

Bureau of the Fiscal Service

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2012	FY 2013	FY 2014	FY 2012 TO FY 2014	
	Enacted	Annualized CR Rate	Request	\$ Change	% Change
Collections	\$21,166	\$21,231	\$21,531	\$365	1.72%
Do Not Pay Business Center	\$10,000	\$10,061	\$5,000	(\$5,000)	-50.00%
Government Agency Investment Services	\$15,419	\$15,513	\$13,704	(\$1,715)	-11.12%
Government-wide Accounting and Reporting	\$64,374	\$64,568	\$65,486	\$1,112	1.73%
Payments	\$132,265	\$133,339	\$126,636	(\$5,629)	-4.26%
Retail Securities Services	\$116,260	\$116,973	\$100,789	(\$15,471)	-13.31%
Summary Debt Accounting	\$8,836	\$8,890	\$4,737	(\$4,099)	-46.39%
Wholesale Securities Services	\$23,120	\$23,261	\$22,282	(\$838)	-3.62%
Subtotal, Fiscal Service	\$391,440	\$393,836	\$360,165	(\$31,275)	-7.99%
Offsetting Collections - Reimbursables	\$254,746	\$247,551	\$239,342	(\$15,404)	-6.05%
Unobligated Balances from Prior Years	\$4,000	\$2,000	\$4,903	\$903	22.58%
Total Program Operating Level	\$650,186	\$643,387	\$604,410	(\$45,776)	-7.04%
Direct FTE	2,077	1,954	1,676	(401)	-19.31%
Reimbursable FTE	561	619	714	153	27.27%
Total FTE	2,638	2,573	2,390	(248)	-9.40%

* In FY 2012 and FY 2013 FMS and BPD resources were managed separately. FMS direct programs include: Collections, Payments, and Government-wide Accounting and Reporting. BPD programs include: Do Not Pay Business Center, Government Agency Investment Services, Retail Securities Services, Summary Debt Accounting, and Wholesale Securities Services.

* Total Appropriated Resources in FY 2012 and FY 2013 include \$8 million and \$1 million in projected Legacy Treasury Direct User Fee collections, respectively.

* A portion of the Reimbursable/Fee FTE is funded by fee revenue as authorized by the Debt Collection Improvement Act (DCIA) of 1996.

*The FY 2014 FTE request reflects an additional 18 FTE for FIT and Government-wide Transparency office that is not in MAX.

Summary

The mission of the Bureau of the Fiscal Service (Fiscal Service) is to promote the financial integrity and operational efficiency of the U.S. Government through exceptional accounting, borrowing, collections, payments, and shared services. The Fiscal Service plays a key role in supporting the Department of the Treasury's fifth strategic goal of *Managing the Government's Finances in a Fiscally Responsible Manner*. The organization collects money due to the United States, disburses its payments, and performs central accounting functions. Additionally, Fiscal Service borrows the money needed to operate the Federal Government and accounts for the resulting debt. The bureau has also contributed

towards Treasury's Priority Goal of increasing electronic transactions with the public through its Paperless Treasury Initiative. This includes increasing electronic payments, requiring businesses to pay their taxes via electronic Federal Tax Deposit coupon payments, and eliminating the sale of paper savings bonds.

As in the FY 2013 President's Budget, Treasury proposes to merge the appropriation accounts for the Bureau of the Public Debt (BPD) and the Financial Management Service (FMS) into a single Fiscal Service account to improve the efficiency and effectiveness of Treasury's financial management operations. Treasury is operating and accounting for expenditures under the existing FMS and BPD

accounts pending Congressional action on this request. The vision for Fiscal Service is to transform the way the government manages its finances and delivers shared services. Through its consolidation effort, the Fiscal Service will introduce a level of efficiency, transparency, and accountability. The organization plans to improve financial management and shared service delivery through efficient and effective operations by utilizing a best practices approach gained from consolidation efforts.

