

Department of the Treasury  
Bureau of the Fiscal Service

Congressional Budget  
Justification and Annual  
Performance Plan and Report

FY 2021

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## **Section I – Budget Request**

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### **A – Mission Statement**

Promote the financial integrity and operational efficiency of the Federal Government through exceptional accounting, financing, collections, payments, and shared services.

### **B – Summary of the Request**

The Bureau of the Fiscal Service (Fiscal Service) finances the Federal Government and touches the lives of every American. In FY 2019, Fiscal Service collected nearly \$4.3 trillion in revenue, issued more than 1.2 billion payments to over 120 million Americans, and conducted 325 auctions that sold \$11.7 trillion in Treasury securities to finance the Federal Government. Fiscal Service accounted for the Nation’s \$23 trillion public debt down to the penny, every day.

The FY 2021 request for the Fiscal Service is \$360.2 million. The Budget ensures the viability of the government’s National Financial Critical Infrastructure (NFCI) that finances Federal operations, collects revenue, disburses payments, and reports on the government’s financial position. Because of Fiscal Service’s central role in government-wide financial operations, the budget also supports Treasury’s leadership in transforming Federal financial management to become more efficient, more accurate and deliver better service to citizens.

The Budget aligns closely with Treasury’s strategic goal to transform government-wide financial stewardship by improving the accuracy and availability of financial information and implementing new, innovative financial practices. Included in the Budget are Fiscal Service’s efforts to streamline the government’s audit processes and reduce intra-governmental accounting differences that stand in the way of a clean audit opinion on the Financial Report of the U.S. Government. Throughout all of these initiatives, Fiscal Service integrates innovation and standardization to promote efficiency and achieve economies-of-scale. Fiscal Service has set ambitious goals for all-electronic transactions between the bureau, Federal agencies and the public to improve efficiency, security and enable the application of higher levels of automation, such as robotics and artificial intelligence. Supporting the President’s Management Agenda, Fiscal Service is working within the Federal community to gain the long-term designation for the Sharing Quality Services CAP Goal’s core financial management Quality Service Management Office. This office would be ultimately responsible for operating the Federal marketplace for quality core financial service offerings available to Federal agencies.

Treasury’s strategic goal to achieve operational excellence by strengthening the resiliency of our infrastructure and enhancing the customer value and experience is also supported by the Budget. Included is an initiative to strengthen the bureau’s cybersecurity posture by enhancing our ability to identify threats to the national critical infrastructure, counter them, and quickly reconstitute operations if necessary. Also included is our initiative to help Americans identify and recover their savings bonds that have matured, but remain unredeemed. Additionally, Fiscal Service leads Treasury’s Agency Priority Goal to improve the public’s experience by increasing electronic payments and reducing paper checks.

## 1.1 – Appropriations Detail Table

Dollars in Thousands

Appropriated Resources	FY 2019		FY 2020		FY 2021		FY 2020 to FY 2021	
	Operating Plan		Enacted		Request		% Change	
New Appropriated Resources	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Accounting and Reporting	371	\$95,175	384	\$98,937	398	\$102,877	3.6%	3.98%
Collections	156	\$42,166	161	\$37,948	161	\$41,077	0.0%	8.25%
Payments	468	\$117,581	486	\$123,015	490	\$121,519	0.8%	-1.22%
Retail Securities Services	388	\$59,381	410	\$58,403	412	\$61,231	0.5%	4.84%
Wholesale Securities Services	112	\$23,977	116	\$21,977	116	\$23,496	0.0%	6.91%
Matured Unredeemed Debt /1	0	\$0	0	\$25,000	5	\$10,000	NA	-60.00%
<b>Subtotal New Appropriated Resources</b>	<b>1,495</b>	<b>\$338,280</b>	<b>1,557</b>	<b>\$365,280</b>	<b>1,582</b>	<b>\$360,200</b>	<b>1.61%</b>	<b>-1.39%</b>
<b>Other Resources</b>								
Reimbursable	377	\$384,771	412	\$400,000	412	\$402,000	0.0%	0.50%
Unobligated Balances from Prior Years	0	\$71,815	0	\$91,922	0	\$99,922	NA	8.7%
<b>Subtotal Other Resources</b>	<b>377</b>	<b>\$456,586</b>	<b>412</b>	<b>\$491,922</b>	<b>412</b>	<b>\$501,922</b>	<b>0.0%</b>	<b>2.03%</b>
<b>Total Budgetary Resources</b>	<b>1,872</b>	<b>794,866</b>	<b>1,969</b>	<b>\$857,202</b>	<b>1,994</b>	<b>\$862,122</b>	<b>1.27%</b>	<b>0.57%</b>

Note: FY 2019 Other Resources and Full-time Equivalents (FTE) reflect actuals.

