

Department of the Treasury
Bureau of the Fiscal Service

Congressional Budget
Justification and Annual
Performance Report and Plan

FY 2020

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Section I – Budget Request

A – Mission Statement

Promote the financial integrity and operational efficiency of the Department of the Treasury operations supporting Federal Government programs and activities through exceptional accounting, financing, collections, payments, and shared services.

B – Summary of the Request

The FY 2020 request for the Bureau of the Fiscal Service (Fiscal Service) is \$340.3 million, which supports the Federal Government’s National Financial Critical Infrastructure (NFCI). Fiscal Service is committed to delivering strong leadership, exceptional operations, and a vision focused on transforming government-wide financial management and acting as the catalyst of change for the Federal financial community by offering increased standardization and automation in Treasury financial services.

Fiscal Service touches the lives of every American taxpayer and plays a critical mission support role in the Federal financial management community. We will continue to optimize Federal disbursing by advancing electronic invoicing and increasing electronic payments; transform Federal collections through oversight of reducing the use of lockboxes; strengthen public trust in Federal Government finances by making Federal financial data more accessible; and expand services available to agencies including offering data analytic services to reduce improper payments and fraud.

In addition, Fiscal Service’s FY 2020 budget request aligns with the President’s Management Agenda’s (PMA) three key transformation drivers:

1. IT modernization efforts critical to securing data and transforming business processes
2. Data accountability & transparency development
3. Workforce investments to ensure we have the right people in the right place with the right skills as we engage in transformation efforts

With this funding, Fiscal Service will focus on:

- Maximizing efficiencies, transparency, and accountability with the goal of improving government-wide financial management;
- Revolutionizing the Federal Government’s collections and deposit systems by expanding the Electronic Federal Tax Payment System (EFTPS) and other electronic payment options available to Federal agencies and the public;
- Modernizing and enhancing payment services by further centralizing Federal payment services to Federal agencies and increasing payment options available to beneficiaries, taxpayers, and other payees;
- Expanding investors’ ability to buy and manage Treasury securities online by improving systems and customers’ ability to quickly and easily obtain on-line self-service options;
- Borrowing the money needed to operate the Federal Government by conducting auctions; and
- Furthering progress in efforts to prevent, detect, and recover improper payments by increasing partnerships and making additional data sources available.

Fiscal Service continues to work with the Federal financial community, which includes the Office of Management and Budget (OMB) and Federal agency Chief Financial Officers (CFOs), to identify improvements to core programs and streamline operations government-wide. The bureau's vision to "*Transform financial management and the delivery of shared services in the Federal Government*" and the commitment to deliver strong leadership and exceptional operations align with Treasury's Strategic Goal 4 (Transform Government-wide Financial Stewardship) and Goal 5 (Achieve Operational Excellence). It is also consistent with Cross Agency Priority (CAP) Goal 5, Sharing Quality Services. As part of the 10-Year Future of Federal Financial Management Vision, Fiscal Service is leading the way in the Federal financial community by:

- Consolidating similar functions
- Standardizing access to systems and financial management functions
- Automating appropriate manual processes

Fiscal Service has critical roles in making sure Federal obligations to the public are met, government-wide and agency operations are supported, and the national economy is sustained. Through these roles, Fiscal Service demonstrates high performance and achieves outcomes and results that include:

- Accounting and reporting financial activity for \$22.0 trillion in public debt
- Financing Federal operations by collecting nearly \$4.2 trillion in annual revenue
- Securely and timely disbursing 1.2 billion Federal payments, totaling nearly \$3.5 trillion, with 95.4 percent delivered electronically
- Making available \$10.0 trillion to fund critical daily Federal Government operations by conducting 270 auctions
- Improving the USAspending.gov website by timely addressing user feedback to enhance the customer experience

1.1 – Appropriations Detail Table

Dollars in Thousands

Fiscal Service Appropriated Resources	FY 2018 Enacted*		FY 2019 Annualized CR		FY 2020 Request		FY 2019 to FY 2020 Change			
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
New Appropriated Resources										
Accounting and Reporting	398	95,822	411	95,175	396	96,979	(15)	1,804	-3.65%	1.90%
Collections	159	38,704	172	42,166	165	38,117	(7)	(4,049)	-4.07%	-9.60%
Payments	502	121,462	519	117,581	500	123,355	(19)	5,774	-3.66%	4.91%
Retail Securities Services	433	57,356	447	59,381	430	60,643	(17)	1,262	-3.80%	2.13%
Wholesale Securities Services	116	24,936	119	23,977	119	21,243	0	(2,734)	0.00%	-11.40%
Subtotal New Appropriated Resources	1,608	\$338,280	1,668	\$338,280	1,610	\$340,337	(58)	\$2,057	-3.48%	0.61%
Other Resources										
Reimbursable /Offsetting Collections	399	353,761	431	387,568	431	391,529	0	3,961	0.00%	1.02%
Subtotal Other Resources	399	\$353,761	431	\$387,568	431	\$391,529	0	\$3,961	0.00%	1.02%
Total Budgetary Resources	2,007	\$692,041	2,099	\$725,848	2,041	\$731,866	(58)	\$6,018	-2.76%	0.83%

* FY 2018 shows actual FTE usage. This column reflects levels appropriated in P.L. 115-141 Consolidated Appropriations Act, 2018. For further details on the execution of these resources see the FY 2020 Appendix chapter for the Department of the Treasury.

1.2 – Budget Adjustments Table

Dollars in Thousands

Fiscal Service	FTE	Amount
FY 2019 Annualized CR	1,668	\$338,280
Changes to Base:		
Maintaining Current Levels (MCLs):	0	2,239
Non-Pay	0	2,239
Subtotal Changes to Base	0	2,239
Total FY 2020 Base	1,668	\$340,519
Program Changes		
Program Decreases:	(58)	(7,915)
Streamline Staffing	(58)	(7,915)
Program Increases:	0	7,733
Operations and Maintenance (O&M) of Prior-year		
Enterprise-wide Cybersecurity Investments	0	2,960
Cybersecurity Enhancements	0	2,367
Enterprise Cloud Strategy	0	2,406
Subtotal Program Changes	(58)	(\$182)
Total FY 2020 Request	1610	\$340,337

C – Budget Increases and Decreases Description

Maintaining Current Levels (MCLs) +\$2,239,000 / +0 FTE
Non-Pay +\$2,239,000 / +0 FTE

Funds are requested for inflationary adjustments to non-labor costs such as travel, contracts, rent, supplies, and equipment.

Program Decreases.....-\$7,915,000 / -58 FTE
Streamline Staffing -\$7,915,000 / -58 FTE

Anticipated savings as a result of disciplined hiring prioritization and governance.

Program Increases +\$7,733,000 / +0 FTE
Operations and Maintenance (O&M) of Prior-year Enterprise-wide Cybersecurity Investments +\$2,960,000 / +0 FTE

This request includes funding to support O&M for prior-year Cybersecurity Enhancement Account investments, primarily related to the Continuous Diagnostics and Mitigation Program (CDM). O&M will be funded by Treasury Bureaus through Treasury Franchise Fund billing. This increase represents the Fiscal Service portion of the \$17.5 million O&M total.