Fiscal Service FY 2014 Budget Highlights

Dollars in Thousands

Fiscal Service	FTE	Amount
FY 2012 Enacted	2,077	\$391,440
FY 2013 Annualized CR Rate	1,954	\$393,836

Changes to Base:

Adjustment to Request	(171)	(\$33,305)
Adjustment to FTE Estimate	(171)	-
Efficiency Savings Proposed in FY 2013	-	(\$15,031)
Non-recur CR Increase	-	(\$2,396)
Proposed Program Decreases in FY 2013	-	(\$10,296)
Non-Recurring Costs proposed in FY 2013	-	(\$5,582)
Maintaining Current Levels (MCLs):	-	\$4,228
Pay-Raise	-	\$2,437
Non-Pay	-	\$1,791
Non-Recurring Costs:	-	(\$6,151)
Summary Debt Accounting Systems Non-Recurring Cost	-	(\$3,827)
Government Agency Investment Services Non-Recurring Cost	-	(\$658)
Wholesale Securities Services Non-Recurring Cost	-	(\$126)
Payment Reorganization (Redirect)	-	(\$1,540)
Efficiency Savings:	(120)	(\$11,892)
Fiscal Service Consolidation Savings	(40)	(\$1,440)
Rent Savings	-	(\$2,700)
Paperless Treasury/Center Closure	(80)	(\$6,543)
Data Center Consolidation/Fiscal IT	-	(\$1,209)
Transfers:	8	\$1,800
Transfer FIT from DO S&E	8	\$1,800
Subtotal Changes to Base	(283)	(\$45,320)
Total FY 2014 Base	1,671	\$348,516

Program Changes:

Program Decreases:	(5)	(\$5,591)
Eliminate Paying Agent Fees	-	(\$4,985)
Eliminate New Issues of Paper Payroll Savings Bonds	(5)	(\$489)
Eliminate Paper Savings Bonds Sold OTC at Financial Institutions	-	(\$117)
Reinvestments:	2	\$11,740
Support Circular A-127	2	\$600
Support Financial Innovation and Transformation	-	\$2,400
Consolidation in Support of the Fiscal Service	-	\$8,740
Program Increases:	8	\$5,500
Government-Wide Transparency Office	8	\$5,500
Total FY 2014 Request	1,676	\$360,165

FY 2014 Budget Adjustments

Adjustment to Request

Adjustment to FTE Estimate +\$0 / -171 FTE

Fiscal Service has identified 171 unfunded and unutilized FTE that were included in previous estimates are reflected in this adjustment.

Efficiency Savings Proposed in FY 2013 - \$15,031,000 / +0 FTE

Efficiencies from FY 2013 totaling \$15,031,000 are realized.

Non-recur CR Increase -\$2,396,000 / +0 FTE

The across-the-board 0.612 percent increase provided in the CR through March 27, 2013 is non-recurred.

Proposed Program Decreases in FY 2013 - \$10,296,000 / +0 FTE

The Paying Agent Fees and Administrative Services savings from FY 2013 are realized.

Non-Recurring Costs proposed in FY 2013 - \$5,582,000 / +0 FTE

The Do Not Pay Business Center and Modernizing GAIS Program savings from FY 2013 are realized.

Maintaining Current Level (MCLs)

Pay-Raise +\$2,437,000 / +0 FTE

The President's Budget proposes a one percent pay-raise for Federal employees in 2014.

Non-Pay +\$1,791,000 / +0 FTE

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

Non-Recurring Costs

Summary Debt Accounting Systems Non-Recurring Cost -\$3,827,000 / +0 FTE

By the end of FY 2013 the Fiscal Service will modernize its current Summary Debt Accounting environment by completing all development and testing phases of the project. As a result, the Fiscal Service will not require

these resources in FY 2014 due to the completion of the project.

Government Agency Investment Services Non-Recurring Cost -\$658,000 / +0 FTE

Savings realized from a shared IT system license cost with Summary Debt Accounting as well as reductions in administrative and IT support services.

Wholesale Securities Services Non-Recurring Cost -\$126,000 / +0 FTE

Fiscal Service projects minor fluctuations in cost.

Payment Reorganization (Redirect) - \$1,540,000 / +0 FTE

Funds will be redirected to fund the Fiscal Service Consolidation.