/1 FY 2020 Enacted includes \$25 million, available until expended, appropriated by P.L. 116-93, Consolidated Appropriations Act, 2020

## 1.2 – Budget Adjustments Table

Dollars in Thousands

	FTE	Amount
<b>FY 2020 Enacted /1</b>	<b>1,557</b>	<b>\$365,280</b>
<b>Changes to Base:</b>		
Maintaining Current Levels (MCLs):	0	\$7,698
Pay Annualization (2020 3.1% average pay raise)	0	\$1,666
Pay Raise (1.0% average pay raise)	0	\$1,625
FERS Contribution Increase	0	\$1,901
Non-Pay	0	\$2,506
Non-Recurring Costs	0	(\$32,796)
Reduce Contractual Services	0	(\$7,796)
Matured Unredeemed Debt /1	0	(\$25,000)
Other Adjustments:	13	\$1,805
Annualization of Hires	13	\$1,805
Subtotal Changes to Base	13	(\$23,293)
<b>FY 2021 Current Services</b>	<b>1,570</b>	<b>\$341,987</b>
<b>Program Changes:</b>		
Program Increases:	12	\$18,213
Quality Service Management Office	7	\$5,000
Cybersecurity	0	\$3,213
Matured Unredeemed Debt	5	\$10,000
<b>FY 2021 President's Budget Request</b>	<b>1,582</b>	<b>\$360,200</b>

Note: /1 FY 2020 Enacted includes \$25 million, available until expended, appropriated by P.L. 116-93, Consolidated Appropriations Act, 2020

## C – Budget Increases and Decreases Description

Maintaining Current Levels (MCLs) .....+\$7,698,000 / +0 FTE

Pay Annualization (3.1 percent) +\$1,666,000 / +0 FTE

Funds are requested for annualization of the January 2020 3.1% average pay raise.

Pay Raise (1.0 percent in 2021) +\$1,625,000 / +0 FTE

Funds are requested for a 1.0% average pay raise in January 2021.

FERS Contribution Increase +\$1,901,000 / +0 FTE

Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2021.

Non-Pay +\$2,506,000 / +0 FTE

Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

**Non-Recurring Costs.....-\$32,796,000 / -0 FTE**

Reduce Contractual Services -\$7,796,000 / -0 FTE

Reductions or realignments of Fiscal Service operations due to efficiencies identified in contracting support and to support the bureau's hiring plans.

Matured Unredeemed Debt -\$25,000,000 / -0 FTE

United States Savings Bonds that have reached final maturity and stopped earning interest are considered Matured Unredeemed Debt (MUD). As of the end of FY 2019, the MUD balance had reached \$25.7 billion. The Consolidated Appropriations Act, 2020, (P.L. 116-93) provided \$25 million, available until expended, for the digitization of records of matured savings bonds that have not been redeemed. This adjustment removes the FY 2020 appropriation from the FY 2021 base. Continued MUD efforts in FY 2021 are included in the Program Increases section.

**Other Adjustments.....+\$1,805,000 / +13 FTE**

Annualization of Hires +\$1,805,000 / +13 FTE

Funds are requested for annualization of salary and benefits for hires that occur during FY 2020. These hires support the bureau's hiring priorities to reach targeted staffing levels.

**Program Increases .....+\$18,213,000 / +12 FTE**

Quality Service Management Office (QSMO) +\$5,000,000 / +7 FTE

This funding supports the President's Management Agenda (PMA), and the Sharing Quality Services Cross-Agency Priority (CAP) Goal 5. The PMA, Sharing Quality Services CAP Goal 5 strives to achieve operational and performance cost savings across administrative services. In FY 2019, OMB pre-designated Department of the Treasury as the QSMO for Financial Management (FM). Fiscal Service is leveraging existing Treasury authorities and in-house expertise to create and implement a readiness assessment process for agencies and legacy financial management shared service providers. As guiding principles, Fiscal Service will operate with a focus on customer experience, promote the strategic value of data and deliver progress using agile processes.

