

OTHER, AGENCY-SPECIFIC STATUTORILY REQUIRED REPORTS

DEBT MANAGEMENT

GSA reported \$163.8 million of outstanding debt from nonfederal sources, of that amount, \$12.9 million, or 7.9 percent, of the outstanding debt was delinquent at the end of FY 2009. The amount of delinquent debt decreased from \$14.5 million in FY 2008 to \$12.9 million in FY 2009. Non-federal receivables consist of debts owed on third-party claims, travel advances, proceeds from the sale of real property and other miscellaneous receivables.

To comply with the Debt Collection Improvement Act of 1996, GSA transmits delinquent claims each month to the U.S. Department of the Treasury's (U.S. Treasury) Financial Management Service for cross-servicing collection. During FY 2009, the Office of the Chief Financial Officer referred over \$5.1 million of delinquent non-federal claims to the U.S. Treasury

for cross-servicing collection activities. Collections on nonfederal claims during this period exceeded \$334.3 million and administrative offsets resulted in additional collections of \$27.9 million. GSA also collected 82 Pre-Authorized Debits totaling \$82,542 of nonfederal claims in FY 2009.

GSA actively pursues delinquent non-federal claims using installment agreements, salary offset, administrative wage garnishment, and any other statutory requirement or authority that is applicable. GSA is continuing to remove all non-paying claims over two-years-old from its accounts receivable subsidiaries.

For information on GSA's intragovernmental debt refer to note six in the Notes to the Financial Statements.

CASH AND PAYMENTS MANAGEMENT

The Prompt Payment Act, along with the Debt Collection Improvement Act of 1996, requires the timely payment of commercial obligations for supplies and services using electronic funds transfer (EFT). In FY 2009, GSA paid interest of \$1.9 million on disbursements of \$16.7 billion, or \$116.53 in interest per million disbursed. GSA recalculated interest paid in two previously reported years and determined that interest on some of the payments for leased space needed to be revised. GSA has revised FY 2007 – FY 2009 Total Dollars of Interest Penalties and Interest Paid per Million Disbursed. During FY 2009, several unique events caused increases in the interest paid by GSA. The first of

these events was the transition of invoice processing functions from contractors to GSA staff. This transition caused a delay in the processing of incoming invoices, resulting in increased interest paid on invoices during this period. Secondly, during an upgrade in GSA's core accounting system, Pegasys, March rent payments were delayed by one day resulting in interest penalties. Finally, GSA incurred interest on late payment of taxes due on GSA leases. GSA also continues to make progress on invoices that are paid electronically with an overall increase of 1.9 percent over last year. The statistics for the current and restated preceding two fiscal years are as follows:

	FY 2007	FY 2008	FY 2009
Total Number of Invoices Paid	1,136,760	1,223,824	1,450,011
Total Dollars Disbursed	\$14.8 Billion	\$15.2 Billion	\$16.7 Billion
Total Dollars of Interest Penalties	\$506,617	\$730,643	\$1,944,630
Interest Paid per Million Disbursed	\$34.41	\$47.93	\$116.53
Percentage of Invoices Paid On Time	99.0%	98.6%	98.3%
Percentage of Invoices Paid Late	1.0%	1.36%	1.70%
Percentage of Invoices Paid Electronically	95.5%	96.8%	98.7%