Efficiency Savings

Fiscal Service Consolidation Savings - \$1,440,000 / -40 FTE

FY 2014 savings are due to staff reductions from attrition as a result of the Fiscal Service consolidation.

Rent Savings -\$2,700,000 / +0 FTE

Savings realized from one less building lease from maximizing space in Treasury existing facilities, which was planned prior to the consolidation announcement.

Paperless Treasury/Center Closure - \$6,543,000 / -80 FTE

In FY 2014, the All Electronic initiative will save the Government money through continuing efforts to eliminate paper. As a result, the Fiscal Service will close the Emeryville payment center, which will provide savings. However, the Fiscal Service will have lease obligations until November 2016 and is currently working with GSA to develop alternatives to its current lease including negotiating early termination and subleasing.

Data Center Consolidation/Fiscal IT - \$1,209,000 / +0 FTE

Savings derived from the leasing and operational costs associated with this consolidation, as well as other reductions in contracting services and equipment.

Transfers

Transfer FIT from DO S&E +\$1,800,000 / +8 FTE

Treasury proposes to realign the Office of Financial Innovation and Transformation (FIT) from the Office of the Fiscal Assistant Secretary in Departmental Offices (DO) to the Fiscal Service. This proposed realignment would transfer eight FTE and \$1.8 million in appropriated resources from DO's appropriated Salaries and Expenses (S&E) base to the Fiscal Service S&E base. Placing FIT within Fiscal Service will improve the planning and implementation of FIT's initiatives by more closely aligning strategic direction with operational implementation, which is performed by Fiscal Service. Under this structure, the Fiscal Assistant Secretary will continue to maintain high-level policy guidance of FIT.

Program Decreases

Eliminate Paying Agent Fees -\$4,985,000 / +0 FTE

Six months of savings from eliminating fees paid to agents who redeem paper savings bonds.

Eliminate New Issues of Paper Payroll Savings Bonds -\$489,000 / -5 FTE

Savings of paying agent fees from a reduction of paper payroll savings bond redemptions and FTE savings from a decline in customer service transactions since new issues of paper payroll bonds were eliminated.

Eliminate Paper Savings Bonds Sold OTC at Financial Institutions -\$117,000 / +0 FTE

Savings of paying agent fees from a reduction of paper over-the-counter savings bond redemptions.

Reinvestments

Support Circular A-127 +\$600,000 / +2 FTE

Requests \$0.6 million and two FTE to support OMB's Circular A-127 implementation, which prescribes policies and standards for executive departments and agencies to follow when managing their financial management systems. FIT will assist OMB's annual review of agency financial systems requests. FIT will work to promote the standardization of financial data and processes.

Support Financial Innovation and Transformation +\$2,400,000 / +0 FTE

Funding is requested to support the implementation of the original twelve FIT initiatives that were launched in FY 2011 that are expected to produce a 20 percent improvement in the efficiency of Federal financial management when fully implemented government-wide. Specifically, funds will support agency implementation of electronic invoicing; centralized receivables management; a solution for recording, reconciling, and reporting intra-governmental transactions; and benchmarking. Funds will also support FIT's government-wide data standardization efforts to increase accuracy and transparency of Federal financial reporting. Funds will also support FIT's role in agency migrations to a shared service model for financial systems across the Federal Government.

Consolidation in Support of the Fiscal Service +\$8,740,000 / +0 FTE

In FY 2014, the consolidation of functions performed by BPD and FMS will continue with employees impacted by the consolidation having until December 2019 to relocate. The

new Bureau of the Fiscal Service will help transform the way the government manages its finances and delivers shared services. To support the consolidation of administrative, IT, and accounting functions in FY 2014, the Fiscal Service requests funding for outplacement and training services, voluntary employee relocations, and space reconfiguration.

Program Increases

Government-Wide Transparency Office +\$5,500,000 / +8 FTE

Fiscal Service will establish a Government-Wide spending transparency office to increase transparency into Federal finances at the government-wide level. The Fiscal Service will also be supporting the programmatic operations to improve the USAspending.gov website.