Cybersecurity +\$3,213,000 / +0 FTE

This request provides continued support of a phased approach to transition NFCI systems currently hosted and developed with outdated technology to new, more modern solutions that will support the security, resiliency, and agility efforts. Specifically, additional funding is requested to expedite the transition of the Trusted Internet Connection to co-located data centers, which provides secure connectivity for data and information. Additional funding will also

support enhanced data encryption and other remediation efforts identified through the bureau's on-going Cyber Clean initiative. These efforts are critical to allowing Fiscal Service to accelerate cloud adoption, which will provide for enhanced security as well as improved availability, reliability, and resiliency of information services.

Matured Unredeemed Debt (MUD) +\$10,000,000 / +5 FTE

Funds are requested to continue efforts to encourage bond owners to cash their matured, unredeemed savings bonds. Encouraging bond holders to cash their savings bonds does present challenges. In December 2019, Fiscal Service implemented its Treasury Hunt® search tool, which is an online tool that makes searching the status of Treasury bonds simpler by allowing individuals to discover if they have savings bonds issued in 1974 or later that have matured and are no longer earning interest. While 85 percent of the MUD balance is from bonds issued in 1974 and later, the quality of many of the paper records make it difficult to determine bond holder information. These documents are not machine-readable, thus making it difficult to index and search. In December 2019, Fiscal Service hosted a series of industry days to learn more about the options to digitize and index these records and where to prioritize efforts. Funding is requested to continue to help bond owners redeem their bonds and improve Treasury's ability to provide more searchable records through:

- Process improvements for cashing savings bonds, including digital options, with a focus on Matured Unredeemed Debt
- Improved ease of use and accessibility of new online search tools, ultimately resulting in expanded customer awareness of Matured Unredeemed Debt
- Expanded outreach to states and bondholders about Matured Unredeemed Debt
- Continuing efforts to digitize and index savings bond records

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

Dollars in Thousands

Object Classification	FY 2019 Actual Obligations	FY 2020 Estimated Obligations	FY 2021 Estimated Obligations
11.1 - Full-time permanent	178,289	186,910	193,211
11.3 - Other than full-time permanent	180	189	190
11.5 - Other personnel compensation	4,527	5,543	5,556
<b>11.9 - Personnel Compensation (Total)</b>	<b>182,996</b>	<b>192,642</b>	<b>198,957</b>
12.0 - Personnel benefits	62,123	69,337	72,730
13.0 - Benefits for former personnel	275	100	100
<b>Total Personnel and Compensation Benefits</b>	<b>\$245,394</b>	<b>\$262,079</b>	<b>\$271,787</b>
21.0 - Travel and transportation of persons	2,651	2,986	2,665
22.0 - Transportation of things	106	111	113
23.1 - Rental payments to GSA	24,544	25,960	26,968
23.2 - Rental payments to others	11	45	46
23.3 - Communications, utilities, and miscellaneous charges	39,623	42,123	41,810
24.0 - Printing and reproduction	127	137	140
25.1 - Advisory and assistance services	68,188	65,305	68,603
25.2 - Other services from non-Federal sources	23,939	19,374	19,760
25.3 - Other goods and services from Federal sources	299,252	318,332	312,895
25.4 - Operation and maintenance of facilities	1,646	2,172	2,075
25.7 - Operation and maintenance of equipment	9,474	9,813	9,951
26.0 - Supplies and materials	3,961	4,332	4,050
31.0 - Equipment	4,295	4,477	4,302
32.0 - Land and structures	440	34	35
<b>Total Non-Personnel</b>	<b>\$478,257</b>	<b>\$495,201</b>	<b>\$493,413</b>
<b>Total Obligations *</b>	<b>\$723,651</b>	<b>\$757,280</b>	<b>\$765,200</b>
<b>Full-time Equivalents (FTE)</b>	<b>1,872</b>	<b>1,969</b>	<b>1,994</b>

Note: \*Of the \$25 million appropriation for Matured Unredeemed Debt, obligations are estimated at \$17 million in FY 2020, \$6 million in FY 2021 \$2 million in FY 2022.

Amounts reflect obligations of annually appropriated resources, carryover balances, reimbursables, and transfers.

