

Fiscal Service

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2015	FY 2016	FY 2017	FY 2016 TO FY 2017	
	Enacted	Enacted	Request	\$ Change	% Change
Accounting and Reporting	\$104,725	\$125,752	\$114,167	(\$11,585)	-9.21%
Collections	\$35,029	\$38,798	\$40,225	\$1,427	3.68%
Payments	\$120,912	\$118,454	\$115,141	(\$3,313)	-2.80%
Retail Securities Services	\$76,819	\$70,038	\$71,186	\$1,148	1.64%
Wholesale Securities Services	\$10,699	\$10,808	\$12,338	\$1,530	14.16%
Subtotal, Fiscal Service	\$348,184	\$363,850	\$353,057	(\$10,793)	-2.97%
Offsetting Collections	-				
Reimbursables	\$277,674	\$292,381	\$268,486	(\$23,895)	-8.17%
Total Program Operating Level	\$277,674	\$656,231	\$621,543	(\$34,688)	-5.29%
Direct FTE	1,636	1,586	1,664	78	4.92%
Reimbursable FTE	714	701	488	-213	-30.39%
Total FTE	2,350	2,287	2,152	-135	-5.90%

Note: Fiscal Service revised the budget activities and reporting to reflect the consolidated bureau activities. Please see Section 4B of the Congressional Justification for additional information.

Summary

The Bureau of the Fiscal Service (Fiscal Service) is focused on maximizing efficiencies, transparency, and accountability with the goal of transforming government-wide financial management and the delivery of shared services. These themes are reinforced through Strategic Goals that promote leadership and innovation, an engaged and highly effective workforce, delivery of exceptional programs and services, data transparency and usefulness, and the expansion of shared services.

Fiscal Service FY 2017 Budget Highlights

Dollars in Thousands

Bureau of the Fiscal Service	FTE	Amount
FY 2016 Enacted	1,586	\$363,850
Changes to Base		
Base Realignment	108	\$0
Technical FTE Adjustment	108	\$0
Maintaining Current Levels (MCLs)		\$6,032
Pay-Raise		\$2,295
Pay Annualization		\$620
Non-Pay		\$3,117
Efficiency Savings	(30)	(\$1,935)
Program Efficiencies	(30)	(\$1,935)
Total FY 2017 Base	1,664	\$367,947
Program Changes		
Program Decreases		(\$14,890)
DATA Act Implementation		(\$10,780)
Rent Savings		(\$4,110)
Total FY 2017 Request	1,664	\$353,057

FY 2017 Budget Adjustments

Adjustments to Request

Base Realignment

Technical FTE Adjustment +\$0 / +108 FTE

Maintaining Current Level (MCLs)

Pay-Raise +\$2,295,000 / +0 FTE

Funds are requested for the proposed January 2017 pay-raise.

Pay Annualization +\$620,000 / +0 FTE

Funds are requested for annualization of the January 2016 pay raise.

Non-Pay +\$3,117,000 / +0 FTE

Funds are requested for inflation adjustments in non-labor expenses such as GSA rent, postage, supplies, and equipment.

Efficiency Savings

Program Efficiencies -\$1,935,000 / -30 FTE

Anticipated savings realized from reduced programmatic and FTE requirements to align with estimated operating levels.

Program Decreases

DATA Act Implementation -\$10,780,000 / +0 FTE

With the implementation of the DATA Act anticipated to be well underway, it is expected that Fiscal Service will be able to decrease the funding needed to complete the balance of the government-wide legislative requirements.

Rent Savings -\$4,110,000 / +0 FTE

With the final closeout of the Emeryville, California lease, Fiscal Service is realizing the last portion of the Payment Center Closure savings.

Explanation of Budget Activities

Accounting and Reporting (\$114,167,000 from direct appropriations, \$13,344,000 from reimbursable resources)

The Accounting and Reporting activity consists of three programs: Government Agency Investment Services, Government-wide Accounting and Reporting, and Summary Debt Accounting. In prior budget submissions, these three programs were separate budget activities. Fiscal Service has combined the three programs into one budget activity due to their commonalities. Additionally, all three support the Treasury Strategic Goal Three to “Fairly and effectively reform and modernize the federal financial management, accounting, and tax systems.”

The Government Agency Investment Services program issues, services, and redeems Government Account Series securities for federal agencies that have legislative authority to invest, administers State and Local Government Series securities and offers a flexible investment alternative for state and local governments to refinance their outstanding tax-exempt debt, and represents Treasury’s role in the federal loan program.