Cybersecurity Enhancements +\$2,367,000 / +0 FTE

This funding will enable the bureau to continue strengthening the Fiscal Service High Value Assets (HVAs) and National Financial Critical Infrastructure (NFCI) posture. Further delays implementing cybersecurity enhancements, such as data centric security measures, personally identifiable information (PII) and sensitive financial records encryption, and delays increasing the use of multi-factor authentication, and event monitoring, will significantly increase the risk to

Treasury's HVAs. More specifically, this funding will allow Fiscal Service to perform six HVA assessments and begin to remediate identified data encryption gaps.

Enterprise Cloud Strategy +\$2,406,000 / +0 FTE

This request will support the start of a phased approach to transition NFCI systems currently hosted and developed with outdated technology that result in increased risk of security incidents and service interruptions, to new, more modern, cloud-based solutions that will support the security, resiliency, and agility needed in the 21st century. This strategy aligns with government-wide goals and objectives to increase utilization of cloud-based solutions and micro-service/shared IT functionality, while also furthering efforts to consolidate similar functions and standardize access to systems and financial management functions. This effort is crucial to ensuring the integrity of the Federal Government's financial systems for the future.

1.3 – Operating Levels Table

Dollars in Thousands

Fiscal Service			
Object Classification	FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
11.1 - Full-time permanent	148,909	148,908	143,228
11.3 - Other than full-time permanent	339	557	350
11.5 - Other personnel compensation	4,806	6,225	5,330
11.8 - Special personal services payments	0	23,879	24,333
11.9 - Personnel Compensation (Total)	154,054	179,569	173,241
12.0 - Personnel benefits	52,428	53,346	51,834
13.0 - Benefits for former personnel	598	175	100
Total Personnel and Compensation Benefits	\$207,080	\$233,090	\$225,175
21.0 - Travel and transportation of persons	2,233	2,445	3,185
22.0 - Transportation of things	133	118	770
23.1 - Rental payments to GSA	21,143	21,505	21,049
23.2 - Rental payments to others	16	6	19
23.3 - Communications, utilities, and miscellaneous charges	13,151	12,996	9,811
24.0 - Printing and reproduction	107	139	128
25.1 - Advisory and assistance services	16,218	16,078	23,765
25.2 - Other services from non-Federal sources	13,839	11,402	13,817
25.3 - Other goods and services from Federal sources	48,115	21,202	31,572
25.4 - Operation and maintenance of facilities	2,200	858	129
25.6 - Medical care	0	0	13
25.7 - Operation and maintenance of equipment	7,000	7,439	4,110
26.0 - Supplies and materials	4,743	4,012	3,760
31.0 - Equipment	2,232	6,956	3,016
32.0 - Land and structures	70	34	19
Total Non-Personnel	\$131,200	\$105,190	\$115,162
New Budgetary Resources	\$338,280	\$338,280	\$340,337
FTE	1,608	1,668	1,610

Note: FY 2018 shows actual FTE usage. This column reflects levels appropriated in P.L. 115-141 Consolidated Appropriations Act, 2018. For further details on the execution of these resources see the FY 2020 Appendix chapter for the Department of the Treasury.

D – Appropriations Language and Explanation of Changes

Appropriations Language	Explanation of Changes
<p style="text-align: center;">DEPARTMENT OF THE TREASURY BUREAU OF THE FISCAL SERVICE <i>Federal Funds</i></p> <p style="text-align: center;">SALARIES AND EXPENSES</p> <p><i>For necessary expenses of operations of the Bureau of the Fiscal Service, \$340,337,000; of which not to exceed \$8,000,000, to remain available until September 30, 2022, 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, \$165,000, 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.—A full-year 2019 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2019 (Division C of P.L. 115-245, as amended). The amounts included for 2019 reflect the annualized level provided by the continuing resolution.</p>	<p>Increasing the amount of multi-year funding provides additional flexibility to allocate available funding to longer term IT investments and/or security initiatives lasting multiple years, funding them through completion.</p>

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 United States Code (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 the accounting and reporting, collections, payments, and debt collection programs. These, and other programs, are vital to the NFCI, 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 2020 will be approximately \$622.8 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 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 2020 is estimated at \$170.6 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 services by designating financial institutions to act/serve as Financial Agents (FAs) of the United States. The services support many Fiscal Service programs, such as accounting and reporting, collections, payments, and debt collection. 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 that the cost of FA services for FY 2020 will be approximately \$848.4 million, which includes \$1.3 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 of valuables, or the value thereof, lost, destroyed, or damaged in the course of 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 authority of the Treasury under the Act has been delegated to the Fiscal Service Commissioner. In FY 2020, the funding estimated to support payments for the replacement of valuables is approximately \$3.0 million.

1.4 – Permanent, Indefinite Appropriations Table

Dollars in Thousands

Permanent, Indefinite Appropriation	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Request
Federal Reserve Bank ¹	\$585,800	\$615,169	\$622,786
Reimbursements to the Federal Reserve Banks	\$149,480	\$167,270	\$170,615
Financial Agent Services ^{1,2}	\$840,977	\$831,800	\$848,400
Government Losses in Shipment	\$1,200	\$2,534	\$2,983
¹ Approximately \$77M is reimbursed from other government agencies and deposited into the General Fund each year.			
² FY 2018 includes \$2M and FY 2019 and FY 2020 include \$1.3M per year for the Government Sponsored Enterprise - Mortgage Backed Securities administrative costs.			

E – Legislative Proposals

- 1. Give the Do Not Pay Business Center (DNP) increased authority to expand its user base to include other Federally funded government entities, such as Federally funded state administered programs.** *Estimated savings: \$2.1 billion over 1 year*

This proposal would give the Secretary of the Treasury (Secretary), in coordination with OMB, the authority to work with other federally funded government entities, such as Federally funded state administered programs, to identify, prevent, and recover their improper payments. Such authority would permit the Secretary to work with OMB to select

customers DNP determines it can successfully assist in preventing and reducing improper payments.

2. Expand Treasury's authority to access the National Directory of New Hires to include prevention, identification, and recovery of improper payments. *Total increase in improper payments identified by Treasury: \$3.19 billion over 10 years (98.3 percent of the improper payments estimated)*

This proposal seeks an expansion of Treasury's authority to access the National Directory of New Hires (NDNH) to help prevent, identify and recover improper payments. The Social Security Act specifies which agencies may receive information from the database and the limited purposes for which disclosures are permitted. Under the current law, the Secretary of the Treasury has access to information in the NDNH for debt collection purposes. This proposal would expand the Secretary's access to information in the NDNH to include the purposes of preventing, identifying, and recovering improper payments for Federal agencies.

Such access would permit the Secretary to assist paying agencies that are currently authorized by the Social Security Act to access NDNH, 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.

3. Allow Treasury to access the Death Master File for improper payment purposes. *Total increase in improper payments identified by Treasury: \$49.5 million over 10 years (99.4 percent of improper payments estimated)*

This proposal would authorize the Secretary to access the full file of death information that the Social Security Administration maintains, which includes State-reported death data, for purposes of administering the Do Not Pay Business Center and preventing, identifying, and recovering improper payments for Federal agencies. Such access would permit the Secretary to assist paying agencies in comparing information from the Full Death Master File with data about persons receiving Federal payments and identify individuals who are ineligible to receive payments or who are receiving erroneous payments.

