



# An Enduring Partner in a Season of Change

**Best Practices for the Public Sector**



With over 100 years of experience serving federal, state and local governments throughout the United States, Citi is uniquely qualified to bring best practices to public sector organizations across North America. Today, Citi is applying this practical knowledge to support the strategic operating and financial needs of universities as well as non-governmental and multilateral organizations throughout the world.

We sat down with Citi's public sector experts, Kevin Fitzgerald and Gary Schneider, to learn how today's leading public sector organizations are staying ahead of the curve.

***Q: For the past two years, headlines have focused on the magnitude of the financial crisis and its effect on corporations throughout the world. As a leading service provider for the public sector, can you provide some insight on the implications of this crisis on these organizations?***

**A:** The economic downturn has been a powerful catalyst for change in the public sector. Especially in today's environment, when the government is playing a broader, more significant role in activities that extend far beyond the scope of traditional public service and policy, the challenges have become increasingly complex and urgent. There is an old saying, "With crisis comes opportunity," and that is exactly what we are seeing with our public sector clients. Citi is engaged with public sector organizations across the spectrum, addressing challenges and implementing programs that allow them to operate more efficiently and transparently.

With demand for services rising and budgets falling, our clients are under tremendous pressure to do more with less. Our integrated solutions, from electronic payments to data analytics, have helped our clients reduce costs, streamline operations and mitigate risk—to effectively navigate today's market conditions, and position their organizations to achieve long-term success.

Today we are more confident than ever in our unmatched ability to serve our public sector clients. Our base of public sector clients reflects both the quality of our services and the depth of our commitment to serving these organizations. While there are still challenges ahead of us as we work through this period of economic recovery, we remain focused on supporting the progress our public sector clients are making toward greater financial stability and sustained operational efficiency.

***Q: In the past decade, we have seen productivity in the private sector grow exponentially with the introduction of information technology. As the bank partner to the Top 1000 Global Corporations, are you able to apply these lessons to drive efficiency for your public sector clients?***

**A:** While public sector organizations are fundamentally different from their corporate counterparts, you can replicate the drivers of private-sector productivity to enhance performance across these organizations. In today's environment, public sector organizations are seeking to bend cost curves associated with service delivery. One of the most important lessons we bring to our clients is to take a holistic approach to improving productivity. Cutting costs should not compromise the quality and delivery of service. Successful solutions provide both operational and strategic benefits that integrate better results and lower costs. For our state and local government clients, operational efficiency is especially critical because it affects their ability to serve our citizens. As you mentioned earlier, information technology has allowed corporations to achieve unprecedented levels of productivity. However, many public sector organizations, including several state and local governments, simply don't have the tools and capabilities to harness raw data and translate it into actionable information. That's where we come in.

We have partnered with several public sector organizations to integrate sophisticated solutions that improve transparency and provide access to critical business intelligence. Leveraging this information, these organizations are optimizing their operations, generating significant cost savings, and most importantly, they are positioning themselves to provide long-term, sustainable value to their constituents.

#### **City of Chicago:**

At the end of 2008, the City of Chicago partnered with Citi to implement our Treasury Analytics solution. This investment analytics solution enabled Chicago's Office of the Treasurer to leverage a single, online platform for compliance, accounting, risk and performance reporting across its entire portfolio. As a result, the Treasurer's staff eliminated time spent monitoring accounts and creating reports, and now uses its staff resources to evaluate the strategic analyses provided by Treasury Analytics to gain additional insights into their investment performance. The City's Treasurer can now proactively manage portfolio risk and investment compliance. The ability to provide



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“The view that there is an inevitable trade-off between the quality of public services and the cost of providing them is erroneous. With today’s technology, achieving high-quality service at a lower cost is not only possible for the Public Sector, it’s imperative.”

executive reporting (and a transparent overview of the city’s portfolio) at a moment’s notice is proving to be invaluable. In addition, Chicago taxpayers benefit from state-of-the art asset management with no additional personnel resources.

**Q: During a time when regulation is more stringent and budget cutbacks are increasing, higher education institutions are under tremendous pressure to manage their financial resources more effectively. How has Citi responded to these needs?**

**A:** With over two decades of experience serving higher education institutions, Citi has developed an in-depth understanding of their most pressing needs. As a result, our university clients have come to rely on our solutions to streamline payments, address new legislation and manage their resources more effectively.

Today, many universities are streamlining operations and reducing costs by migrating from paper checks and cash to more effective prepaid alternatives. Citi® Prepaid Services offers a solution specific to research study disbursements that helps universities efficiently deliver payments across all studies, using one central tool. In addition to ensuring participant confidentiality, this solution also delivers enhanced flexibility, convenience and control over funds.