The Government-wide Accounting and Reporting (GWA) activity accounts for the monetary assets and liabilities of the Federal Government. It also works with federal agencies to adopt uniform accounting and reporting standards and provides support, guidance, and training to assist federal program agencies in improving their Government-wide accounting and reporting responsibilities. GWA gathers and publishes government-wide financial information in the Daily Treasury Statement, the Monthly Treasury Statement and the Financial Report of the United States Government that are used in establishing fiscal and debt management policies and by the public and private sectors to monitor the government’s financial status.

The Summary Debt Account (SDA) program produces daily reports on the balances and composition of the public debt, the *Monthly Statement of the Public Debt*, and the annual, audited *Schedules of Federal Debt*, which reports on the single largest liability in the Treasury’s annual Agency Financial Report. SDA also consistently receives unqualified opinions on the *Schedules of the Federal Debt*.

Collections (\$40,225,000 from direct appropriations, \$4,869,000 from reimbursable resources)

The Collections Program supports Treasury’s Strategic Goal Three to “Fairly and effectively reform and modernize the federal financial management, accounting and tax systems” which includes the objective “to improve the disbursement and collection of federal funds and reduce improper payments made by the U.S. Government.” The Fiscal Service manages the collection of federal revenues such as individual and corporate income tax deposits, custom duties, loan repayments, fines, and proceeds from leases. In addition, the Fiscal Service establishes and implements collection policies, regulations, standards, and procedures for the Federal Government.

Debt Collection (\$0 from direct appropriations, \$151,934,000 from reimbursable resources)

The Debt Collection Program supports Treasury Strategic Goal Three to “Fairly and effectively reform and modernize the federal financial management, accounting and tax systems” which includes the objective “to improve the disbursement and collection of federal funds and reduce improper payments made by the U.S. Government.” Fiscal Service collects delinquent federal, state, and child support debt by providing centralized debt collection, oversight, and operational services to federal program agencies and states pursuant to the Debt Collection Improvement Act of 1996 (DCIA) and related legislation. The Fiscal Service uses two debt collection programs: Treasury Offset Program (TOP) and Cross-Servicing.

Payments (\$115,141,000 from direct appropriations, \$88,858,000 from reimbursable resources)

The Payments activity issues and distributes payments, develops and implements federal payment policy and procedures, promotes the use of electronics in the payment process, and assists agencies in converting payments from paper checks to Electronic Funds Transfer. This activity also includes controlling and providing financial integrity to the payments process through reconciliation, accounting, and claims activities. In addition, Fiscal Service collects monies from those parties liable for fraudulent or otherwise improper negotiation of government checks.

The Do Not Pay Business Center (DNP) provides a single centralized point of entry to access timely, reliable, and actionable data and information that can help identify, prevent, detect, and recover improper payments throughout the payment life cycle while protecting individuals’ privacy. DNP provides agencies insights and analytics based on

reviews of multiple payment streams. Additionally, the DNP working system is integrated into the Treasury payment stream, enabling real-time at payment matching with selected data sources.

Retail Securities Services (\$71,186,000 from direct appropriations, \$8,080,000 from reimbursable resources)

The Retail Securities Services (RSS) Program offers simple, safe, and affordable securities that enable Americans to invest and save for their future. The program serves more than 50 million investors by processing millions of transaction annually. In support of the President’s initiative to help millions of Americans start saving for retirement, *myRA*, a new retirement savings account following Roth Individual Retirement Account rules, was launched in FY 2015.

Wholesale Securities Services (\$12,338,000 from direct appropriations, \$1,400,000 from reimbursable resources)

The Wholesale Securities Services program is responsible for the announcement, auction, issuance and settlement of marketable Treasury bills, notes, bonds and Treasury Inflation-Protected Securities. It also oversees an infrastructure that provides for the transfer, custody and redemption of all Treasury marketable securities that are purchased mostly by commercial market participants.

Legislative Proposals

New for FY 2017 President’s Budget

1. Option to access the National Directory of New Hire Data via the Do Not Pay Business Center

The 2017 Budget includes a package of proposals to allow additional programs and agencies authority to access the National Directory of New Hire Data, a federal database of employment and unemployment insurance information administered by the Office of Child

Support Enforcement within the Department of Health and Human Services. Access to this data is tightly controlled by statute, and HHS implements strong privacy, confidentiality, and security protections to protect the data from unauthorized use or disclosure.

