

Department of the Treasury  
Bureau of the Fiscal Service

Congressional Budget  
Justification and Annual  
Performance Plan and Report

FY 2027

# Table of Contents

<b>Section I – Budget Request</b> .....	<b>3</b>
A – Mission Statement.....	3
B – Summary of the Request .....	3
1.1 – Appropriations Detail Table .....	4
1.2 – Budget Adjustments Table.....	5
C – Budget Increases and Decreases Description.....	5
1.3 – Object Classification (Schedule O) Obligations Table.....	6
D – Appropriations Language and Explanation of Changes .....	7
E – Legislative Proposals.....	7
<b>Section II – Annual Performance Plan and Report</b> .....	<b>8</b>
A – Budget and Performance.....	8
2.1 – Budget Activities Table .....	8
2.2 – Performance Measures Table.....	9
2.3 – Performance Summary.....	9
B – Changes in Performance Measures .....	11
<b>Section III – Additional Information .....</b>	<b>11</b>
A – Summary of Capital Investments.....	11
B – Permanent, Indefinite Appropriation.....	15

## **Section I – Budget Request**

---

### **A – Mission Statement**

Drive integrity and efficiency in federal government financial operations.

### **B – Summary of the Request**

The Bureau of the Fiscal Service (BFS) plays an integral role in the National Financial Critical Infrastructure (NFCI) of the entire federal government, and the financial services we provide touch the lives of nearly every American. BFS is guided by the Federal Financial Management Vision that the government is an efficient steward of its financial resources; that financial information provided by the government is timely and accurate; and that financial interactions with the government are modern, seamless, and secure.

The FY 2027 request for the BFS Salaries and Expenses account is \$391.1 million, flat with the FY 2025 Enacted Budget and the FY 2026 annualized level. The Budget provides resources to support continued investments in improving payment integrity and modernizing financial management systems through ongoing implementation of Executive Orders (EOs) *14247, Modernizing Payments To and From America’s Bank Account*, and *14249, Protecting America’s Bank Account Against Fraud, Waste, and Abuse*, including related payment verification and data-matching capabilities such as Do Not Pay systems, while maintaining essential operations for the government’s NFCI that finances federal programs and services, collects revenue, disburses payments, and reports on the government’s financial position. The request includes funding for the following programs in FY 2027:

- **Accounting and Reporting (\$101.9 million)**: BFS collects, analyzes, and publishes government-wide financial information to provide transparency on the government’s financial status. In FY 2025, BFS accounted for and reported on the financial activity related to the \$37.6 trillion public debt, managed an average daily cash flow of \$295.4 billion, and averaged almost 1.1 million pageviews per month on USAspending.gov.
- **Collections (\$48.7 million)**: BFS administers the world’s largest government collections system through a network of Fiscal and Financial Agents. In FY 2025, Fiscal Service collected nearly \$6.3 trillion in federal revenue, while increasing federal agency adoption of e-Commerce digital collection options by 16.5%.
- **Disbursements (\$133.5 million)**: BFS is the federal government’s central disbursing agency, disbursing 88.1% of all federal payments in FY 2025 on behalf of more than 250 federal entities. In FY 2025, Fiscal Service securely disbursed more than \$6.02 trillion, at an electronic rate of 96.96%, while preventing or recovering 1.2 million improper payments valued at \$11.5 billion.
- **Retail Securities (\$69.1 million)**: BFS provides simple, safe, and affordable ways for the public to directly interact with the Department of the Treasury to save for their future by investing in Treasury securities. In FY 2025, BFS electronically issued \$448.4 billion in Treasury retail securities, redeemed \$508.4 billion in Treasury securities, and made \$187.8 billion in retail payments.

- **Wholesale Securities (\$37.8 million):** BFS finances daily government operations by overseeing the announcement, auction, and issuance of marketable Treasury bills, notes, bonds, floating rate notes, and inflation-protected securities through reliable, accurate, and secure electronic systems. In FY 2025, BFS conducted 445 auctions, awarding \$30.15 trillion in Treasury marketable securities, and carried out 64 regularly scheduled operations to buy back nearly \$184 billion in Treasury marketable securities.

