

Department of the Treasury  
Bureau of the Fiscal Service

Congressional Budget  
Justification

FY 2026

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## **Section I – Budget Request**

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### **A – Mission Statement**

Promote the financial integrity and operational efficiency of the federal government through exceptional accounting, financing, collections, disbursements, and shared services.

### **B – Summary of the Request**

The Bureau of the Fiscal Service (Fiscal Service) 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. Fiscal Service is guided by its enduring aspiration 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 2026 request for the Fiscal Service Salaries and Expenses account is \$391.1 million, flat with the FY 2025 Operating Plan. The Budget provides resources to maintain 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 2026:

- Accounting and Reporting (\$87.9 million): Fiscal Service collects, analyzes, and publishes government-wide financial information to provide transparency on the government's financial status. In FY 2024, Fiscal Service accounted for and reported on the financial activity related to the \$35.4 trillion public debt, managed an average daily cash flow of \$274.9 billion, and averaged almost 1.1 million pageviews per month on USAspending.gov.
- Collections (\$46.8 million): Fiscal Service administers the world's largest government collections system through a network of Fiscal and Financial Agents. In FY 2024, Fiscal Service collected nearly \$5.9 trillion in federal revenue, while increasing federal agency adoption of e-Commerce digital collection options by 16.4%.
- Disbursements (\$167.9 million): Fiscal Service is the federal government's central disbursing agency, disbursing 87.8% of all federal payments in FY 2024 on behalf of more than 250 federal entities. In FY 2024, Fiscal Service securely disbursed nearly 1.3 billion payments totaling \$5.4 trillion, at an electronic rate of 96.9%, while preventing or recovering 1.2 million improper payments valued at \$7.5 billion.
- Retail Securities (\$57.9 million): Fiscal Service 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 2024, Fiscal Service electronically issued \$191.6 billion in Treasury retail securities, redeemed \$437.3 billion in Treasury securities, and made \$186.1 billion in retail payments.
- Wholesale Securities (\$30.6 million): Fiscal Service 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 2024, Fiscal Service conducted 436 auctions and awarded \$28.4 trillion in Treasury marketable securities.

The Budget reflects \$2.5 million in annual rent savings for Fiscal Service and net staffing reductions of 315 FTE, resulting in savings of \$47.5 million. The savings identified will be repurposed to support the Administration 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.

The budget includes \$48.8 million to enable federal programs to detect and respond to current and emerging payment integrity threats and includes a modest staffing increase and direct investments into technology and contracts to secure the data sets necessary to identify and share potential threats with other governmental agencies. This initiative directly supports Fiscal Service’s ability to meet directives and priorities outlined in the March 25, 2025 Executive Order (EO) *Protecting America's Bank Account Against Fraud, Waste, and Abuse*. This EO focuses on financial integrity and operational efficiency and ensuring safeguards and controls for payments in and out of the General Fund of the United States. The FY 2026 request will support investments in the infrastructure necessary to support federal agencies in verifying payment information prior to submission to Treasury and tracking transactions through the General Fund in greater detail, returning disbursement functions to the Department of the Treasury, and consolidating and standardizing core federal financial management systems to meet federal accounting and financial reporting standards. The request will also support funding necessary to phase out paper check disbursements and receipts and transition all governmental disbursements to electronic disbursement options, in support of the March 25, 2025 EO *Modernizing Payments To and From America's Bank Account*.

**Table 1.1 – Appropriations Detail**

Dollars in Thousands

Dollars in Thousands

Appropriated Resources		FY 2024 Operating Plan	FY 2025 Operating Plan		FY 2026 Request		FY 2025 to FY 2026 % Change	
New Appropriated Resources	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Accounting and Reporting	363	\$99,529	362	\$93,571	325	\$87,910	-10.2%	-6.0%
Collections	156	\$48,041	133	\$48,717	121	\$46,823	-9.0%	-3.9%
Disbursements	472	\$131,141	450	\$134,603	359	\$167,888	-20.2%	24.7%
Retail Securities Services	363	\$82,623	340	\$80,450	186	\$57,871	-45.3%	-28.1%
Wholesale Securities Services	121	\$29,775	139	\$33,768	118	\$30,617	-15.1%	-9.3%
Subtotal New Appropriated Resources	1,475	\$391,109	1,424	\$391,109	1,109	\$391,109	-22.1%	0.0%
Other Resources								
Reimbursables	7	\$213,899	7	\$241,000	7	\$241,000	0.0%	0.0%
Debt Collection	249	\$182,471	315	\$213,099	315	\$215,549	0.0%	1.1%
Unobligated Balances from Prior Year	0	\$200,487	0	\$224,835	0	\$224,835	NA	0.0%
Subtotal Other Resources	256	\$596,857	322	\$678,934	322	\$681,384	0.0%	0.4%
Total Budgetary Resources	1,731	987,966	1,746	\$1,070,043	1,431	\$1,072,493	-18.0%	0.2%