Explanation of Budget Activities

Collections (\$21,531,000 from direct appropriations, \$114,000 from reimbursable resources)

The Collections Program supports its strategic goal to provide timely, accurate, and efficient collection of Federal Government receipts. The Fiscal Service manages the collection of Federal revenues such as individual and corporate income tax deposits, customs 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, \$136,505,000 from reimbursable resources)

The Fiscal Service's debt collection program supports its strategic goal to maximize collection of delinquent debt owed to the Government. Fiscal Service collects delinquent government and child support debt by providing centralized debt

collection, oversight, and operational services to Federal Program Agencies (FPAs) and states pursuant to the Debt Collection Improvement Act (DCIA) of 1996 and related legislation. Fiscal Service uses two debt collection programs: Treasury Offset Program (TOP) and Cross Servicing.

Do Not Pay Business Center (\$5,000,000 from direct appropriations, \$790,000 from reimbursable resources)

Following the June 2010 Presidential Memorandum on *Enhancement of Payment Accuracy Through a “Do Not Pay List,”* the Do Not Pay Business Center was established for use by all departments and agencies in order to achieve the goal of preventing ineligible recipients from receiving payments or awards from the Federal Government. Fiscal Service will continue to support implementation of the Improper Payments Elimination & Recovery Improvement Act of 2012, which requires executive agencies to review, as appropriate and before issuance, all payments and awards for all programs.

Government Agency Investment Services (\$13,704,000 from direct appropriations, \$2,164,000 from reimbursable resources)

The GAIS Program works to effectively finance Government operations by offering specialized investments for Government entities at the Federal, state, and local levels, as well as borrowings by Federal agencies. This program consists of three distinct components: Federal Investments, Special Purpose Securities, and Federal Borrowings.

The Federal Investments component includes issuing, servicing and redeeming Government Account Series securities for Federal agencies that have specific statutory authority to invest, such as the Social Security and Medicare Funds, as well as the Unemployment and Highway Trust Funds. Special Purpose

Securities are issued to offer a flexible investment alternative for state and local governments to refinance their outstanding tax-exempt debt. The Federal Borrowings Program accounts for and reports on loans made to other Federal agencies such as the Department of Education, the Department of Housing and Urban Development, the Department of Agriculture and the Small Business Administration.

Government-wide Accounting and Reporting (\$65,486,000 from direct appropriations, \$3,088,000 from reimbursable resources)

The GWA Program supports the Fiscal Service’s strategic goal to produce timely and accurate financial information that contributes to the improved quality of financial decision making by operating and overseeing the Government’s central accounting and reporting system. The GWA Program also works with FPAs to adopt uniform accounting and reporting standards and systems. It provides support, guidance, and training to assist FPAs in improving their government-wide accounting and reporting responsibilities. Fiscal Service collects, analyzes, and publishes government-wide financial information, which is used by the Federal Government to establish fiscal and debt management policies and by the public and private sectors to monitor the Government’s financial status. Publications include the *Daily Treasury Statement*, the *Monthly Treasury Statement*, the *Treasury Bulletin*, the *Combined Statement of the United States Government*, and the *Financial Report of the United States Government (FR)*.

Payments (\$126,636,000 from direct appropriations, \$76,497,000 from reimbursable resources)

The Fiscal Service is responsible for managing and operating Federal payment systems and disbursing approximately 85 percent of all Federal payments. Major payments include: Social Security Benefits, Supplemental

Security Income, Federal Pension Benefits, Veterans' Compensation and Pension, Railroad Retirement Pensions, and tax refunds.

Retail Securities Services (\$100,789,000 from direct appropriations, \$15,917,000 from reimbursable resources)

Fiscal Service's RSS Program works to finance Government operations by selling marketable and savings securities directly to retail investors. The program serves more than 50 million retail customers. The Fiscal Service continues to encourage investors to move their paper savings bond holdings to TreasuryDirect, an online system that allows investors to buy, hold, manage, and redeem electronic Treasury securities directly from Treasury, through financial literacy programs that target customers not yet accustomed to conducting financial transactions online.