The Budget reflects \$2.8 million in annual rent savings for Fiscal Service and \$10.3 million in savings from reducing contract support and transitioning legacy on-premises system to more modern and cost-effective cloud solutions, resulting in net savings of \$13 million. The savings identified will be repurposed to support core operations through a net increase of 69 FTE, which includes annualization of hiring occurring in the second half of FY 2026 in accordance with Treasury’s approved staffing plan, as well as a request for 40 additional FTE to support critical accounting and reporting, collections, disbursements and financing functions. The budget request also continues to provide targeted support for the Administration’s and Fiscal Service’s priorities to defend against financial fraud and improper payments, increase transparency and accountability of the federal government’s operations and financial condition, and consolidate to the greatest extent possible financial management systems and operations across the federal landscape.

## 1.1 – Appropriations Detail Table

Dollars in Thousands

Appropriated Resources	FY 2025 Operating Plan		FY 2026 Enacted		FY 2027 Request		FY 2026 to FY 2027 % Change	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
<b>New Appropriated Resources</b>								
Accounting and Reporting	345	92,927	304	103,236	313	101,950	3%	-1%
Collections	180	47,863	119	50,561	133	48,773	12%	-4%
Disbursements	496	128,357	329	131,163	361	133,460	10%	2%
Retail Securities Services	296	78,166	191	69,056	200	69,070	5%	0%
Wholesale Securities Services	124	32,053	128	37,093	134	37,856	5%	2%
<b>Subtotal New Appropriated Resources</b>	<b>1441</b>	<b>\$379,366</b>	<b>1072</b>	<b>\$391,109</b>	<b>1141</b>	<b>\$391,109</b>	<b>6%</b>	<b>0%</b>
<b>Other Resources</b>								
Debt Collection	241	199,886	210	194,956	210	197,966	0%	2%
Reimbursables	7	229,617	0	241,000	0	241,000	0%	0%
Unobligated Balances From Prior Year	0	239,764	0	253,881	0	253,881	0%	0%
<b>Subtotal Other Resources</b>	<b>248</b>	<b>\$669,267</b>	<b>210</b>	<b>\$689,837</b>	<b>210</b>	<b>\$692,847</b>	<b>0%</b>	<b>1%</b>
<b>Total Budgetary Resources</b>	<b>1689</b>	<b>\$1,048,633</b>	<b>1282</b>	<b>\$1,080,946</b>	<b>1351</b>	<b>\$1,083,956</b>	<b>5%</b>	<b>1%</b>

1 FY 2025 Other Resources and Full-time Equivalents (FTE) reflect actuals.

2 Treasury’s staffing plan was approved by OPM in January and establishes positions ceilings. FTE levels reflect estimated utilization for FY 2026 and FY 2027 based on projected on-board dates for approved hires and does not equate to the Bureau’s approved position level.

## 1.2 – Budget Adjustments Table

Dollars in Thousands

	FTE	Amount
<b>FY 2026 Enacted</b>	<b>1,072</b>	<b>\$391,109</b>
<b>Changes to Base:</b>	29	\$6,219
Maintaining Current Levels (MCLs):		
Pay Annualization (FY 2026 1.0% average pay raise)	0	\$1,463
Annualization Of New Hires	29	\$4,756
Subtotal Changes to Base	29	\$6,219
<b>FY 2027 Current Services</b>	<b>1,101</b>	<b>\$397,328</b>
<b>Program Changes:</b>		
Program Decreases:		(\$13,114)
Facilities Reduction	0	(\$2,803)
Operational Efficiencies	0	(\$10,311)
Program Increases:		\$6,894
Bureau Core Operations	40	\$6,894
<b>FY 2027 President's Budget Request</b>	<b>1,141</b>	<b>\$391,109</b>

### C – Budget Increases and Decreases Description

**Maintaining Current Levels (MCLs) .....+\$6,219,457 / +29 FTE**

Pay Annualization (1.0% in 2026) +\$1,463,180 / +0 FTE

Funds are requested for annualization of the January 2026 1.0% average pay raise.

Annualization of New Hires +\$4,756,277 / +29 FTE

Reflects costs related to annualization of hiring occurring in the second half of FY 2026 in accordance with Treasury's approved staffing plan.