4. Increase delinquent Federal non-tax debt collections by authorizing administrative bank garnishment for non-tax debts of commercial entities. *Estimated collections: \$320.0 million in commercial debts over 10 years*

This proposal would allow Federal agencies to collect delinquent, non-tax debt by garnishing the bank and other financial institution accounts of delinquent commercial debtors without a court order, but only after providing full administrative due process. The legislation would include appropriate limitations, such as a limitation on the amount that could be garnished on a one-time basis, and would also provide for meaningful judicial review. It would direct the Secretary of the Treasury to issue government-wide regulations implementing the new garnishment authority.

Bank garnishment rules under this authority would be subject to Treasury's rule (31 CFR 212) protecting exempt benefit payments from garnishment. To reach income of commercial entities and other non-wage income and funds available to commercial debtors owing delinquent non-tax obligations to the United States, this proposal would authorize agencies to issue garnishment orders to financial institutions without a court order. Agencies would be required to provide debtors with appropriate due process and other protections to ensure that debtors have had the opportunity to contest the debts and/or enter into repayment agreements to avoid issuance of an order. The Internal Revenue Service currently has similar authority to collect Federal tax debts.

5. Increase and streamline recovery of unclaimed assets owed to the United States by authorizing 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: \$62 million over 10 years*

The proposal would amend 31 U.S.C. § 3711 to authorize Treasury to use its resources to recover unclaimed assets of the United States. 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 a 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.

Section II – Annual Performance Report and Plan

A – Strategic Alignment

Everything Fiscal Service does aligns to Treasury’s Strategic Goal 4: Transform Government-wide Financial Stewardship and Goal 5: Achieve Operational Excellence and directly supports the bureau’s strategic goals:

- Goal 1 - Operational Excellence: Maintain agile, efficient, and resilient programs to meet the financial management needs of the Federal Government
- Goal 2 - Innovation and Customer Experience: Deliver innovative financial management solutions that provide a modern, seamless customer experience
- Goal 3 - Our Workforce: Develop, retain, and empower the best and brightest talent to support Federal financial management
- Goal 4 - Data Integrity and Transparency: Increase transparency and public trust in Federal financial management data
- Goal 5 - Financial Management and Community: Provide the financial management community the financial tools and capabilities so they can further support their agencies’ missions

Fiscal Service fulfills its mission and vision through five annually appropriated budget activities (Accounting and Reporting, Collections, Payments, Retail Securities Services, and Wholesale Securities Services) and one mandatory budget activity (Debt Collection) funded through delinquent debt collection revenue. These budget activities align to two Treasury Strategic Goals: Transform Government-wide Financial Stewardship and Achieve Operational Excellence as well as four CAP Goals: Data, Accountability and Transparency; Improving Customer Service; Sharing Quality Services; and Getting Payments Right. More specifically, Fiscal Service supports the following Treasury Strategic Goals and Objectives:

Treasury Strategic Goal 4: Transform Government-wide Financial Stewardship

4.1 – Financial Data Access/Use: Strengthen government-wide decision-making and accountability by increasing access to and use of government financial data.

Accounting and Reporting:

- *Enterprise Data Strategy:* In FY 2018, Fiscal Service established goals and objectives for the next 5 years, including increasing the “value and availability of our Federal financial data to advance sound decision-making and insights.” The Fiscal Service enterprise data strategy communicates a path to change the organization’s perception of data from a transactional resource to data as a strategic asset for decision-making and insights, both internally and externally. This strategy will be aligned to CAP Goal 2, Data, Accountability, and Transparency.

To handle these requests, Fiscal Service developed and will execute an overall data strategy for Fiscal Service’s financial management data. The plan will advance the adoption of Federal financial data standards within the established inter-governmental governance structure, promote consistent data for decision-making, and build upon and leverage successes from the DATA Act implementation process. The data strategy will promote collaboration across reporting systems, reduce duplication, help build common and shared

solutions, improve data quality, and result in an increased focus on data analytics to make data more useful and consumable.

- *General Fund Audit:* Fiscal Service will pursue a clean audit opinion on the Financial Report of the U.S. Government (FR) by fully implementing the remediation plan. Key among these remediation efforts is attaining auditability of the General Fund of the United States Government. Achieving a clean audit opinion will increase confidence and reliance on government-wide financial management data and improve stewardship of taxpayer resources. In FY 2018, Fiscal Service worked towards the inaugural audit and identified key issues that are impairing auditability. Progress in reducing intragovernmental differences continues with a decrease of \$161.0 trillion since 2014.

Additionally, through collaboration with the Government Accountability Office, OMB, and the Federal agency CFOs, Fiscal Service will pursue a more useful FR with a centralized, risk-based audit approach that will improve overall operational efficiency and reduce agency audit burden across government.

- *G-Invoicing Initiative:* Fiscal Service is working to improve the quality and reliability of Intragovernmental (IGT) buy/sell data through electronic government invoicing (G-invoicing). This initiative will allow agencies to pay other agencies within the Federal Government for services performed on their behalf electronically, rather than the current manual, paper method. In FY 2018, G-Invoicing updates were implemented to support enhancements to enable government-wide on-boarding for interagency agreements. In addition, the Treasury Financial Manual was published in September 2018 mandating the use of G-Invoicing for intragovernmental buy/sell transactions by June 30, 2021. A mandated timeline was developed and documented to ensure successful government-wide implementation. Fiscal Service will continue to work with the agency financial and acquisition communities to be sure that G-Invoicing meets the business needs of both communities.

Payments:

- *Analytics Expansion:* The Do Not Pay Business Center (DNP) and the Payment Integrity Center of Excellence (Center of Excellence) can play a significant role in helping agencies address the government-wide problem of improper payments that result in monetary loss – estimated at \$60.0 billion in FY 2018. This effort will directly support CAP Goal 9, Getting Payments Right. While DNP cannot address all of the root causes that contribute to improper payments, it can do significantly more in two major ways. First, by expanding analytics services, product offerings, and data sources to agency customers, DNP and the Center of Excellence can help agencies detect and prevent a broader range and increased amount of improper payments. Second, the expansion allows the bureau to increase the impact it has in strengthening the integrity of Federal payments through the payment integrity program.

The Center of Excellence will work toward the overarching goal to improve the integrity of Government-wide financial transactions. This will be done by providing business insight and solutions that assist government agencies in identifying, preventing, and recovering improper payments. This Center of Excellence, through a matrixed organizational model led by Fiscal

Service, will build on the existing foundation to put the overarching goal first, while allowing the individual programs to continue with their missions. The Center of Excellence will work to expand partnerships to assist with recovery, prevention, and prosecution efforts, as well as enable advancements in operational activities through the use of business insights, data, analytics and operational systems. The Center of Excellence will work in tandem with Federal agencies and other partners to make payments right the first time, thereby improving the public trust.

In FY 2018, DNP expanded services to offer agencies data analytics to assist them in their effort to more effectively identify and prevent improper payments. In FY 2018, there were 20,336 stopped payments worth over \$35.5 million. In addition, Fiscal Service ensures payment integrity by managing payment transactions that are misdirected or otherwise require intervention. In FY 2018, these transactions represented approximately \$15.2 billion, and might have been erroneously spent if the transactions had not been recovered and/or corrected through robust post-payment controls. Further, using analytics and partnering with various stakeholders, Fiscal Service supported the investigation and prosecution of more than 460 cases of misdirected payments caused by forgery, altered checks, multiple mobile deposits, deceased payee fraud, potential mail fraud and more.