Summary Debt Accounting (\$4,737,000 from direct appropriations, \$748,000 from reimbursable resources)

The Summary Debt Accounting (SDA) Program is related to the organization's strategic goal of effectively accounting for the debt of the Federal Government. SDA is vital to meeting the Fiscal Service's responsibility to account for nearly \$16 trillion of public debt and over \$450 billion in related interest expenses incurred to finance the operations of the Federal Government.

The 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 annual Financial Report of the U.S. Government (FR). SDA has received an unqualified opinion on the Schedules of Federal Debt for the past 15 years.

Wholesale Securities Services (\$22,282,000 from direct appropriations, \$3,519,000 from reimbursable resources)

The WSS Program supports the Fiscal Service's strategic goal to effectively finance Government operations. WSS is responsible for the announcement, auction, issuance and settlement of marketable Treasury bills, notes, bonds and Treasury Inflation-Protected Securities. The program also oversees that portion of the Federal infrastructure that provides for the transfer, custody, and redemption of all Treasury marketable securities, which are purchased mostly by commercial market participants.

Legislative Proposals

1. Expand Treasury's authority to access the National Directory of New Hires to include improper payments.

Under the current law, the Secretary of the Treasury has access to information in the NDNH for debt collection purposes; this proposal seeks an expansion of Treasury's authority to access the National Directory of New Hires (NDNH) to include improper payments for those agencies that already have statutory authority to use the NDNH database (e.g., Department of Education, Department of Housing and Urban Development, etc.). Such access would permit the Secretary of the Treasury to assist paying agencies in comparing information from the NDNH with data about persons receiving Federal payments and identify individuals who are ineligible to receive payments or who are receiving erroneous payments in the effort to eliminate waste, fraud and abuse in Federal programs and prevent improper payments.

2. Expand the Secretary of the Treasury's authority to disclose information received from Federal and state prisons to include improper payments. *Estimated decrease in improper payments: \$375M over ten years*

This proposal seeks to amend 42 U.S.C. 1382 to permit access by the Secretary of the Treasury to information contained in the Social Security Administration's Prisoner Update Processing System (PUPS) for tax administration purposes and for identifying, preventing and recovering improper payments. Such access would permit the Secretary of the Treasury to redisclose prisoner data to Federal executive, judicial and legislative paying agencies and state and local agencies to determine the eligibility, or continuing eligibility, of an individual or entity to participate in a Federal Government program (including those administered by a state or local government). Additionally, Treasury may redisclose such information to the prisons so that appropriate action may be taken, if necessary, to curb additional improper payments.

3. Increase delinquent state income tax debt collections. Allow offset of Federal income tax refunds to collect delinquent state income taxes for out-of-state residents. *Estimated collections: \$1.2 billion in state taxes over 10 years (no Federal revenue)*

Under current law, Federal tax refunds may be offset to collect delinquent state income tax obligations but only if the delinquent taxpayer resides in the state collecting the tax. This proposal allows Fiscal Service to offset Federal income tax refunds to collect delinquent state tax obligations regardless of where the debtor resides. For further details on this proposal, please see the Treasury Green Book.

4. Increase delinquent Federal tax debt collections. Increase levy authority for payments to Medicare providers with delinquent tax debt. *Estimated collections: \$707 million over 10 years*

The Budget proposes a change to the Department of the Treasury's debt collection procedures that will increase the amount of delinquent taxes collected from Medicare providers. Through the Federal Payment Levy Program, the Treasury deducts (levies) a portion of a government payment to an individual or business in order to collect unpaid taxes. Pursuant to the Medicare Improvements for Patients and Providers Act of 2008, Treasury is authorized to continuously levy up to 15 percent of a payment to a Medicare provider in order to collect delinquent tax debt. The Budget proposal will allow Treasury to levy up to 100 percent of a payment to a Medicare provider to collect unpaid taxes. For further details on this proposal, please see the Treasury Green Book.