**Program Decreases ..... -\$13,114,000 / -0 FTE**

Facilities Reduction -\$2,803,000 / -0 FTE

In alignment with the EO 14274, BFS is continuing its efforts to rationalize our facility footprint and optimize the space we occupy by consolidating with other Treasury offices including the Mint (9th Street) and IRS (New Carrollton). Returning underutilized space across our locations will result in estimated rent and facilities savings of \$2.8 million in FY 2027.

Operational Efficiencies -\$10,311,000 / -0 FTE

In alignment with the EO 14222, BFS is continuing efforts to reduce consulting contracts and transition legacy on-premise systems to more modern and cost-effective cloud solutions.

**Program Increases ..... +\$6,894,161 / +40 FTE**

Bureau Core Operations +\$6,894,161 / +40 FTE

BFS is requesting an increase of \$6.8 million and 40 FTE in FY 2027, which is necessary to restore a modest staffing level to support core operations that are critical to delivering on the BFS mission. Workforce optimization efforts including participation in voluntary separation offers like DRP and VERA have reduced BFS staffing to levels that increase operational risk. To

mitigate these risks BFS has strategically reorganized, prioritized critical positions, and invested in opportunities to streamline and automate functions across the bureau, but without funding to restore a modest number of positions, critical High Value Assets and mission critical work will be at risk, including essential work in payment operations, government-wide financing and accounting, the financial management marketplace and standards, and further efforts to continue progress on implementation of EOs 14247, *Modernizing Payments To and From America's Bank Account*, and 14249, *Protecting America's Bank Account Against Fraud, Waste, and Abuse*.

### 1.3 – Object Classification (Schedule O) Obligations Table

Dollars in Thousands

Object Classification	FY 2025 Actual Obligations	FY 2026 Estimated Obligations	FY 2027 Estimated Obligations
11.1 - Full-time permanent	204,516	168,020	171,944
11.3 - Other than full-time permanent	413	-	214
11.5 - Other personnel compensation	5,526	2,929	5,296
<b>11.9 - Personnel Compensation (Total)</b>	<b>210,454</b>	<b>170,948</b>	<b>177,454</b>
12.0 - Personnel benefits	80,412	62,231	68,417
13.0 - Benefits for former personnel	150	-	-
<b>Total Personnel and Compensation Benefits</b>	<b>291,016</b>	<b>233,179</b>	<b>245,871</b>
21.0 - Travel and transportation of persons	524	1,336	1,217
22.0 - Transportation of things	191	1,162	162
23.1 - Rental payments to GSA	26,383	23,253	21,107
23.2 - Rental payments to others	-	-	60
23.3 - Communications, utilities, and miscellaneous charges	51,951	50,658	53,279
24.0 - Printing and reproduction	111	225	184
25.1 - Advisory and assistance services	83,549	61,358	83,835
25.2 - Other services from non-Federal sources	3,664	7,173	7,612
25.3 - Other goods and services from Federal sources	321,022	426,338	397,962
25.4 - Operation and maintenance of facilities	2,203	2,381	2,226
25.7 - Operation and maintenance of equipment	6,500	7,989	7,864
25.8 - Subsistence and support of persons	-	-	-
26.0 - Supplies and materials	4,710	6,037	5,734
31.0 - Equipment	2,852	4,122	744
32.0 - Land and structures	-	1,854	1,103
<b>Total Non-Personnel</b>	<b>503,661</b>	<b>593,885</b>	<b>583,088</b>
<b>Total Obligations</b>	<b>794,677</b>	<b>827,064</b>	<b>828,959</b>
<b>Full-time Equivalents (FTE)</b>	<b>1689</b>	<b>1282</b>	<b>1351</b>

\*Amounts reflect obligations of annually appropriated resources, carryover balances, reimbursables, and transfers including Debt Collection accounts.

**D – Appropriations Language and Explanation of Changes**

<b>Appropriations Language</b>	<b>Explanation of Changes</b>
<p>DEPARTMENT OF THE TREASURY BUREAU OF THE FISCAL SERVICE <i>Federal Funds</i></p> <p>SALARIES AND EXPENSES <i>For necessary expenses of operations of the Bureau of the Fiscal Service, \$391,109,000; of which not to exceed \$8,000,000, to remain available until September 30, 2029, is for information systems modernization initiatives; and of which \$5,000 shall be available for official reception and representation expenses. In addition, \$225,000, to be derived from the Oil Spill Liability Trust Fund to reimburse administrative and personnel expenses for financial management of the Fund, as authorized by section 1012 of Public Law 101–380.</i></p>	

**E – Legislative Proposals**

BFS has no legislative proposals.