4.2 – Debt Management: Fund the Federal Government at the least cost over time.

Auctions:

- *Modernize Auctions Application:* Fiscal Service’s auction program finances government operations by offering Treasury securities through secure electronic systems. The auction program will complete the multi-year effort to modernize the auction application software in FY 2020 and will continue to enhance the auction application software to ensure that critical auction processes continue to work flawlessly, remain secure, and operate without service disruptions.

4.3 – Federal Financial Performance: Improve Federal financial management performance using innovative practices to support effective government.

All Budget Activities:

- *Innovative Financial Management Solutions:* Working with other members of the Federal financial community and in coordination with the Chief Financial Officers’ Council, Fiscal Service will identify and pilot emerging technologies and practices that demonstrate a potentially high return on investment for Federal financial management. The bureau will develop proofs of concepts for technologies such as distributed ledgers (e.g., blockchain), robotics, and artificial intelligence to better understand the degree to which these technologies could be used to improve Federal financial management if put into operation.

Treasury Strategic Goal 5: Achieve Operational Excellence

5.1 – Workforce Management: Foster a culture of innovation to hire, engage, develop, and optimize a diverse workforce with the competencies necessary to accomplish Treasury’s mission.

All Budget Activities:

- *Financial Management Talent:* Fiscal Service has a goal to develop, retain, and empower the best and brightest talent to support Federal financial management. Fiscal Service continues to support this goal through several initiatives designed to increase leadership and operational competencies, improve communication across the workforce, and support collaboration and employee engagement. These efforts include: a Fiscal Service culture strategy, moving operations to field locations, a bureau-wide position management review designed to ensure position accuracy and consistency across all locations, a Commissioner's Scholarship Program, the encouragement of all employees to receive 40 hours of training per year to reinforce the development of key competencies across the workforce, and structured succession planning activities to establish sufficient bench strength for future leadership opportunities.

Fiscal Service's 2018 Federal Employee Viewpoint Survey results revealed an upward trend in 52 of the 71 core questions asked and increases over last year in the employee engagement, diversity and inclusion, overall satisfaction, and global satisfaction indices. Fiscal Service will continue to identify opportunities to improve employee engagement and develop action plans focused on these activities.

In 2018, Fiscal Service developed a workforce plan as well as a diversity and inclusion plan. Through these efforts and other analysis, Fiscal has implemented a disciplined hiring process that not only addresses budget constraints but allows for mission accomplishment, considers the bureau's priorities and initiatives, and ensures diversity and inclusion.

5.2 – Treasury Infrastructure: Better enable mission delivery by improving the reliability, security, and resiliency of Treasury's infrastructure.

All Budget Activities:

- *IT Infrastructure:* Fiscal Service will increase resiliency by enhancing IT infrastructure, technical failover capabilities, and continuity of operations processes through process improvements and regular exercises. This will ensure the uninterrupted financial integrity, security, and operational efficiency of mission critical systems. It also will ensure continual enhancement of the systems and operations needed to meet critical mission functions including auctions, revenue collections, and payments.
- *Technology Modernization:* Fiscal Service is undertaking a Technology Modernization initiative to ensure an agile response capability to evolving business needs in order to best serve the nation. This effort supports the PMA by focusing on cloud adoption. Further, the modernization effort takes an enterprise approach to technology by leveraging a microservices strategy to align business functions and capabilities.

Fiscal Service is adopting the mantra of "build once and disseminate broadly" to streamline our footprint, increase resiliency, increase "cyber hygiene," and reduce overall costs. Additional benefits provided by this strategy include: (1) improved evaluation of IT costs and level of service requirements to deliver value-added business solutions; (2) increased accuracy in measuring IT portfolio performance; and (3) increased ability to meet business

requirements in a more agile manner. Fiscal Service's objective is to utilize services and capabilities that are portable, reusable, scalable, and resilient, with additional capability for automated deployment.

Over the past few years, Fiscal Service proactively made strategic investments in securing against cyber-attacks. Investments in Cyberclean have resulted in a multi-phased initiative to enhance our security posture and transfer the bureau cyber culture into one that is mission-enabling, risk-based, and proactive with shared responsibility.

5.3 – Customer Value: Improve customer value by increasing the quality and lowering the cost of Treasury's products and services.

Collections and Payments:

- *Electronic Solutions:* Fiscal Service will work to reduce the number of lockboxes used in the Federal Government to process manual collections by streamlining and consolidating facilities, continuing to transition paper processing to electronic solutions, and improving manual processing efficiencies through the use of new technologies such as robotic process automation and intelligent character recognition. By early FY 2020, Fiscal Service will complete the transition of General Lockbox Network (GLN) cash flows which will allow us to consolidate the GLN from four sites to two, and from three Financial Agents to one.

Fiscal Service will also continue to digitize processing across all operational areas through the deployment of electronic solutions that streamline processes and reduce the paper footprint. By early FY 2020, Fiscal Service plans to begin a pilot of the U.S. Citizenship and Immigration Services document handling solution and expand on robotics process automation in the Passport lockboxes.

- *Centralize Federal Disbursing:* Through this initiative, Fiscal Service will further consolidate the disbursement of Federal payments. The Federal Government disburses over 1 billion payments annually to recipients throughout the world. Currently, Fiscal Service disburses 87 percent of these payments, with the remaining 13 percent being disbursed by non-Treasury disbursing offices. Further consolidating disbursement at Fiscal Service will eliminate redundancies, streamline end-to-end payment processing, and lower government-wide costs. Fiscal Service plans to convert the majority of Department of Defense entities to Treasury-disbursed by the end of FY 2020.
- *Common Authentication Solution and Customer-Centric Approach:* Fiscal Service will increase the capability of applications, both web and client server based, to easily honor and accept the personal identity verification (PIV), personal identity verification-interoperable (PIV-I), and DoD Common Access Card (CAC) credentials. These services will be available to all of Treasury as well as Federal public key infrastructure customers.

Fiscal Service will work to optimize the user experience with a more customer-centric approach, reduce operational inefficiencies, and ensure security while addressing evolving standards for all consumer-facing Fiscal Service applications. In addition, expanding the use

of user-friendly mobile processes will allow the public to interact with the government how they prefer.

