configured dashboards give the USDA management team a 360-degree view of its programs in real time, allowing for greater operational efficiencies, as well as the ability to decrease potential fraud through improved visibility, tracking, and transparency. Moreover, stakeholders’ user acceptance and confidence in the accuracy of the data has increased exponentially since the single, integrated solution eliminates data redundancy and inefficiencies.

Once USDA completes the rollout of its shared-service grants solution to all 17 USDA organizations, it will have one, uniform solution for grants across the department. Since the solution harnesses the USDA’s lean Six Sigma grants management process, the department is confident that 97% of its grant programs across the enterprise will be automated in ezFedGrants using Pega’s iterative, agile methodology. The cost savings from the number of systems that will no longer be needed within the individual organizations is significant. It is expected that the system will process more than \$500 billion in the next two years once external agencies begin migrating to ezFedGrants.

Fully integrated solution eliminates data redundancy and enables compliance with hundreds of regulatory and statutory requirements, allowing full transparency to stakeholders



The Pega solution is integrated with SAP CRM to manage transactional contracts and SAP Financials to meet its federal financial management and reporting requirements.



Agile solution is built to reuse components and scale

Standardizing to one integrated solution that allows for reuse of processes is projected to save USDA millions of dollars. Since the capabilities of the ezFedGrants have built off of one code base, derived from a single model development paradigm, the solution will continue to meet unique or changing grant requirements while meeting compliance objectives. Employees can focus on their mission instead of being overwhelmed with administrative minutia while meeting the rising expectations of their customers. In short, USDA can rest assured it has a robust, sustainable solution for the future.

KEY FACTS

- Enables the USDA to meet its mission more efficiently
- Improves service delivery and customer satisfaction
- Enables and improves employee productivity, while lowering the cost of managing grants
- Meets federal, department, agency, and program compliance requirements
- Improved accountability and transparency