## Section II – Annual Performance Plan and Report

### A – Budget and Performance

Treasury carries a great responsibility for fostering prosperity and security for the American people. We play a critical role both in the U.S. economy and globally to meet the needs of the nation. The [Treasury Strategic Plan 2026–2030](#) charts a course to guide meeting the responsibilities to the public. As the Bureau Strategic Plans are finalized, more information on measures such as validation and verification of data and explanations of results will be developed.

### 2.1 – Budget Activities Table

Dollars in Thousands

Resource Level	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Enacted	FY 2027 Request
<b>Accounting and Reporting</b>	<b>126,281</b>	<b>116,476</b>	<b>119,670</b>	<b>129,080</b>	<b>118,805</b>	<b>144,736</b>	<b>143,450</b>
Appropriated Resources	102,344	94,019	95,481	97,364	92,927	103,236	101,950
Reimbursable Resources	23,937	22,457	24,189	31,716	25,878	41,500	41,500
<b>Collections</b>	<b>51,628</b>	<b>55,200</b>	<b>58,409</b>	<b>72,353</b>	<b>63,936</b>	<b>129,199</b>	<b>127,411</b>
Appropriated Resources	42,317	44,008	46,354	46,352	47,863	50,561	48,773
Reimbursable Resources	9,311	11,192	12,055	26,001	16,073	78,638	78,638
<b>Payments</b>	<b>276,469</b>	<b>283,179</b>	<b>288,827</b>	<b>235,218</b>	<b>263,418</b>	<b>192,883</b>	<b>195,180</b>
Appropriated Resources	136,627	132,026	126,014	131,675	128,357	131,163	133,460
Reimbursable Resources	139,842	151,153	162,813	103,543	135,061	61,720	61,720
<b>Retail Securities Services</b>	<b>78,522</b>	<b>93,569</b>	<b>104,676</b>	<b>128,392</b>	<b>120,393</b>	<b>103,736</b>	<b>103,750</b>
Appropriated Resources	62,104	78,015	87,922	83,895	78,166	69,056	69,070
Reimbursable Resources	16,418	15,554	16,754	44,497	42,227	34,680	34,680
<b>Wholesale Securities Services</b>	<b>28,476</b>	<b>30,446</b>	<b>31,915</b>	<b>39,965</b>	<b>42,431</b>	<b>61,555</b>	<b>62,318</b>
Appropriated Resources	23,414	25,031	26,005	31,823	32,053	37,093	37,856
Reimbursable Resources	5,062	5,415	5,910	8,142	10,379	24,462	24,462
<b>Debt Collection</b>	<b>195,256</b>	<b>180,670</b>	<b>192,499</b>	<b>182,471</b>	<b>199,886</b>	<b>194,956</b>	<b>197,966</b>
Reimbursable Resources	195,256	180,670	192,499	182,471	199,886	194,956	197,966
<b>Budget Activity Total</b>	<b>\$756,632</b>	<b>\$759,540</b>	<b>\$795,996</b>	<b>\$787,479</b>	<b>\$808,869</b>	<b>\$827,065</b>	<b>\$830,075</b>
<b>Full-time Equivalents (FTE)</b>	<b>1,937</b>	<b>1,865</b>	<b>1,769</b>	<b>1,723</b>	<b>1,689</b>	<b>1,282</b>	<b>1,351</b>

