

## On-Time Delivery of Procured Printing

The Printing Procurement Department contracted with commercial printing firms to ship 207,000 jobs in fiscal year 1995 compared with 231,000 jobs in fiscal year 1994. For fiscal year 1995, GPO's goal was to have at least 95 percent of procured printing orders delivered on-time and a quality acceptance rate of at least 99 percent. GPO attained a 94.3 percent on-time delivery rate and a 99.1 percent quality acceptance rate. The goals for fiscal year 1996 remain the same as those for fiscal year 1995.

## Financial Performance Measures

### Cash Management

- **Payment Performance** - In fiscal year 1995, GPO continued its strong payment performance by taking advantage of prompt payment discounts when it was to the government's advantage. GPO's total purchased printing expense for fiscal year 1995 was \$532.1 million after prompt payment discounts of \$7.9 million. The percentage of discounts to net purchased printing was 1.48 percent. This compares favorably to our goal, which was to meet or exceed our fiscal year 1994's percentage of 1.47 percent.

Discounts lost decreased to \$163,000 in fiscal year 1995 from \$218,000 in fiscal year 1994. The ratios of discounts lost to discounts offered were 2.1 and 2.9 percent in fiscal years 1995 and 1994, respectively. We surpassed our goal for fiscal year 1995, which was to lose no more than \$200,000 in discounts. Our goal for fiscal year 1996 is a 1.4 percent ratio of discounts to net purchased printing and a 2.5 percent ratio of discounts lost to discounts offered.

- **Electronic Payments** - The use of electronic funds transfer ("EFT") payments results in a savings for GPO and the Department of the Treasury because paper checks do not have to be produced and processed. In 1995, approximately 22,000 monthly payments, or 73.6 percent of all GPO payments made, were made by EFT, compared with 22,500 monthly payments, or 72.0 percent of all payments in fiscal year 1994. Our goal for fiscal year 1996 is to increase the percentage of EFT payments to 75 percent of total payments.

### Debt Management

- **Federal Receivables** - In fiscal year 1995, GPO billed Federal agencies \$788.2 million for printing and binding services. Of this amount, \$468.1 million, or 59.4 percent, was collected using the Department of the Treasury's On-Line Payment and Collection system ("OPAC").

In fiscal year 1995, GPO's average monthly receivables more than 90 days overdue were \$11.1 million, or 27.6 percent of the monthly average of outstanding receivables. The Department of Defense's ("DoD") account at GPO, with an average monthly balance more than 90 days overdue of \$10.2 million, or 92 percent of all of GPO's delinquent receivables, was by far GPO's largest delinquent account. At the end of fiscal year 1995, DoD owed GPO \$8.3 million that was between 31 and 60 days overdue, \$2.6 million that was between 61 and 90 days overdue, and \$11.5 million that was more than 90 days overdue.

The DoD's slow payment process results from Defense Printing Service ("DPS") requiring that all GPO invoices pass through its organization before payment is initiated; also, DoD does not use OPAC. DPS bills its customers and pays GPO after receipt of payment from its DoD customers. This additional layer of DoD administration has had an immediate negative impact on GPO's ability to collect from DoD since the inception of DPS in October 1992. GPO has been working with DoD management to resolve this problem, and a special task force has been established within DoD to research and pay GPO invoices. Another goal of the task force is to convert DoD's payment process from a manual to an electronic system. This conversion is scheduled for fiscal year 1996. GPO's goal for fiscal year 1996 is to improve the DoD receivables turnover while maintaining non-DoD collections at the current rate.

### **Management Comments**

GPO's consolidated financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). GAAP requires that financial statements be prepared on the accrual basis of accounting, whereby expenses are recorded when incurred and revenues are recorded when earned, regardless of when cash is received or disbursed. The statements are prepared in a manner consistent with that of the previous year. The accompanying financial statements provide information on all events and economic affairs controlled by GPO in conformity with established procedures and promulgated accounting principles.

GPO's accounting system includes internal controls designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are properly recorded. To ensure that adequate internal controls are maintained, management monitors the accounting system and initiates modifications or improvements deemed necessary to promote operational efficiencies and encourage adherence to prescribed managerial policies.

### **Budgetary Issues**

GPO's mission is to assist Congress and Federal agencies in the cost-effective creation and replication of information products and services and to provide effective and economical public access to government information products and services. GPO strives to operate and manage its resources as efficiently as possible and to achieve a steady gain in productivity.

Neither Congress nor GPO has the ability to accurately forecast or control the volume of printing that may be needed for the legislative process. In years where the workload exceeds the funding available, GPO exercises its authority to temporarily fund any shortfall through the Revolving Fund. There has been a decline in traditional printing and binding in the Federal government, and this trend is expected to continue. GPO will respond to the decline in demand for ink-on-paper products by continuing to downsize and reduce costs, by procuring a larger share of the Federal printing market, and by encouraging the adoption of electronic-media products when cost effective.