B – Budget and Performance by Budget Activity

2.1.1 – Accounting and Reporting Resources and Measures

Dollars in Thousands

Resource Level	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
Appropriated Resources	102,661	104,600	113,413	108,312	95,822	95,175	96,979
Reimbursable Resources	6,699	10,256	24,155	23,800	18,923	25,004	20,869
Budget Activity Total	\$109,360	\$114,856	\$137,568	\$132,112	\$114,745	\$120,179	\$117,848
FTE	357	374	425	381	400	413	398

Measure	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2018 Target	FY 2019 Target	FY 2020 Target
Percentage of Government-wide Accounting Reports Issued Timely (%)	100.0	99.5	100.0	100.0	100.0	100.0	98.0	98.0

2.1.1 – Accounting and Reporting Budget and Performance

(\$96,979,000 from direct appropriations, and \$20,869,000 from reimbursable resources):

Fiscal Service has the critical responsibility of maintaining the Federal Government's set of accounts and serving as the repository of information about the financial position of the United States Government. The bureau closely monitors the government's monetary assets and liabilities at all times through its oversight of central accounting and reporting systems. Fiscal Service oversight responsibilities include helping Federal agencies use uniform accounting and reporting standards and systems and assuring the continuous exchange of financial information between Federal agencies, OMB, and financial institutions. The bureau also gathers and publishes government-wide financial information for use in establishing fiscal and debt management policies as well as to allow the public and private sectors to monitor the government's financial status. Fiscal Service is responsible for producing and maintaining various financial reports and information required by law on the financial condition and budget results of the U.S. government. The reports include:

- The Financial Report of the United States Government (FR)
- The Combined Statement of Receipts, Outlays and Balances
- The Monthly Treasury Statement
- The Daily Treasury Statement

In FY 2018, Fiscal Service remediated five audit recommendations on the FR. Furthermore, for the first time, no additional recommendations were received.

As part of the Central Accounting program, Fiscal Service:

- Produces timely and accurate financial information by operating and overseeing the government's Central Accounting Reporting System and managing \$111.8 billion in daily Federal cash flows
- Generates and disseminates several reports and publications including the Daily Treasury Statement, Monthly Treasury Statement, Monthly Statement of the Public Debt, Treasury Bulletins, the Combined Statement of the United States Government, and the FR
- Issues the annual, audited Schedules of Federal Debt (Schedules) that report on the single

largest Federal liability in Treasury's annual Agency Financial Report and received an unmodified opinion for each of the past 22 years

- Manages nearly \$71.8 billion in State and Local Government Series (SLGS) securities for over 2,500 customers and administers flexible investment alternatives for state and local governments to refinance their outstanding, tax-exempt debt
- Issues, redeems and services Government Account Series (GAS) securities totaling nearly \$6 trillion that are held in more than 160 accounts that have specific statutory authority to invest in these special, non-marketable Treasury securities
- Administers over 10,500 loans totaling \$1.4 trillion to nearly 100 accounts held by Federal agencies to support programs relating to education, housing, flood relief, and agriculture

Fiscal Service delivers on Treasury's Strategic Goal 4 (Transform Government-wide Financial Stewardship) by providing the public and Federal agencies with access to a greater range of financial data and works to improve the value, quality, and availability of Federal financial data. The establishment of government-wide financial data standards is the key to increasing the availability, accuracy, and usefulness of Federal spending information. Fiscal Service relaunched the USAspending.gov website with multiple download features including account download and database download, as well as added new features such as keyword search functionality and budget function filter. Fiscal Service will continue to work with Federal agencies and external stakeholders to enhance the capabilities and user experience of USAspending.gov.

Description of Performance:

Fiscal Service collects, analyzes, and publishes government-wide financial information, made available to both the public and private sectors, to provide transparency on the government's financial status. In FY 2018, Fiscal Service timely issued government-wide accounting reports 100 percent of the time.

Fiscal Service will meet its FY 2019 and FY 2020 performance measure targets by transforming the quality, effectiveness, and transparency of Federal financial management data; delivering value-added business process and system improvements; and expanding/enhancing relationships with stakeholders and customers.

2.1.2 – Collections Resources and Measures

Dollars in Thousands

Resource Level	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
Appropriated Resources	30,469	34,982	37,394	36,197	38,704	42,166	38,117
Reimbursable Resources	0	3,898	8,265	7,028	8,042	9,287	7,997
Budget Activity Total	\$30,469	\$38,880	\$45,659	\$43,225	\$46,746	\$51,453	\$46,114
FTE	139	144	152	159	160	172	165

Measure	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2018 Target	FY 2019 Target	FY 2020 Target
Percentage of Total Federal Government Receipts Settled Electronically (%)	98.0	98.0	98.2	98.3	98.0	98.0	98.0	98.0

2.1.2 – Collections Budget and Performance

(\$38,117,000 from direct appropriations, and \$7,997,000 from reimbursable resources):

The Collections budget activity supports the National Financial Critical Infrastructure and Treasury Strategic Goal 4 (Transform Government-wide Financial Stewardship) by administering the world's largest government funds collections systems through a network of Fiscal and Financial Agents. In FY 2018, the bureau collected nearly \$4.2 trillion in Federal revenues, such as individual and corporate income tax deposits, customs duties, fees for government services, fines, and loan repayments. Within that, over \$2.9 trillion in tax payments were processed through Electronic Federal Tax Payment System (EFTPS) and approximately 200.8 million transactions worth \$166.8 billion were processed through Pay.gov. The dollar value of the collections and number of transactions are indicators that our responsibilities are both significant and vital to the functioning of the economy, the inner workings of the government, and to the daily lives of citizens and businesses.

By adopting eCommerce solutions and cutting-edge technology, Fiscal Service is expanding the suite of electronic payment options available to Federal agencies, individuals, businesses, tax practitioners, and financial institutions through a wide variety of alternatives, specifically, online bill payment, digital wallets, and mobile applications, all of which offer convenience, simplicity, and an enhanced customer experience. Between FY 2017 and FY 2018, online bill payments transactions and dollars collected increased by approximately 70 percent; digital wallets increased collections by 83 percent; and mobile applications increased transactions by more than 150 percent and increased dollars collected by more than 100 percent.

Description of Performance:

Fiscal Service met its target of electronically settling 98 percent of all Federal Government receipts through a continued commitment to agency outreach efforts. Fiscal Service expects to maintain an annual electronic collections rate of at least 98 percent through FY 2020 by continuing to promote the use of electronic systems in the collections process and to assist agencies in converting collections from paper to electronic media with programs such as:

- EFTPS: EFTPS is a system that allows businesses, individuals, and other entities to pay taxes electronically. There are several methods to schedule tax payments through EFTPS, including via the Internet, phone, and third-party payroll service providers. The benefits of EFTPS include accuracy, security, simplicity, and flexibility. The goal is to continue to require businesses to pay their Federal taxes electronically and focus efforts on increasing the number of individuals that pay taxes electronically. Fiscal Service will determine the implementation/transition timeline to move from current EFTPS architecture/environment to EFTPS Next Generation (EFTPSng). By modernizing and transitioning the system to EFTPSng, Fiscal Service will be able to provide a better customer experience while introducing new services and application program interfaces (APIs) to facilitate the expansion of functionality and the adoption of cloud-based technology.
- Pay.gov: Pay.gov is a web-based government-wide collections portal. It allows users to electronically fill out and submit forms, view bills, and make payments via Automated Clearing House (ACH) debit, credit card, or digital wallet. The system also provides reporting to agencies and allows individuals and businesses to make non-tax payments to Federal agencies over the internet with a mobile-friendly user interface and enhanced functionality in the areas of electronic billing and electronic forms.