**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>For necessary expenses of operations of the Bureau of the Fiscal Service, [\$340,280,000]\$360,200,000; of which not <i>less than</i> \$10,000,000, to remain available until September 30, 2023, is for expenses associated with the redemption of matured savings bonds that have not been redeemed; of which not to exceed \$8,000,000, to remain available until September 30, [2022]2023, is for information systems modernization initiatives; and of which \$5,000 shall be available for official reception and representation expenses.</p> <p>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>Department of the Treasury Appropriations Act, 2020.</i>)</p>	<p>Provides \$10 million, available through FY 2023, to assist in the redemption of matured savings bonds.</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 provides 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 2021 will be approximately \$645.5 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 2021 is estimated at \$176.8 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 2021 will be approximately \$864.1 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 2021, the funding estimated to support payments for the replacement of valuables is approximately \$2 million.

**1.4 – Permanent, Indefinite Appropriations Table**

Dollars in Thousands

Permanent, Indefinite Appropriation	FY 2019 Actuals	FY 2020 Estimated	FY 2021 Request
Federal Reserve Bank <sup>1</sup>	\$603,613	\$622,786	\$645,520
Reimbursements to the Federal Reserve Banks	\$154,557	\$170,615	\$176,799
Financial Agent Services <sup>1,2</sup>	\$836,239	\$848,400	\$864,052
Government Losses in Shipment	\$1,088	\$2,204	\$2,015
<sup>1</sup> Approximately \$77M is reimbursed from other government agencies and deposited into the General Fund each year.			
<sup>2</sup> FY 2019 - FY 2021 include \$1.3M per year for the Government Sponsored Enterprise - Mortgage Backed Securities administrative costs.			

**E – Legislative Proposals**

**1. Give the Do Not Pay (DNP) Business Center the direct authority to acquire (designate) publicly available data sources to include in DNP for the prevention, identification, and recovery of improper payments.** *Total increase in improper payments identified by Treasury: \$35 million over 10 years.*

This proposal gives the Secretary of the Treasury (Secretary) the authority to acquire or designate publicly available data sources for DNP to expedite designating publicly available data source for the purposes of preventing, identifying, and recovering improper payments for Federal agencies. This authority will provide more efficient access for DNP’s analytics services and shorten the timeframe for the designation and the acquisition of publicly available data sources.

**2. Allow Treasury to access the Death Master File for improper payment purposes.** *Total increase in improper payments identified by Treasury: \$25.3 million over 10 years.*

This proposal authorizes the Secretary to access the full (restricted) file of death information that the Social Security Administration (SSA) maintains, which includes State-reported death data, for purposes of administering the Do Not Pay (DNP) 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. Treasury and SSA would collaborate to determine the most efficient means of exercising this authority.

**3. 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.** *Total increase in improper payments identified by Treasury: \$21 billion over 10 years.*

This proposal gives the Secretary of the Treasury (Secretary), in coordination with OMB, the authority to work with other federally funded government entities that play a role in preventing and detecting improper payments in federally funded state administered programs. Such authority would permit the Secretary to work with OMB to select customers that DNP determines can successfully assist in preventing and reducing improper payments.

**4. Expand Treasury's authority to access the National Directory of New Hires (NDNH) to include prevention, identification, and recovery of improper payments.** *Total increase in improper payments identified by Treasury: \$3.24 billion over 10 years.*

This proposal expands 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 expands 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. Treasury and the Department of Health and Human Services will continue to work together to determine Do Not Pay's appropriate role in carrying out this authority.

**5. Expand the Treasury Offset Program to increase debt collections.** *Estimated Recoveries: Tax debt collections: Between \$960 million and \$1.24 billion over 10 years.*

The State Reciprocal Program (SRP), a component of the Treasury Offset Program (TOP), permits states to collect their debts through the offset of Federal non-tax payments in exchange for permitting TOP to collect Federal non-tax debts through the offset of state payments. This joint Internal Revenue Service-Bureau of the Fiscal Service proposal expands the SRP by authorizing the continuous levy of state payments to collect Federal tax debts in two key ways. First, for states participating in the SRP, state payments subject to levy under this proposal could include state tax refunds, vendor payments, and payments to Medicaid service providers. Second, the proposal allows the offset of Federal tax refund payments to collect state debts. This would encourage states to participate (or more fully participate) in the SRP. Currently, under the SRP, states may only collect their debts from Federal non-tax payments and states may collect only certain debts through offset of Federal tax refunds (i.e., income tax, unemployment compensation, and child support debts). The proposal authorizes the Secretary of the Treasury, in consultation with affected agencies, such as the Department of Health and Human Services, to issue regulations to permit the collection of additional state debts through the offset of Federal tax refund payments when the Secretary determines it is both feasible and beneficial, giving special consideration to debts owed to states under Federally-funded programs such as Medicaid.