1 FY 2024 Other Resources and Full-time Equivalents (FTE) reflect actuals.

**Table 1.2 – Budget Adjustments**

Dollars in Thousands

	FTE	Amount
<b>FY 2025 Enacted</b>	<b>1,424</b>	<b>\$391,109</b>
<b>Changes to Base:</b>		
Maintaining Current Levels (MCLs):	0	\$1,227
Pay Annualization (FY 2025 2.0% average pay raise)	0	\$1,227
Other Adjustments:	(328)	(\$47,545)
Staffing Reductions	(328)	(\$47,545)
Subtotal Changes to Base	(328)	(\$46,318)
<b>FY 2026 Current Services</b>	<b>1,096</b>	<b>\$344,791</b>
<b>Program Changes:</b>		
Program Decreases	0	(\$2,470)
Facilities Relocation	0	(\$2,470)
Program Increases:	13	\$48,788
Payment Integrity	13	\$48,788
<b>FY 2026 President's Budget Request</b>	<b>1,109</b>	<b>\$391,109</b>

**C – Budget Increases and Decreases Description****Maintaining Current Levels (MCLs) .....+\$1,227,000 / +0 FTE**Pay Annualization (2.0% in 2025) +\$0 / +0 FTE

Funds are requested for annualization of the January 2025 2.0% average pay raise.

**Other Adjustments.....-\$47,545,000 / -328 FTE**Staffing Reductions -\$47,545,000 / -328 FTE

In support of administration priorities and in compliance with the EO on *Implementing The President's "Department of Government Efficiency" Workforce Optimization Initiative*, Fiscal Service projects reduced staffing for FY 2026 resulting in a decrease of 328 FTE and \$47.5 million in savings from the appropriation. This is being accomplished through participation in the Deferred Resignation Program, use of Voluntary Early Retirement Authority, planned Reductions in Force, and normal attrition.

**Program Decreases .....-\$2,470,000 / -0 FTE**Facilities Relocation -\$2,470,000/ -0 FTE

In alignment with the EO on *Implementing The President's "Department Of Government Efficiency" Cost Efficiency Initiative* and to address critical maintenance needs and safety concerns, Fiscal Service is reducing facilities maintenance and rent cost by relocating and rightsizing our National Capital Region facilities to more modern and functional space. These relocations are expected to generate long-term savings while maintaining continuity of operations and supporting workforce needs.

**Program Increases .....+\$48,788,000 / +13 FTE**Payment Integrity +\$48,788,000 / +13 FTE

The Budget includes funding to support Administration and Fiscal Service priorities to enable federal programs to detect, prevent, and respond to current and emerging payment integrity threats. This includes investments to defend against financial fraud and improper payments,

increase transparency and accountability around the federal government's operations and financial condition, improve the efficiency of core financial management systems, and enhance the security of federal payments. Through these investments, Fiscal Service will make solutions available across the entirety of the federal enterprise and create economies of scale by providing access to data, analytics capabilities, and expertise.

Fiscal Service's fraud prevention and payment integrity work will leverage senior technology experts to ensure payment integrity goals are met across the nation's largest programs by offering customer-centric, cost-effective and technologically advanced data and technology services and includes an additional 13 FTE to support this work. Doing so will reduce the administrative burden on federal programs and applicants while providing a government-wide service to prevent financial loss, which fully leverages Do Not Pay. The FY 2026 request also supports the necessary technology infrastructure and agency adoption investments to assist federal and federally funded state administered programs to comply with requirements to consume Treasury anti-fraud services and share known fraudulent transactions with Treasury.

Additionally, the Budget will support establishing as part of the fraud prevention and financial integrity function a single agency-facing platform by improving operational access to the Public Assistance Reporting Information System, with increased data sources and cadence. The request will also allow for needed investments to support plans that are currently under development to reduce the number of non-Treasury Disbursing Officers by centralizing and managing in Treasury all payments currently disbursed by other agencies such as the Department of Defense, the Department of Health and Human Services, and the Department of Justice; consolidate all non-CFO Act agencies transactional financial management (FM) services under a single provider approved by Treasury and support all CFO Act Agencies to use standard FM solutions available through the FM Quality Service Management Office; and support the transition to electronic payments for all federal disbursements and receipts.