Re-proposed from FY 2016 President's Budget

- 1. Increase delinquent state income tax debt collections by allowing offset of federal income tax refunds to collect delinquent state income taxes for out-of-state residents. *Estimated collections: \$2.3 billion in state taxes over 10 years (no federal revenue)***
- 2. Reduce costs for states collecting delinquent income tax obligations by allowing states to send notices of intent**

to offset federal tax refunds to collect state income tax obligations by regular first-class mail, rather than by certified mail. *Estimated savings: \$202.4 million over 10 years (no federal revenue)*

- 3. Increase delinquent federal non-tax debt collections by authorizing administrative bank garnishment for non-tax debts of commercial entities. *Estimated Collections: \$320 million in commercial debts over 10 years***
- 4. Increase and streamline recovery of unclaimed assets owed to the United States by authorized Treasury to locate and recover assets of the United States and to retain a portion of amounts collected to pay for the costs of the recovery. *Estimated recoveries \$85 million over 10 years***

Fiscal Service Performance by Budget Activity

Budget Activity	Performance Measure	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
		Actual	Actual	Actual	Target	Target
Collections	Percentage Collected Electronically of Total Dollar Amount of Federal Government Receipts	97	98	98	98	98
Debt Collection	Amount of Delinquent Debt Collected Through All Available Tools (\$ billions)	7.02	6.91	7.28	7.36	7.56
Accounting and Reporting	Percentage of Government-Wide Accounting Reports Issued Timely	100	100	99.5	100	100
Payments	Percentage of Treasury Payments and Associated Information Made Electronically	92.5	94.4	94.8	95	95
Retail Securities Services	Cost Per Customer Assisted Transaction	N/A	N/A	N/A	N/A	B
Retail Securities Services	Cost per Electronic Transaction	N/A	N/A	N/A	N/A	B
Wholesale Securities Services	Percent of Auction Results Released Accurately	99.6	99.3	97	100	100

Key: DISC - Discontinued

Description of Performance

Accounting and Reporting: In FY 2015 the Fiscal Service achieved 99.5 percent timely provision of Government-wide Accounting reports. These reports include the Daily Treasury Statement, Monthly Treasury Statement, and Consolidated Financial Report.

The Fiscal Service continues to maintain the established process of validating and reconciling data with reporting sources such as Payment Centers, federal program agencies, and various electronic deposit and payment applications. The bureau will continue modernization efforts to ensure the timeliness

of these reports and anticipates it will achieve the 100 percent target for FY 2016 and FY 2017.

Collections: The measure, *Percentage Collected Electronically of Total Dollar Amount of Federal Government Receipts*, refers to the dollar value of collections received (settled) electronically. In FY 2015, 98 percent of revenue collections were settled electronically. The Fiscal Service expects to maintain an electronics collections rate of at least 98 percent in FY 2016 and FY 2017.

Debt Collection: In FY 2015, the Fiscal Service collected \$7.28 billion in delinquent debt. The goal for FY 2016 and FY 2017 is to collect \$7.36 billion and \$7.56 billion, respectively, in delinquent debt by expanding the use of the administrative wage garnishment collection tool, enhancing the use of analytics, and proposing legislative changes such as the proposal to allow the Treasury to offset federal income tax refunds to collect delinquent state tax obligations regardless of where the debtor resides.

Payments: The measure *Percentage of Treasury Payments and Associated Information Made Electronically* supports Treasury Strategic Goal Three to “Fairly and effectively reform and modernize the federal financial management, accounting and tax systems”. Due to the continued success of the Go Direct[®] and Direct Express[®] programs and implementation of the All Electronic Treasury priority, Fiscal Service has issued 98 percent of its benefits payments and 94.8 percent of its total payments via EFT. Fiscal Service expects to achieve its targets in FY 2016 and FY 2017 by expanding electronic conversion efforts to additional benefits agencies and payment types such as vendor miscellaneous payments and federal tax refunds.

Retail Securities Services: Fiscal Service will add new performance measures in FY 2017 to support Treasury’s goal of promoting savings and the bureau’s goal to serve as a catalyst for effective government through initiative and innovation. The *Cost per Electronic Transaction* and *Cost per Customer Assisted Transaction* measures will demonstrate investor self-service and customer service efficiency, respectively, for all securities currently offered as well as future offerings. Fiscal Service plans to establish targets for each measure in FY 2016 and meet those targets by maintaining a skilled customer workforce and streamlining operations to effectively manage costs.

Wholesale Securities Services: The accurate release of auction results is critical to the success of the Wholesale Securities Services Program. An emphasis on accuracy ensures preservation of public confidence in Treasury securities and stability of the financial market. Therefore, in FY 2015, Fiscal Service released 99.6 percent of auction results accurately. Fiscal Service anticipates meeting its future year targets of 100 percent through ongoing business process reviews and regularly scheduled contingency planning and mock auction exercises.