5. Increase and streamline recovery of unclaimed assets owed to the United States. Authorize Treasury to locate and recover assets of the United States and to retain a portion of amounts collected to pay for the costs of recovery. *Estimated Recoveries: \$25 million over ten years*

States and other entities hold assets in the name of the United States or in the name of departments, agencies and other subdivisions of the Federal Government. Many agencies are not recovering these assets due to lack of expertise and funding. Under current authority, Treasury collects delinquent debts owed to the United States and retains a portion of collections, which is the sole source of funding for its debt collection operations. While unclaimed Federal assets are generally not considered to be delinquent debts, Treasury's debt collection operations personnel have the skills and training to recover these assets. This legislation would authorize Treasury to use its resources to recover assets of the United States.

Fiscal Service Performance by Budget Activity

Budget Activity	Performance Measure	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
		Actual	Actual	Actual	Target	Target
Collections	Percentage Collected Electronically of Total Dollar Amount of Federal Government Receipts	85.0	96.0	97.0	97.0	97.0
Debt Collection	Amount of Delinquent Debt Collected Through All Available Tools (\$ billions)	5.45	6.17	6.17	6.67	7.2
Government Agency Investment Services	Percent of Respondents Selecting the Highest Rating of Customer Satisfaction with Government Agency Investment Services (%)	55.0	60.0	60.0	61.0	62.0
Government-wide Accounting and Reporting	Percentage of Government-Wide Accounting Reports Issued Timely	100.0	100.0	99.86	100.0	100.0
Payments	Percentage of Treasury Payments and Associated Information Made Electronically	82.0	84.3	88.0	91.0	92.0
Retail Securities Services	Percentage of Retail Customer Service Transactions Completed within 5 Business Days (%)	92.7	73.1	75.7	88.0	88.0
Summary Debt Accounting	Cost Per Summary Debt Accounting Transaction (\$)	11.28	14.8	22.47	20.76	17.67
Wholesale Securities Services	Percent of Auction Results Released in Two Minutes +/- 30 Seconds (%)	100.0	100.0	100.0	100.0	100.0

Key: DISC - Discontinued and B - Baseline

Description of Performance

Collections: The measure, *Percentage Collected Electronically of Total Dollar Amount of Federal Government Receipts* refers to the dollar value of collections received electronically. December 31, 2012, 97 percent of FY 2013 collections have been settled electronically. The Fiscal Service expects to maintain an electronic collections rate of at least 97 percent in FY 2013 and FY 2014. The goal owner for this budget activity is the Assistant Commissioner, Revenue Collections Management.

Debt Collection: In FY 2012, the Fiscal Service did not meet its target to collect at least \$6.67 billion in delinquent debt. The Department of Education's delayed referrals to

the TOP due to system issues, and the Internal Revenue Service's low-income filter policy, to exclude certain low-income taxpayers from tax levy of Social Security benefit payments, contributed to the challenges the Fiscal Service encountered in trying to meet the target. Fiscal Service plans to meet with both agencies to discuss system issues, to find ways to improve the referral process, and to review the low-income filter policy. As of September 30, 2012, the Fiscal Service collected \$6.17 billion in delinquent debt. The Fiscal Service expects to achieve its FY 2013 target of \$6.67 billion in delinquent debt. The Fiscal Service continues to roll out Debt Check, an online program used to help agencies bar delinquent debtors from obtaining new loans or loan guarantees. The Fiscal Service goal for

FY 2014 is to collect \$7.2 billion in delinquent debts through the use of expanding the administrative wage garnishment collection tool and 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.

Do Not Pay Business Center: Since the Do Not Pay Business Center was launched in FY 2012, significant progress has been made towards providing agencies a one-stop-shop to verify eligibility prior to issuing a payment.

Government Agency Investment Services: The Government Agency Investment Services (GAIS) Program established a goal of providing high quality customer satisfaction, transaction processing, and accurate and timely payments to investors. To measure performance in relation to this goal, the organization completed an initial customer survey focusing on both program and system satisfaction to identify opportunities for improvement. A baseline was determined, and the program set a goal to incrementally increase the percentage of respondents giving GAIS the highest level of customer satisfaction. Using the survey responses, the Fiscal Service plans to target areas for improvement, thereby progressively increasing the percentage of customers rating GAIS as "Excellent" in FY 2012 and FY 2013. The target percentage of customers rating GAIS excellent in FY 2014 is 62 percent. Customer responses to the program and system related questions will determine cost beneficial enhancements made to the system as well as procedural updates for the programs.