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

Dollars in Thousands

Object Classification	FY 2024 Actual Obligations	FY 2025 Estimated Obligations	FY 2026 Estimated Obligations
11.1 - Full-time permanent	198,969	211,658	181,404
11.3 - Other than full-time permanent	333	77	280
11.5 - Other personnel compensation	6,170	3,061	5,381
<b>11.9 - Personnel Compensation (Total)</b>	<b>205,472</b>	<b>214,795</b>	<b>187,065</b>
12.0 - Personnel benefits	78,594	82,509	71,638
13.0 - Benefits for former personnel	1,225	562	0
<b>Total Personnel and Compensation Benefits</b>	<b>\$285,291</b>	<b>\$297,866</b>	<b>\$258,703</b>
21.0 - Travel and transportation of persons	1,005	2,227	1,900
22.0 - Transportation of things	49	520	62
23.1 - Rental payments to GSA	25,971	27,711	22,156
23.2 - Rental payments to others	6	4	60
23.3 - Communications, utilities, and miscellaneous charges	47,621	53,723	53,342
24.0 - Printing and reproduction	230	184	184
25.1 - Advisory and assistance services	65,240	65,979	78,207
25.2 - Other services from non-Federal sources	5,967	7,739	7,660
25.3 - Other goods and services from Federal sources	338,834	366,644	406,378
25.4 - Operation and maintenance of facilities	2,117	2,240	2,242
25.7 - Operation and maintenance of equipment	6,748	9,280	9,199
26.0 - Supplies and materials	4,311	5,526	5,744
31.0 - Equipment	747	3,333	660
32.0 - Land and structures	3,971	2,179	1,108
<b>Total Non-Personnel</b>	<b>\$502,816</b>	<b>\$547,289</b>	<b>\$588,903</b>
<b>Total Obligations</b>	<b>\$788,107</b>	<b>\$845,155</b>	<b>\$847,606</b>
<b>Full-time Equivalents (FTE)</b>	<b>1724</b>	<b>1746</b>	<b>1431</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><i>SALARIES AND EXPENSES</i> <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, 2028, is for information systems modernization initiatives; and of which \$5,000 shall be available for official reception and representation expenses.</i></p> <p><i>In addition, \$242,000, 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> <p>Note.—This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119–4).</p>	

**E – Permanent and Indefinite Funds****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 NFICI, 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 2026 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 2026 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 2026 will be \$1.735 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 2026, 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.

### **1.4 – Permanent, Indefinite Appropriations Table**

Dollars in Thousands

Permanent, Indefinite Appropriation	FY 2024 Actual	FY 2025 Estimate	FY 2026 Request
Federal Reserve Bank <sup>1</sup>	\$692,000	\$696,000	\$725,000
Reimbursements to the Federal Reserve Banks	\$207,000	\$230,000	\$237,000
Financial Agent Services <sup>1,2</sup>	\$1,363,000	\$1,694,000	\$1,735,121
Government Losses in Shipment <sup>3</sup>	\$0	\$17,000	\$20,000

<sup>1</sup> Approximately \$129.6 million was reimbursed from other government agencies and deposited in the General Fund in FY 2024.

<sup>2</sup> FY 2024 - FY 2026 includes \$1.1 million per year for the Government Sponsored Enterprise - Mortgage-Backed Securities administrative costs.

<sup>3</sup> Government Losses in Shipment are likely to increase in FY 2025 and FY 2026 due to paper savings bond fraud that requires reimbursement to financial partners.

## **Section II – Additional Information**

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

Fiscal Service leads the way for responsible, effective government through our commitment to technology enablement, customer-focused service, efficient operations, strategic partnering, and agility to securely enable the missions of the federal government. Fiscal Service strategically governs and manages its information technology (IT) portfolio lifecycle, and continually harnesses IT resources, investment health, and portfolio performance insights for capital planning decisions to deliver secure, flexible, extensible, and resilient technology services and solutions that maximize business value.

A summary of capital investments, including major information technology and non-technology investments, can be accessed at: <https://www.treasury.gov/about/budget-performance/Pages/summary-of-capital-investments.aspx>.

## **Effective Investment Governance**

The purpose of the Fiscal Service governance process is to ensure investments align with the strategic outcomes the bureau is trying to achieve. This process allows the bureau to quickly evaluate the pros and cons of multiple options, and then firmly commit to the best course of action to successfully navigate the challenges of a rapidly changing future. The governance process ensures that the right information is provided to the decision-making boards to ensure responsible stewardship of resources and effective service delivery to our customers.

The overall governance process is administered by the Office of the Chief Financial Officer (CFO). The process consists of three decision-making bodies: Enterprise Steering Board (ESB), Enterprise Architecture Board (EAB), and Enterprise Investment Board (EIB). These boards have the authority to make the decisions that commit resources to proposed programs, projects, and activities for the bureau, as well as the responsibility to monitor the progress of these investments throughout the lifecycle. ESB, EAB, and EIB activities include reviewing Business Cases, Get to Green (GTG) Plans, Governance Change Requests (GCR), ChatStats, and project plans for strategic initiatives; and prioritizing the portfolio of projects across the enterprise, the Multi-Year Resource Plan, and Enterprise Architecture and Technology Roadmap.