## 2.2 – Performance Measures Table

Performance Measure	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2025 Target	FY 2026 Target	FY 2027 Target
Percentage of Government-wide Accounting Reports Issued On Time (%)	100	100	99.6	100	100	99	99	99
Number of High Value Analytics Use Cases Deployed (#)	3	3	20	28	92	15	DISC	DISC
Percentage of total federal government receipts initiated electronically (in volume) (%)	83	83.2	84.8	88.4	88.8	84.5	91	94
Percentage of Treasury Payments Disbursed Electronically (%)	96.2	96.4	96.45	96.9	96.96	97.03	97.03	97.03
Count of Potential Improper Payments Identified	23,801	17,115	213,998	45,086	Pending*	75,000	1,956,000	2,050,000
Count of Potential Improper Payments Prevented	N/A	N/A	162,775	1,080,576	Pending*	1,500,000	2,208,000	2,320,000
Count of Improper Payments Recovered	N/A	N/A	21,723	116,787	Pending*	75,000	69,700	70,000
Percentage of Retail Securities Transactions that are Unassisted (%)	63	77	82	83	85.8	74	77	78
Basic Casework Processing (Average Case Resolution Time)	N/A	N/A	N/A	N/A	31	30	30	30
Complex Casework (Average Case Resolution Time)	N/A	N/A	N/A	N/A	76	90	90	90
Percentage of Auction Results Released Accurately (%)	100	100	100	100	100	100	100	100
Percentage of Auctions Successfully Completed by the Scheduled Close Date (%)	100	99.75	99.52	100	100	100	100	100
All delinquent debt collected FYTD as a percentage of all delinquent debt referred FYTD (%)	15.9	16.58	16.8	16.7	14.25	13	14	14
Percentage of the active delinquent debt portfolio collected FYTD (%)	7.3	6.26	3.7	2.1	5.73	2.5	3	3

\*Results are pending  
Key: DISC – Discontinued

## 2.3 – Performance Summary

BFS fulfills its mission and strategic vision through five appropriated budget activities – Accounting and Reporting, Collections, Disbursements, Retail Securities Services, Wholesale Securities Services – and one mandatory budget activity for Debt Collection, which is funded through delinquent debt collection revenue, as well as through shared services programs under the Treasury Franchise Fund (refer to the Franchise Fund submission for more information). In FY 2025, BFS demonstrated strong performance across all budget activities and performance measures. Overall, 10 out of 11 performance targets were met or exceeded, while one did not meet its targets. Performance outcomes reflect BFS’s operational resiliency and strong record of

fiscal responsibility, while trend analysis indicates stable performance results year over year. In FY 2025, variances from targets were primarily attributable to external workload drivers such as changes in debt referral and payment volumes. Key FY 2025 results include:

- *Accounting and Reporting:* BFS accounted for and reported on the financial activity related to the \$37.6 trillion public debt and managed an average daily cash flow of \$295.4 billion. **BFS issued 100 percent of Government-wide accounting reports on time**, including the annual Financial Report of the U.S. Government, which reports the financial condition of the federal government using accrual-based accounting, the Monthly Treasury Statements, and the Daily Treasury Statements.
- *Collections:* BFS collected nearly \$6.3 trillion in federal revenue by processing over 658 million transactions, including individual and corporate income tax deposits, customs duties, fees for Government services, fines, and loan repayments. **The percentage of fully electronic (initiated and settled) revenue collection transactions increased to 88.8%**, an increase of over 5 million transactions (0.4%) compared to FY 2024.
- *Payments:* BFS disbursed 88.1 percent of all federal payments in FY 2025, with 1.33 billion payments totaling more than \$6.02 trillion. 100 percent of check and EFT payments were made accurately and on time based on an agency-certified payment schedule, and **96.96 percent of those payments were electronic**. The non-tax electronic disbursement rate continued a positive trend, with 98.45 percent of non-tax payments disbursed electronically, exceeding the 98.40 percent target.
- *Retail Securities Services:* BFS electronically issued \$491.5 billion in Treasury retail securities, (including original issues and reinvestments), processed \$508.4 billion in redemptions, and made retail payments worth \$187.8 billion. In FY 2025, **85.8 percent of retail securities transactions were unassisted, a continued upward trend year over year since FY 2022 (77%)**.
- *Wholesale Securities Services:* BFS conducted 445 auctions and awarded \$30.15 trillion in securities, increases of 2.1% and 9.5%, compared to FY 2024. Despite the increases in auction and post-auction workload, **100 percent of auction results were released accurately and timely on the scheduled close dates**. In addition to auctions, 64 regularly scheduled buyback operations were conducted to buy back nearly \$184 billion in Treasury marketable securities. These activities represent significant increases of 146% and 309%, respectively, compared to FY 2024.
- *Debt Collections:* BFS collected a total of \$5.23 billion in delinquent debt. **The percentage of the active delinquent debt portfolio collected during the FY 2025 was 5.73 percent**, above the 2.5 percent target and over the FY 2024 result of 2.1 percent. The FY 2025

percentage exceeded the target primarily due to Cross-Servicing referrals decreasing by \$21 billion from FY 2024 to FY 2025. The primary contributor to this decline was the removal of SBA's EIDL and PPP debts. While referrals decreased throughout the year collections increased significantly with TOP. This resulted in the higher collection rate than initially projected.