**Top 20 U.S. Public Research University:**

In 2009, Citi Prepaid Services partnered with one of the nation’s top public universities to deliver an industry-leading prepaid research payment card solution. Among the largest research universities in the United States, this institution receives hundreds of millions of dollars in grants. This innovative program has helped this university automate the administration of all research payments and expeditiously deliver the payments across all studies using one central tool. Because the solution accommodates all workflows that the university’s studies may follow, whether it be distributing cards and paying participants at the time of study, delivering virtual payments to online study participants, or approving large dollar payments by a central treasury office, it drives significant administrative efficiencies and cost savings for the university. The flexibility, convenience and control of this solution, is supplemented by our proprietary ClientZone™, a secure web portal for program administrators. Using this

tool, program administrators have access to immediate card issuance, pay loading, inventory management, administrator role management, and robust tracking/reporting. This comprehensive self-service site grants administrators secure access to the data and features most appropriate for their view to enhance transparency and control across the university’s program.

**Q: What are the trends you are seeing through your partnerships with global institutions?**

**A:** The global economic crisis has had a profound impact on non-governmental organizations throughout the world. Especially for humanitarian non-governmental organizations (NGOs), who rely heavily on corporate donors for funding, the downturn has had several unfortunate effects including staff reductions and elimination of programs, which directly affect the beneficiaries of these important programs. As a financial institution, we have had the unique opportunity to help these clients manage their resources more effectively so they can continue to focus on their missions and address critical needs throughout the world.

Additionally, because these organizations operate on a global scale with employees positioned in countries throughout the world, having a bank partner with the infrastructure to support international operations is imperative. Our ability to provide seamless global functionality and data transparency across 135 currencies and 24 local languages with on-the-ground customer service support in over 100 countries allows us to service these clients in ways that other banks simply cannot replicate.

**Q: Citi has dramatically expanded its presence in the public sector in North America. What factors are responsible for achieving this success?**

**A:** Our reputation is built on our unique ability to meet the comprehensive cash and treasury management needs of the most sophisticated and demanding organizations in the world. Unlike many of our competitors, we do not simply sell products. We work with our clients to address their specific needs and shape customized solutions to ensure they continue to meet their objectives, year after year,

*continued*

in all market conditions. Our consultative approach and partnership in implementation and account management are the reasons why our clients are successful—and the reason why our public sector clients continue to choose Citi.

Through our integrated solutions, program flexibility and flawless execution of the industry's largest and most complex programs, we have enabled our public sector clients to execute their daily operations with unmatched efficiency and control. Our recent investments in our Program Management Office, a senior team that provides sophisticated project coordination and leadership on large-scale projects from ramp-up through implementation, has further enhanced our ability to provide unrivalled service to our clients.

#### Department of Defense:

In 2008, Citi was awarded the mandate for the U.S. Department of Defense Travel Card program, the largest government travel card program, accounting for over 60 percent of government-wide travel spending. This program, which includes contracts with the Army, Navy, Marine Corps, Air Force and approximately 20 other government agencies, is the largest single commercial card program by volume in industry history.

Because this program is essential to ensure government-wide continuity of operations, the program transition was a critical success factor for the Department of Defense.

Employing a cross-functional task force of 350 Citi program, product and technical specialists, Citi developed the infrastructure, including customized hardware, software and processing platforms, to support the program's 1.2 million cardholders, in less than one year.

Having recognized the tactical benefits of automation over the past decade, the Department of Defense had an increased focus on finding a program that offered enhanced capabilities and services to address new government initiatives, stricter regulations and advances in technology. In response, Citi invested in extensive system enhancements and web-based tools to improve account and information management. New solutions were developed specifically for the Department of Defense and integrated seamlessly with its existing accounting, reporting and accountability systems. Citi's partnership in program management, control and oversight continues to contribute to the success of the Department of Defense's Travel Card Program. Beyond providing a comprehensive training curriculum to the Department of Defense's 20,000 program administrators, Citi also built a state-of-the-art 33,000-square-foot facility staffed by 255 Citi experts dedicated to supporting this program.



#### KEVIN FITZGERALD

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“Our business is founded on the philosophy that our success is measured by our clients' success. While our innovative solutions and global capabilities are unrivaled in the industry, the reason Citi continues to be the preferred partner for Public Sector organizations across the world is because we recognize that our clients are the most important asset we have, and this sentiment is shared across all levels and lines of our business, and reflected in every decision we make.”

For more information, please visit [www.transactionservices.citi.com](http://www.transactionservices.citi.com)

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