- **Check Conversion and Truncation:** Fiscal Service is employing strategies to reduce the number of paper checks it receives and to ensure that those it does receive are converted for electronic processing. The Over the Counter Channel Application (OTCnet) and Electronic Check Processing (ECP) programs provide a complete electronic record of all check images and related financial data that is accessible by agencies and eliminate the costly and time-consuming need to photocopy checks, safeguard checks, or process paper.
- **eCommerce Collections:** Agencies using mobile applications avoid sending checks to lockboxes and are converting mailed-in or point-of-sale checks/cash payments to self-service ACH, card, and digital wallet payments. Digital wallets allow consumers the convenience of using their electronic wallet (card, ACH options) to pay an obligation to an agency in lieu of providing bank account and credit card information online or via phone while online bill payment allows consumers to pay Federal Government bills through their banks' websites. In FY 2018, Fiscal Service increased the cumulative volume of digital wallet transactions by 83 percent. By FY 2020, Fiscal Service will perform an analysis of the current digital wallet providers and conduct research on eCommerce industry trends to identify technologies to be implemented and to determine whether to include additional providers for digital wallet collections.

2.1.3 – Payments Resources and Measures

Dollars in Thousands

Resource Level	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
Appropriated Resources	114,650	120,769	127,943	126,685	121,462	117,581	123,355
Reimbursable Resources	78,625	81,953	111,088	111,464	117,264	120,109	118,316
Budget Activity Total	\$193,275	\$202,722	\$239,031	\$238,149	\$238,726	\$237,690	\$241,671
FTE	577	521	562	597	508	526	507

Measure	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2018 Target	FY 2019 Target	FY 2020 Target
Percentage of Treasury Payments Made Electronically (%)	94.4	94.7	94.9	95.1	95.4	95.2	95.3	95.5
Count of Improper Payments Identified or Stopped Fiscal Year To Date (# in thousands)	N/A	N/A	N/A	N/A	20.3	B	20	21
Dollar Amount of Improper Payments Identified or Stopped Fiscal Year To Date (\$ Millions)	N/A	N/A	N/A	N/A	35.5	B	33.6	35.3

Key: B - Baseline; N/A - Not in use in prior years; TBD - To Be Determined

2.1.3 – Payments Budget and Performance

(\$123,355,000 from direct appropriations, and \$118,316,000 from reimbursable resources):

Fiscal Service is the primary disburser of payments to individuals and businesses on behalf of Federal agencies. This includes Social Security, Veterans' benefits, and income tax refunds to more than 100 million people as well as vendor and loan payments supporting businesses; grant monies; and state funding for critical infrastructure projects and state-administered programs. The majority of the payments are disbursed through electronic funds transfers; the remaining are

check payments. Annually, Fiscal Service disburses more than 1.2 billion payments, with an associated dollar value of more than \$3.5 trillion to individuals, businesses, and others around the world on behalf of more than 250 Federal entities.

The Payments budget activity supports the NFCI and Treasury Strategic Goal 4 (Transform Government-wide Financial Stewardship) by disbursing more than 87 percent of the Federal Government's payments, equating to over 1.2 billion payments worth \$3.5 trillion in FY 2018. Fiscal Service uses the Payment Application Modernization (PAM) investment to disburse payments for Veterans' Compensation and Pension, Social Security Benefits, Federal and Railroad Pensions, IRS tax refunds, Supplemental Security Income (SSI), etc. PAM supports the production and delivery of Federal payments on behalf of more than 250 Federal entities with a single application that generates check, ACH, International ACH Transaction (IAT), and wire transfer payments. PAM prevents improper payments and collects delinquent debt owed to the Federal Government by automatically interfacing with core Treasury systems such as DNP and the Treasury Offset Program (TOP). Fiscal Service continues to eliminate redundancies in the Federal Government by centralizing the payment activities for a large portion of DoD and other non-Treasury disbursing agencies. This will allow those agencies to better align mission-critical resources and possibly identify future savings.

Electronic payments provide timely, accurate, and efficient disbursement of Federal Government payments; eliminate the costs associated with postage and the re-issuance of lost or stolen checks; and help to protect against fraud and identity theft. In FY 2018, Fiscal Service disbursed 98.4 percent of benefit payments electronically, supported by Direct Express®, a prepaid card program providing 4.5 million unbanked cardholders with a low-cost way to electronically receive payments and check their account balance.

The Payments budget activity also includes post payment services to settle claims against the United States resulting from Federal Government checks that have been forged, lost, stolen, or destroyed, as well as claims and reclamations of electronic funds transfer (EFT) payments. Fiscal Service ensures payee claims of non-receipt are processed, stale uncashed checks are cancelled, misdirected electronic payments are returned, monies erroneously paid to deceased individuals are recovered, and checks returned in the mail are properly safeguarded with funds redirected to the right payee or held safely in the United States Treasury. Through FY 2019, Fiscal Service will continue to invest in the Post Payment Services Investment, a consolidation of several post payment systems into a single, centralized system that will unify disparate business processes and eliminate data redundancy across systems. The Post Payment Modernization Initiative will provide Federal program agencies (FPAs) a customer portal that supports: payment verification and reconciliation, returns and cancellations, inquiries, claims processing including reclamations, funds receipt/funds management, fraud and integrity analysis, and reporting.

Fiscal Service will continue to expand efforts through a government-wide program that will support agencies, law enforcement, and states in combatting fraud, waste, abuse, and improper payments. The Payment Integrity Center of Excellence will be the trusted government-wide partner to provide actionable business insights and solutions that transform how Federal agencies

approach identifying, preventing, stopping, and recovering of improper payments and related fraudulent activity.

In addition, the Fiscal Service collects monies from those parties liable for fraudulent or otherwise improper negotiation of government checks. Support provided to the Inspector General, Assistant United States Attorneys, and state and local law enforcement agencies in the investigation and prosecution of criminals engaged in fraud related to the Treasury payment system resulted in 66 arrests, 33 convictions, and \$12.9 million recovered through fines, restitution, and seizures in FY 2018.

Also, in FY 2018, Federal agencies received and processed 488,000 vendor invoices valued at \$40.0 billion through Treasury's electronic invoicing solution, the Invoice Processing Platform (IPP). As the end of FY 2018, 17 CFO Act Agencies used the IPP and 96 percent of Treasury invoices were processed electronically.

DNP's mission is to protect the integrity of the Federal Government's payment processes by helping agencies mitigate and eliminate improper payments in a cost-effective manner while safeguarding the privacy of individuals. Together with the Payment Integrity Center of Excellence, DNP analytics will continue to provide advanced payment analysis services to Federal agencies. In partnership with the Federal agencies, a variety of data analyses and visualizations can be conducted to help combat improper payments. In FY 2018, DNP assisted agencies in identifying or stopping 20,336 payments valued at over \$35.5 million.

Description of Performance:

Fiscal Service continues to increase the electronic payment rate each year. In FY 2018, the electronic payment rate rose to 95.4 percent, with the number of electronic payments increasing by 17.0 million, and paper check volume decreasing by 2.3 million. Tax refund payments continue to total more than half of the Treasury-disbursed check volume. The processing of electronic invoices also realized a large increase of more than 34,000 over the FY 2017 volume of 453,817.

The targets of 95.3 percent for FY 2019 and 95.5 percent for FY 2020 were determined by using historical data trends to determine the rate of increase/decrease to apply to future EFT and check volumes. The percentage increase/decrease differs for each of the payment types (Veterans' benefits, Social Security benefits, SSI, tax refunds, etc.).