In FY 2026, BFS plans to focus on three enterprise-wide priorities in addition to sustaining business operations within each budget activity:

- *Protecting America's Bank Accounts Against Fraud, Waste, and Abuse:* Improve payment integrity by proactively identifying and preventing improper payments, while consolidating financial management systems to enhance oversight, improve data access and standards, increase transparency and accountability through accounting enhancements, and centralize Treasury disbursements to better safeguard taxpayer dollars.
- *Modernizing Payments To and From America's Bank Account:* Drive operational efficiency by continuing to expand and streamline electronic disbursements and receipts to reduce the risks and costs associated with paper-based transactions, while maintaining and enhancing digital payment capabilities to ensure consistent, accessible service – particularly for unbanked and underbanked populations.
- *Adapting Business Operations:* Transform operations by delivering scalable, cost-effective, and sustainable solutions that provide long-term value to agency partners and the public. This includes maintaining end-to-end financial management services, streamlining processes and reorganizing the bureau to increase efficiency, and leveraging standards-based commercial solutions to achieve economies of scale and increase resiliency.

## **B – Changes in Performance Measures**

BFS has no changes in performance measures.

## **Section III – Additional Information**

---

### **A – Summary of Capital Investments**

BFS advances responsible and effective government by managing a portfolio of information technology (IT) and non-technology capital investments that support the delivery of federal financial management services. These investments enable secure operations, system reliability, and continuity of mission-critical payment, financing, accounting, and collection functions.

Consistent with Office of Management and Budget (OMB) Circular A-11 capital planning and investment control (CPIC) guidance, BFS manages its IT portfolio using a disciplined, data-informed approach that emphasizes investment performance, risk management, and lifecycle oversight. In alignment with the President's Management Agenda, portfolio management efforts

focus on reducing unnecessary duplication, minimizing administrative burden, and aligning resources to mission priorities. Ongoing assessment of investment health and performance informs budget formulation, execution, and governance decisions.

A summary of major IT and non-technology capital investments is available at: <https://www.treasury.gov/about/budget-performance/Pages/summary-of-capital-investments.aspx>. These investments reflect BFS's application of federal capital planning principles to promote accountability, cost efficiency, and effective use of taxpayer resources, including the use of consolidation and standardization where appropriate to support operational efficiency.

### **Effective Investment Governance**

BFS employs a disciplined governance framework to ensure capital investments align with bureau strategic outcomes and support mission priorities. Administered by the Office of the Chief Financial Officer (OCFO), the governance process enables leadership to assess alternative courses of action, make informed investment decisions, and commit resources in a controlled and transparent manner. The governance framework enforces performance accountability by rigorously evaluating alternatives, eliminating non-essential activities, and concentrating resources on the highest-value solutions.

Investment decisions and oversight are executed through established enterprise governance bodies that review business cases, portfolio performance, and planning artifacts to approve, prioritize, and monitor programs and projects across the organization. Governance decisions are informed by multi-year financial planning and enterprise architecture direction, ensuring investments are evaluated within the context of long-term fiscal sustainability and the bureau's target technology environment.

The governance process is integrated with budget formulation and execution, acquisition planning, performance management, and risk management, reinforcing accountability throughout the investment lifecycle and supporting effective stewardship of federal resources.

### **Effective Program and Project Execution**

BFS manages services that are critical to the nation's economy and the federal financial critical infrastructure and executes a portfolio of programs and projects to sustain operational integrity, resilience, and continuous improvement. Effective delivery of these investments is essential to ensuring uninterrupted operations and responsible stewardship of federal resources.

To support consistent oversight and performance accountability, BFS employs a Program Management Improvement Accountability Act (PMIAA) Framework that provides a standardized, enterprise-wide approach to program and project reporting. All investments approved through bureau governance are required to report progress and performance through PMIAA, with IT investments also reflected in the IT portfolio, establishing a single source of truth for investment performance.