## **Effective Project Execution**

Fiscal Service manages services that are critical to the nation's economy and the national financial critical infrastructure. We execute many programs and projects to ensure the continuous, incremental improvement of these services and maintain the bureau's operational integrity and resilience. Effective delivery of these programs and projects is key to ensure uninterrupted operations and efficient stewardship of resources. Fiscal has embraced the requirements established under the Program Management Improvement Accountability Act (PMIAA) to provide the necessary transparency and streamlined, consistent reporting for a single source of truth for program and project performance. The Bureau's PMIAA requirements are established in a Performance and Accountability Standard which is built on industry's best practices to promote effective program and project delivery. Each investment approved in Bureau governance is required to report progress and performance within PMIAA, and IT investment projects are also reported in the IT Portfolio. The PMIAA framework provides the necessary transparency on project health and performance through established metrics related to risk, cost, schedule, scope, quality, and efficiency via a monthly executive level dashboard that includes a "watchlist" of projects experiencing negative trends or high risk. The systems and solutions that support each investment are required to use iterative development techniques for enhancements and new development, in accordance with the bureau's Solutions Lifecycle Policy. Through this process, project-based reporting is used to track projects from governance decisions through execution and thus improve the bureau's ability to monitor performance and shape business, resource management, and IT strategy.

## **Enterprise Architecture Services**

Enterprise Architecture (EA) services ensure that Fiscal Service applies a common framework, using consistency and standardized practices, to describe and analyze investments, enabling the bureau to proactively plan for changes in accordance with business vision and technology trends. Fiscal Service's EA program is designed to facilitate cross-Bureau analysis of capabilities, knowledge, processes, and relationships to apply evidence-based techniques, rationalize

investments, discover goals and opportunities for collaboration with other agencies, and establish a line-of-sight from the highest-level strategic goals to the infrastructure that enables the achievement of those goals. The value provided by the bureau's EA services is demonstrated through the development of a Fiscal Service Technology Roadmap, which is leveraged in tandem with IT Portfolio rationalization and investment and cost optimization efforts to continuously transform methods of IT service and product delivery. Service Brokers ensure this transformation is designed and implemented in a standardized manner that is also aligned with customer expectations by engaging with stakeholders ahead of time to proactively identify their business and technology modernization needs.

### **Enterprise Risk Management (ERM)**

The nature of Fiscal Service's work requires effective enterprise risk management and high levels of performance to ensure that the bureau maintains operational excellence while seeking innovative solutions to improve efficiencies and transform financial management and the delivery of shared services in the federal government. To support this requirement, Fiscal Service maintains an Enterprise Risk Management (ERM) function within the Office of the Chief Financial Officer to promote a common understanding and approach to risk management and strengthen organizational capabilities to recognize, assess, and address risks that could disrupt the successful achievement of strategic goals and objectives. To bolster these responsibilities, Fiscal Service has a bureau-wide Risk Committee to provide executive-level accountability for identifying, managing, and monitoring enterprise risk, making timely and collaborative risk decisions, providing transparency around enterprise risks, and enabling a risk-aware culture. In collaboration with the Risk Committee, the ERM team has developed the Fiscal Service Risk Appetite Statement to guide the bureau's strategic analysis of risk. Moreover, through the development and issuance of an ERM framework, policies, guidance, and tools, the bureau incorporates risk management practices in decision-making processes such as strategic and tactical planning, workforce planning, capital investment planning, objective prioritization, and budget formulation. Fiscal Service continues to communicate the importance of effective risk management to all employees.

### **Cybersecurity**

Fiscal Service 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. Fiscal Service is responsible for 66 Federal Information Security Modernization Act (FISMA) systems with billions of Personally Identifiable Information (PII) records, including multiple High Value Assets (HVAs) that support the Financial Services Sector of the Critical Infrastructure of the federal government. Fiscal Service 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. Financial integrity and operational efficiency are accomplished by effective, coordinated management of security risks and incidents that ensure the confidentiality, integrity, and availability of the bureau's systems are maintained. Fiscal Service's implementation of Zero Trust Architecture (ZTA) and the associated controls is currently in progress. The bureau's ZTA

strategy complements and strengthens the current defense-in-depth strategy and approach to identify, protect against, detect, and respond to anomalies in the bureau's network and systems. In addition, the enterprise cybersecurity program ensures Fiscal Service information technology resources are compliant with the National Institute of Standards and Technology security standards and satisfies annual security audit requirements. In 2025 and beyond, Fiscal Service is accelerating efforts to increase visibility of, and detection and response to, threats on the network for security operations, address emerging threat vectors through supply chain risk management and Artificial Intelligence, and continue to adopt ZTA in accordance with the CISA ZTA Maturity Model and OMB Memorandum M-22-09.