Fiscal Service will meet FY 2019 and FY 2020 targets by promoting and increasing EFT payments with emphasis on tax refunds, vendor payments, and benefit payments; and exploring, developing, and deploying innovative, customer-driven electronic payment solutions.

In FY 2019, Fiscal Service will establish two performance measures that will provide transparency on progress towards detecting and preventing improper payments. These performance measures align with the President's Management Agenda on getting payments right. Fiscal Service, along with other partner Federal agencies, will lead the effort to prevent and detect improper payments.

2.1.4 – Retail Securities Services Resources and Measures

Dollars in Thousands

Resource Level	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
Appropriated Resources	95,249	76,711	71,252	62,559	57,356	59,381	60,643
Reimbursable Resources	17,400	6,006	16,026	12,642	12,100	17,854	13,166
Budget Activity Total	\$112,649	\$82,717	\$87,278	\$75,201	\$69,456	\$77,235	\$73,809
FTE	491	442	436	472	434	447	430

Measure	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2018 Target	FY 2019 Target	FY 2020 Target
Cost Per Customer Assisted Retail Transaction (\$)	N/A	N/A	N/A	B	116.24	124.78	DISC	DISC
Cost Per Electronic Retail Transaction (\$)	N/A	N/A	N/A	B	3.06	3.46	DISC	DISC
Percentage of Retail Customer Service Transactions That Are Unassisted (%)	N/A	N/A	N/A	N/A	N/A	N/A	B	TBD

Key: Disc - Discontinue; B - Baseline; N/A - Not in use in prior years; TBD - To Be Determined

2.1.4 – Retail Securities Services Budget and Performance

(\$60,643,000 from direct appropriations, and \$13,166,000 from reimbursable resources):

Retail Securities Services (RSS) provides simple, safe, and affordable ways for Americans to directly interact with the Department of the Treasury to save for their future by investing in Treasury securities. The U.S. Treasury began offering savings bonds in paper form in 1935. Today, electronic savings bonds and marketable securities are sold through TreasuryDirect, an internet-based book-entry system for purchasing, holding and conducting Treasury securities transactions. In FY 2018, Fiscal Service electronically issued \$63.6 billion in marketable securities and \$394.4 million in savings bonds; redeemed 22 million paper savings bonds totaling \$10.4 billion and \$890.0 million in electronic savings bonds; added 190,828 new accounts to TreasuryDirect; and made 2.5 million retail payments worth \$19.9 billion.

RSS continues to modernize systems to allow individual investors to purchase, view, redeem, and manage their investments electronically. Over the next few years, RSS will continue to develop customer service improvements to increase customer self-sufficiency and encourage more Americans to save for their future while achieving our financing mission cost effectively.

Description of Performance:

Cost of Customer Assisted Retail Transaction and *Cost per Electronic Retail Transactions* performance measures have been discontinued due to the rigid nature of the associated fixed costs producing skewed results. *Percent of Retail Customer Service Transactions That Are Unassisted* is the new performance measures, which encompasses self-directed customer interactions for current and future retail securities. In addition, it aligns with Fiscal Service goals and objectives to improve customer value by increasing the quality and self-sufficiency.

2.1.5 – Wholesale Securities Services Resources and Measures

Dollars in Thousands

Resource Level	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
Appropriated Resources	12,840	10,676	13,848	19,304	24,936	23,977	21,243
Reimbursable Resources	2,346	927	3,115	4,214	4,613	5,505	4,605
Budget Activity Total	\$15,186	\$11,603	\$16,963	\$23,518	\$29,549	\$29,482	\$25,848
FTE	121	109	78	117	116	119	119

Measure	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2018 Target	FY 2019 Target	FY 2020 Target
Percentage of Auction Results Released Accurately (%)	99.3	99.6	100.0	98.9	98.9	100.0	100.0	100.0
Percent of Auctions Successfully Completed by the Scheduled Close Date	N/A	N/A	N/A	N/A	N/A	N/A	B	100.0

Key: B - Baseline; N/A - Not in use in prior years

2.1.5 – Wholesale Securities Services Budget and Performance

(\$21,243,000 from direct appropriations, and \$4,605,000 from reimbursable resources):

The Wholesale Securities Services (WSS) program supports the NCFI by managing a critical Treasury HVA that enables the Federal Government to finance daily operations through reliable, accurate, and secure electronic systems. The vision is to manage Treasury's debt issuance operations in a manner that supports the evolving policy objectives and the needs of investors; leverages technology to conduct efficient, effective and reliable auctions; and collaboratively draws upon the strengths of all business stakeholders. Fiscal Service also supports Treasury's Strategic Goal 4 (Transform Government-wide Financial Stewardship) and Treasury's Strategic Objective 4.1 to better enable mission delivery by improving the reliability, security, and resiliency of Treasury's infrastructure.

Fiscal Service is responsible for the announcement, auction, issuance, and settlement of marketable Treasury bills, notes, bonds, inflation-protected securities, and floating rate notes. The program also oversees the portion of the Federal infrastructure that provides for the transfer, custody, and redemption of all Treasury marketable securities, purchased mostly by commercial market participants. The overarching goal is to finance the Federal Government at the lowest cost over time.

Description of Performance:

Fiscal Service awarded \$10.0 trillion in Treasury marketable securities to institutions and individual investors by conducting 270 auctions to fund critical daily Federal operations in FY 2018. The Percent of Auction Results Released Accurately at 98.9 percent in FY 2018 was slightly below the target of 100 percent due to a technical issue that was since resolved. In FY 2019, Fiscal Service will continue to measure its performance as it relates to the accuracy of the auction results. The program will also introduce a new performance measure to track the percentage of auctions held by the scheduled close date. This will measure the operational resiliency of the program and, while FY 2019 is a baseline year, the target is anticipated to be 100 percent performance in FY 2020.

To achieve FY 2019 and FY 2020 performance, Fiscal Service will complete a multi-year initiative to modernize the system application software and technology components and will continue to test the secondary and tertiary backup systems.

2.1.6 – Debt Collection Resources and Measures

Dollars in Thousands

Resource Level	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Enacted	FY 2019 Annualized CR	FY 2020 Request
Reimbursable Resources	139,377	174,634	187,152	176,928	192,819	209,809	226,576
Budget Activity Total	\$139,377	\$174,634	\$187,152	\$176,928	\$192,819	\$209,809	\$226,576
FTE	363	406	390	417	389	422	422

Measure	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2018 Target	FY 2019 Target	FY 2020 Target
Amount of Delinquent Debt Collected Through All Available Tools (\$ billions)	6.91	7.28	7.41	7.61	7.44	7.56	7.67	7.80
All Delinquent Debt Collected FYTD as a Percentage of all Delinquent Debt Referred FYTD (%)	N/A	N/A	N/A	N/A	N/A	N/A	B	TBD
Percentage of the active delinquent debt portfolio collected FYTD (%)	N/A	N/A	N/A	N/A	N/A	N/A	B	TBD

Key: DISC - Discontinue; B - Baseline; TBD - To Be Determined

2.1.6 – Debt Collection Budget and Performance

(\$226,576,000 from reimbursable resources)

The Debt Collection activity supports Treasury's Strategic Goal 4 (Transform Government-wide Financial Stewardship). Fiscal Service is the government's central debt collection agency, managing the government's delinquent debt portfolio and collecting delinquent debts owed to the United States, such as Federal mortgage, small business, or student loans; Federal salary or benefit overpayments; and fines or penalties assessed by Federal agencies. In FY 2018, Fiscal Service collected \$7.44 billion in delinquent debt through its two debt collection programs: TOP and Cross-Servicing.