PMIAA provides executive-level visibility into project health through standardized metrics related to cost, schedule, scope, risk, quality, and efficiency, including a management watchlist

for investments exhibiting elevated risk or adverse performance trends. Consistent with the bureau's Solutions Lifecycle Policy, systems and solutions supporting capital investments employ iterative development approaches for enhancements and new development. This integrated approach strengthens performance monitoring, supports informed governance decisions, and enables BFS to align investment execution with enterprise IT strategy.

### **Enterprise Architecture Services**

Enterprise Architecture (EA) services ensure that the BFS applies a disciplined, common framework to describe, analyze, and govern its business and technology investments using consistent standards and evidence-based practices. Through EA, the bureau proactively plans for change in alignment with mission priorities, evolving business needs, emerging technologies including Artificial Intelligence (AI), and federal directives emphasizing operational efficiency, fiscal stewardship, and risk reduction. The EA program enables cross-bureau analysis of capabilities, processes, data, and technology dependencies to rationalize architecture, technologies, and investments, eliminate duplicative solutions, consolidate contracts and platforms, and establish a clear line of sight from strategic objectives to the systems and infrastructure that enable their execution.

BFS's EA program supports cost containment and reduction by informing technology roadmap development, IT portfolio rationalization, and investment and cost optimization efforts. These activities prioritize reuse of approved enterprise solutions, modernization of legacy systems, and adoption of automation and AI-enabled capabilities where appropriate to improve service delivery, decision-making, and operational resilience. EA also enables the bureau to evaluate commercial and shared-service options, align acquisitions with long-term enterprise standards, and strengthen governance to ensure technology investments deliver measurable value while minimizing risk and unnecessary spending.

Service Brokers (bureau-wide governance liaisons) play a critical role in operationalizing EA by serving as strategic liaisons between business owners and all facets of governance, including technology providers. They collaborate closely with stakeholders to understand mission needs, develop business cases, guide investments through governance processes, and evaluate alternatives to ensure alignment with enterprise standards and the Administration's priorities. By coordinating governance initiatives across the organization, Service Brokers help ensure modernization initiatives, including AI adoption, are implemented in a consistent, secure, and cost-effective manner, while aligning solutions with customer expectations and enterprise-wide goals.

### **Enterprise Risk and Fraud Management**

BFS's mission requires a disciplined enterprise approach to risk and fraud management to sustain operational excellence while advancing innovative solutions that improve efficiency and transform federal financial management. To support this mission, BFS has established an Enterprise Risk Management (ERM) function within the OCFO to promote a consistent, bureau-wide approach to identifying, assessing, and managing risks that could affect the achievement of strategic goals and objectives.

Enterprise risk oversight is supported through executive-level governance that provides accountability for identifying, monitoring, and managing enterprise risks; enabling timely, risk-informed decision-making; and promoting a risk-aware culture. Risk considerations are integrated into key decision-making processes, including strategic and operational planning, workforce planning, capital investment planning, resource prioritization, and budget formulation, supported by an established risk appetite and enterprise risk management framework.

Fraud risk is managed as a critical component of the bureau's enterprise risk posture through the Enterprise Fraud Risk Management Program (EFRMP) within the Office of the Chief Information Officer. EFRMP advances fraud detection, prevention, defense, and recovery capabilities and emphasizes proactive measures to protect the integrity of interactions between the public and Fiscal Service. The EFRMP program supports enterprise-wide fraud risk management through fraud risk assessments, investigative support, analytics, and training, promoting consistent application of risk management practices and continuous improvement of the bureau's fraud risk management posture.

### **Cybersecurity**

Cybersecurity remains foundational to protecting the nation's financial infrastructure and billions of sensitive records. BFS has a multi-faceted mission that promotes financial integrity and operational efficiency across the federal government. As such, protecting the information and technology resources that support the bureau's mission with modern solutions that will support security, resiliency, and agility are critically important. BFS is responsible for 66 Federal Information Security Modernization Act (FISMA) systems with billions of Personally Identifiable Information (PII) records, including eight High Value Assets (HVAs) that support the Financial Services Sector of the Critical Infrastructure of the federal government. BFS invests in strengthening the cyber defenses of HVAs and other systems against the increasing volume, sophistication, frequency, impact, and brazenness of global cybersecurity threats. These investments are critical to maintaining confidence and security of the financial ecosystem of the United States and avoiding significant data breaches or cybersecurity incidents.