Government-wide Accounting and Reporting: In FY 2013, the Fiscal Service continues to achieve its target of 100 percent for its measures *Percentage of Government-wide Accounting Reports*, which include the

Daily Treasury Statement (DTS), Monthly Treasury Statement (MTS), and consolidated Financial Report (FR), issued on Time. The Fiscal Service continues to achieve its targets by maintaining established process of validating and reconciling data with reporting sources such as the Regional Finance Centers, FPAs, and various electronic deposit and payment applications. The Fiscal Service will continue modernization efforts to ensure the timeliness of these reports and anticipates it will continue to achieve the 100 percent target for FY 2014.

Payments: The measure *Percentage of Treasury Payments and Associated Information Made Electronically* supports Treasury's paperless agency priority goal. Due to the continued success of the Go Direct and Direct Express® programs and implementation of the Paperless Treasury initiative in FY 2012, Fiscal Service has issued over 88 percent of its payments via EFT, exceeding its target of 85 percent. Fiscal Service expects to achieve its targets in FY 2013 and FY 2014 by expanding electronic conversion efforts to additional benefit agencies and payment types, such as other vendor miscellaneous payments and IRS refunds. The goal owner for this budget activity is the Assistant Commissioner, Payment Management (Chief Disbursing Officer).

Retail Securities Services: RSS is committed to supporting Treasury's Paperless initiative by encouraging people to buy securities, access their accounts, and conduct transactions electronically. In FY 2011, RSS began measuring the increase in the number of customers who buy Treasury securities electronically. In FY 2012, the program exceeded its goal for a 20 percent annual increase by more than doubling the number of customers buying retail securities electronically. For FY 2013, RSS expects a 10

percent increase over FY 2012 levels. The program will meet this goal by ending all Legacy Treasury Direct sales by November 1, 2012 and marketing Treasury savings products. For FY 2014, the program targets a 10 percent annual increase by rolling out the new savings program to a broad, national audience. In FY 2012, the RSS Program's customer service workload, which includes answering phone and email inquiries, processing payments or changes to payment instructions, and handling TreasuryDirect requests, increased due to inquiries about the end of paper savings bond sales and enhancements to TreasuryDirect services. In FY 2013 and FY 2014, RSS expects to meet an increased target of 88 percent by continually streamlining work processes and increasing the volume of electronic business transactions.

Summary Debt Accounting: Fiscal Service tracks the *Cost per Summary Debt Accounting Transaction*, which includes reporting all financial activity related to the public debt of the United States. Issues, redemptions, and interest payments on the public debt must be accounted for to calculate the amount of debt outstanding and interest paid. In FY 2012, SDA's cost per summary debt accounting transaction came in at \$22.47, below the target of \$23.80.

In order to maintain and improve operational efficiency in the future, Fiscal Service is modernizing the Summary Debt Accounting environment. As a result, the program projects the cost per Summary Debt Accounting transaction to be \$20.76 in FY 2013 and \$17.67 in FY 2014. The FY 2013 Summary Debt Accounting cost projection decrease is a direct result of reduced development costs to redefine and modernize the SDA environment. The FY 2014 projection decrease is a result of the operational efficiencies gained through the modernization effort.

Wholesale Securities Services: Fiscal Service has achieved its target of 100 percent for the measure *Percent of Auction Results Released in Two Minutes +/- 30 Seconds*. This target has been met since the implementation of the latest version of the Treasury Automated Auction Processing System in April 2008. It is essential that WSS releases auction results accurately and consistently to support Treasury's goal to manage the Government's finances in a fiscally responsible manner by issuing debt in a regular and predictable pattern. Ultimately, the accurate and timely release of the auction results contributes to the preservation of public confidence in Treasury securities and the stability of the financial market. WSS plans to continue to achieve its target by ensuring that upgrades to this software keep pace with technology changes.