**6. Fund the Federal Payment Levy Program via collections.** *Estimated costs: \$220 million in Fiscal Service costs to operate the Tax Levy Program in TOP over 10 years. Fiscal Service is currently being reimbursed for this cost from IRS appropriated funding.*

This proposal would allow the Fiscal Service to retain a portion of the funds collected under the Bureau's Federal Payment Levy Program (FPLP) which processes and collects delinquent tax debts through the Treasury Offset Program (TOP). TOP currently recoups its costs from retained amounts for all its programs except for the FPLP. Under current law, the IRS must pay these costs through annual reimbursement agreements under the Economy Act. This proposal would make the FPLP consistent with other TOP programs. Delinquent taxpayers will not be impacted by the proposal, because they will receive credit for the full amount collected. This proposal creates efficiencies, because it allows the Fiscal Service to recover its FPLP costs in the same manner as other TOP programs.

**7. Increase collections of delinquent state income tax debt.** *Estimated recoveries: \$2.3 billion in state taxes over 10 years. These funds would go to the states. This proposal is revenue neutral for Federal scoring purposes.*

Under current law, the Bureau of the Fiscal Service may offset Federal tax refunds to collect delinquent state income tax obligations but only if the delinquent taxpayer resides in the state collecting the tax.

This proposal amends section 6402(e) of the Internal Revenue Code to allow the Fiscal Service to offset Federal income tax refunds to collect delinquent state tax obligations regardless of where the debtor resides. Fiscal Service also benefits with increased economies of scale due to greater processing volume.

**8. Reduce costs for states collecting delinquent income tax obligations.** *Estimated savings: \$140.8 million for states over 10 years. This proposal is revenue neutral for Federal scoring purposes.*

Under current law, the Fiscal Service may offset Federal tax refunds to collect delinquent state income tax obligations only after the state sends the delinquent debtor a notice by certified mail. The statutory notice requirements for Federal tax refund offset for all other types of debts, including Federal non-tax, child support, and state unemployment insurance compensation debts, are silent as to the notice delivery method. Federal tax refund offset regulations for all debts other than state income tax obligations permit Federal and state creditor agencies to send notices by regular first-class mail. Similarly, notice requirements for other debt collection actions, including administrative wage garnishment, do not require delivery by certified mail.

This proposal amends Internal Revenue Code section 6402(e) to allow the Fiscal Service to amend its regulations to permit states to send notices for state income tax obligations by first class mail, saving states certified mail costs and standardizing notice procedures across debt types.

**9. 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.*

This proposal amends 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 Plan and Report**

### **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 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 appropriated budget activities (Accounting and Reporting, Collections, Payments, Retail Securities Services, Wholesale Securities Services, and Matured Unredeemed Debt) 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 five 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 treatment of data from a transactional resource to a strategic asset for decision-making and insights, both internally and externally. This strategy is aligned to CAP Goal 2, Data, Accountability, and Transparency. In FY 2019, the Data Transparency team successfully launched a new digital guide to citizens called *Your Guide to America’s Finances*. The effort made Federal financial data more accessible to the American Public by translating complicated aspects of Federal finance into a simple, straightforward, and engaging tool. The data strategy advances the adoption of Federal financial data standards within the established inter-agency governance structure, promotes the use of consistent data for decision-making, and builds upon and leverages successes and lessons learned from the DATA Act implementation process. The data strategy also promotes interoperability among data sources, helps to reduce duplication, build common and shared solutions, and improve data quality. As a

result, the data strategy creates an increased focus on financial data analytics to make data more useful and identify best practices to putting data to work.