In alignment with federal cybersecurity priorities, BFS continues to implement Zero Trust Architecture through cloud migration, data center exit activities, and other initiatives aligned with OMB guidance. This approach strengthens the Bureau's defense-in-depth strategy, enables consistent application of security controls across environments, and enhances resilience and agility. The enterprise cybersecurity program maintains compliance with National Institute of Standards and Technology (NIST) security standards and annual security assessment requirements. Looking ahead, BFS is enhancing security operations through improved threat visibility and automated detection and response capabilities, while addressing emerging risks such as supply chain threats, secure use of AI, and preparation for post-quantum cryptography.

## B – Permanent, Indefinite Appropriation

Dollars in Thousands

Permanent, Indefinite Appropriation	FY 2025 Actuals	FY 2026 Estimate	FY 2027 Request
Federal Reserve Bank <sup>1</sup>	\$673,297	\$725,000	\$725,000
Reimbursements to the Federal Reserve Banks	\$230,015	\$237,000	\$237,000
Financial Agent Services <sup>1,2</sup>	\$1,653,897	\$2,014,745	\$1,738,595
Government Losses in Shipment	\$7,580	\$20,000	\$20,000

<sup>1</sup> Approximately \$226.2M was reimbursed from other government agencies and deposited in the General Fund in FY 2025.

<sup>2</sup> FY 2025 - FY 2027 includes \$1M per year for the Government Sponsored Enterprise - Mortgage-Backed Securities administrative costs.

### **Federal Reserve Bank Permanent, Indefinite Appropriation**

The Federal Reserve Banks (FRBs) act as fiscal agents of the United States when directed by the Secretary of the Treasury in accordance with 12 U.S.C. § 391. Under this account, the FRBs support fiscal operations unrelated to the administration of the public debt and provide banking and financial services on behalf of the United States Treasury. Specifically, this account supports accounting and reporting, collections, disbursements, and debt collection programs. These and other programs are vital to the NFCI, Treasury's and Fiscal Service's strategic goals, and the expansion of e-Government efforts to reduce costs, improve accuracy and increase options available to citizens to conduct transactions with the federal government. Fiscal Service estimates that the cost of FRB services for FY 2027 will be approximately \$725 million.

### **Reimbursements to the Federal Reserve Banks**

Public Law (P.L.) 101-509, 104 Stat. 1389, 1394 (1990), established a permanent, indefinite appropriation to pay such sums as may be necessary to reimburse the FRBs for acting as fiscal agents. This account was further defined in FY 1992 to solely support those activities related to the administration of the public debt. Funding for FY 2027 is estimated at \$237 million.

### **Financial Agent Services Permanent, Indefinite Appropriation**

Congress has given the Secretary of the Treasury authority to deposit money in financial institutions and obtain banking and financial services by designating qualified financial institutions to serve as Financial Agents (FAs) of the United States. The services support many Fiscal Service programs, such as collections, disbursements, debt collection, and retail securities services. The services provided by the FAs are authorized under numerous statutes including, but not limited to, 12 U.S.C. §§ 90 and 265. Fiscal Service estimates the cost of FA services for FY 2027 will be \$1.739 billion, which includes approximately \$1 million for Government Sponsored Enterprise – Mortgage-Backed Securities administrative costs.

### **Government Losses in Shipment**

P.L. 103-329 established a permanent, indefinite appropriation to pay such sums as necessary to make payments for the replacement (or value) of valuables lost, destroyed, or damaged during United States Government shipments. The Government Losses in Shipment Act (the Act) was enacted July 8, 1937, to dispense with the necessity for insurance by the government against loss or damage to valuables in shipment and for other purposes. The Act was amended in 1943 to cover losses resulting from the redemption of savings bonds (for example, stolen bonds that were fraudulently negotiated even though the paying agent followed identification guidelines

established by the Treasury). All authorities of the Treasury under the Act are delegated to the Fiscal Service Commissioner. In FY 2027, the funding estimated to support payments for the replacement of valuables is approximately \$20 million. This estimate is higher than average due to anticipated reimbursements to financial institutions for losses associated with identified savings bonds fraud.