Through TOP, the names and taxpayer identifying numbers of debtors included in a Fiscal Service database are matched against the names and taxpayer identifying numbers of recipients of Federal payments. If there are matches, the amounts of the payments are reduced ("offset") to satisfy the delinquent debts.

Through Cross-Servicing, delinquent debts referred to Fiscal Service by Federal agencies are collected several ways, including offsetting Federal payments, sending demand letters to debtors, entering into payment agreements, withholding wages administratively, referring debts to the Department of Justice for action, reporting to credit bureaus, and contracting for the services of private collection agencies.

Fiscal Service continues to help agencies implement Section 5 of the DATA Act, which amended the Debt Collection Improvement Act of 1996 to require agencies to refer eligible debt

to Fiscal Service at 120 days delinquent, rather than 180 days, and requires Treasury to report non-compliance to Congress. In addition, Fiscal Service continues to work with OMB and agencies on the new tools developed for tracking compliance, as required.

Description of Performance:

FY 2018 was the first time in five years that Fiscal Service did not exceed the amount of delinquent debt collected over the previous year. This decrease was due to declines in tax refund offsets because of the inability to refer debts to Private Collections Agencies (PCAs) for a majority of the fiscal year due to technical difficulties, a decline in collections from child support, and a drop in Unemployment Insurance Compensation collections. Tax refund offsets should increase in FY 2019 as Fiscal Service is referring debt again to PCAs.

Despite these challenges, projections for FY 2019 and FY 2020 show a return to modest growth in overall collections years. The performance targets for FY 2019 and FY 2020 are to collect \$7.82 billion and \$7.96 billion in delinquent debt, respectively. A sophisticated planning model using debt data and macroeconomic variables is the basis for this target forecast. The model is designed to take into account economic fluctuations, as well as debt referral changes, in order to forecast collections.

To meet FY 2019 and FY 2020 delinquent debt performance targets, Fiscal Service will continue to develop and implement strategies to increase automation, standardization, and overall process efficiencies. In addition, new payment streams and individual payments will be added to TOP that produce offsets and increase delinquent debt collection.

C – Changes in Performance Measures

Performance Measure or Indicator	Change and Justification
<p>1. Cost Per Electronic Retail Transaction (\$) (discontinue)</p> <p>Budget Activity: Retail Securities Services</p>	<p>Discontinue. This measure is dependent on fixed costs associated with the number of customer assisted or unassisted transactions</p>
<p>2. Cost Per Customer Assisted Retail Transaction (\$) (discontinue)</p> <p>Budget Activity: Retail Securities Services</p>	<p>Discontinue. This measure is dependent on fixed costs associated with the number of customer assisted or unassisted transactions.</p>
<p>3. Percentage of Retail Securities Transactions that are Unassisted (%) (add)</p> <p>Budget Activity: Retail Securities Services</p>	<p>Add. This measure drives toward all electronic transactions and encompasses self-directed customer interactions for current and future retail securities. The measure aligns with Treasury strategic goal 5.3 to improve customer value by increasing quality and self-sufficiency.</p>
<p>4. Count of Improper Payments Identified or Stopped FYTD (#) (add)</p> <p>Budget Activity: Payments</p>	<p>Add. Treasury leads government efforts to understand and reduce improper payments. This measure tracks the number of payments identified as improper plus the payments prevented.</p>
<p>5. Dollar Amount of Improper Payments Identified or Stopped FYTD (\$ Millions) (add)</p> <p>Budget Activity: Payments</p>	<p>Add. This measure tracks the dollar amount of payments identified as improper plus the payments prevented.</p>

Performance Measure or Indicator	Change and Justification
6. All Delinquent Debt Collected FYTD as a Percentage of all Delinquent Debt Referred FYTD (%) (add) Budget Activity: Debt Collection	Add. This measure complements the already reported measure of “total amount of delinquent debt”. This measure tracks Fiscal Service’s efforts in reducing total delinquent federal debt growth.
7. Percentage of the Active Delinquent Debt Portfolio Collected FYTD (%) (add) Budget Activity: Debt Collection	Add. This measure tracks the total debt collected FYTD against the total “active” debt portfolio. The active portfolio is defined as any debt which receives at least one payment during that FY.

Section III – Additional Information

A – Summary of Capital Investments

Fiscal Service leads the way for responsible, effective government through commitment to cutting-edge technologies, service, efficient operations, sharing of best practices, and openness to change in order to meet the operating needs of the Federal Government. Fiscal Service systematically analyzes the demand for its services, considers effective methods for delivery, and identifies the broad asset implications through sound governance and investment management.

Effective Investment Governance

Fiscal Service Governance and Capital Planning and Investment Control programs ensure the selection/re-selection, comparison, and prioritization of the most effective IT investments to support the mission and long-range plans for Fiscal Service and Treasury. These programs also ensure the IT investment portfolio is well managed, cost effective, and achieving intended results through monthly tracking and progress reports. A monthly investment health assessment of cost, schedule, operational performance, and risk is in place in addition to a formal TechStat process that engages appropriate senior level officials for insight and successful remediation of significant issues or risks.

Effective Project Execution

Fiscal Service has a disciplined and consistent approach to project management (PM) as facilitated through a bureau-wide project management program that manages PM standards, procedures, and training. In addition, a standing monthly project management community of practice is in place providing practitioners the opportunity for collaboration and continuous learning of creative problem-solving/solution design related to practical lessons learned. Each IT investment has a dedicated program manager and a fully staffed integrated program team. The systems that support each investment are enhanced using iterative development techniques.

Enterprise Architecture Services

Enterprise Architecture (EA) services ensure that Fiscal Service applies a common language and framework to describe and analyze investments. Fiscal Service's EA program is designed to facilitate cross-agency analysis of capabilities, knowledge, processes, and relationships to apply evidence-based techniques, identify duplicative 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 of EA services is to facilitate planning by documenting where Fiscal Service is currently and determining what the bureau should look like in the future in order to make plans to transition from current state to future state. A holistic suite of integrated services that incorporates business, data, technical, and security architecture perspectives enable the planning.

Enterprise Risk Management (ERM)

The nature of Fiscal Service's work requires effective enterprise risk management and high levels of performance to ensure 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. As such, Fiscal Service has established an ERM office 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 objectives. 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, and budget formulation. Fiscal Service will continue 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 are critically important. 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 employs an in-depth defense strategy to protect against, detect, and respond to anomalies in the bureau's network and systems. In addition, Enterprise Cybersecurity ensures Fiscal Service information technology resources are in compliance with the National Institute of Standards and Technology security standards and satisfies annual security audit requirements.

A summary of capital investment resources, including major IT and non-technology investments, can be viewed and downloaded here:

<http://www.treasury.gov/about/budget-performance/Pages/summary-of-capital-investments.aspx>

This website also contains a digital copy of this document.