- *General Fund Audit:* Fiscal Service will pursue a clean audit opinion on the Financial Report of the U.S. Government (FR) by fully implementing a 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 2019, Fiscal Service identified items that are impairing the General Fund's auditability through the completion of the first ever audit of the General Fund of the U.S. Government, conducted by the Government Accountability Office (GAO).
- *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 shift from the current paper-based approach to electronic agreement between agencies within the Federal Government for services performed on their behalf. In FY 2019, G-Invoicing updates were implemented to enable electronic initiation of interagency agreements government-wide. Fiscal Service will continue to work with the agency financial and acquisition communities to be sure that G-Invoicing meets the business needs, regulatory, and policy framework of both communities.
- *Modernize and streamline Federal reporting and audit model:* This priority will modernize the Financial Report (FR) preparation process to improve data quality and reduce agency burden. Through collaboration with the Government Accountability Office (GAO), Office of Management and Budget (OMB), Treasury, and Federal program agencies, Fiscal Service will pursue a more useful FR and look for opportunities to streamline and modernize the underlying reporting and audit processes that have been in place for several years. This initiative has eliminated 40 closing package audits and will include collaboration with the Chief Financial Officer (CFO) community to identify further improvement initiatives.

#### **Payments:**

- *Analytics Expansion:* The DNP Business Center and the Payment Integrity Center of Excellence (PICOE) play a significant role in helping agencies address the government-wide problem of improper payments that result in monetary loss estimated at \$74.6 billion in FY 2019 and directly supports CAP Goal 9, Getting Payments Right. With analytics services, product offerings, and data sources to agency customers, DNP and the PICOE can help agencies detect and prevent a broader range and increased amount of improper payments. In FY 2019, DNP expanded services to offer agencies data analytics to assist them in their effort to more effectively identify and prevent improper payments. There was a record-breaking \$9.7 billion in delinquent debt collections in FY2019, representing a 28 percent increase over the \$7.6 billion collected in FY2018. These collections turned an anticipated revenue/cost deficit into a surplus and were due in large part to improved, regular referral of delinquent Education debts which will impact future forecasts positively for several years. The total collections in FY 2019 may be slightly higher than the next few years as the initial, large, high dollar backlog is slowly paid off (\$9.3 billion from Treasury Offset Program and \$0.4 billion from Cross-Servicing Program).

In FY 2020, Fiscal Service will continue to provide business insight and solutions that assist government agencies in identifying, preventing, and recovering improper payments through PICOE. PICOE will work to test new partnerships to assist with recovery, prevention, and prosecution efforts; and work with Federal agencies and other partners to make payments right the first time, thereby improving the public trust and the integrity of government-wide financial transactions. For FY 2021, Fiscal Service requests several legislative changes that will strengthen our ability to help agencies detect and prevent monetary loss associated with improper payments.

Fiscal Service ensures payment integrity by managing payment transactions that are misdirected or otherwise require intervention. In FY 2019, these transactions represented approximately \$15.9 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, and potential mail fraud.

#### **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 continue work on the multi-year effort to modernize the auction application software in FY 2021 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:* Fiscal Service envisions a future of improved efficiency, enhanced customer experience, and greater data transparency. Innovation is a central component in the bureau’s strategy for achieving the vision. Financial technology (FinTech) is transforming how financial services are delivered. The Office of Financial Innovation and Transformation (FIT) was created to accelerate the adoption of FinTech to the financial management processes of the Federal Government. FIT continues to make progress in fostering innovations that improve the efficiency, quality of service and accuracy of Federal financial management, and promoting their adoption among Federal agencies.
- *Robotics:* FIT has identified robotic process automation (RPA) as an effective technology for improving the efficiency of financial operations. Throughout FY 2019, FIT championed this technology, encouraging several agencies to launch RPA efforts. FIT created an innovation program that launched RPA pilot tests at the National Science Foundation and the Department of the Interior. Within the bureau, FIT worked with Fiscal Accounting to standup a robotic processing center of excellence that has deployed 30 ‘bots’ into production and, now, assists other bureau offices in developing ‘bots’ to improve internal efficiency. In

FY 2020, FIT is building on its robotics work to include the application of artificial intelligence and the development of ‘chat bots’ that automate the customer-facing interactions performed at the bureau’s many call centers.

- *Data Analytics:* In FY 2019, FIT worked with the CFO Council to develop Program Integrity: The Antifraud Playbook for use by the entire financial management community, including Federal, state, and local agencies. The playbook provides practical guidance, leading practices, and helpful resources for agencies to establish and apply more advanced data analytic techniques to reduce the amount of money lost through improper payments. In FY 2020, to promote inter-agency sharing of best practices, FIT will complete an inventory of fraud analytics techniques used by Federal agencies.
- *Distributed Ledger Technology:* In FY 2019, FIT launched a proof of concept test of Distributed Ledger Technology to improve the controls and reporting of letter of credit payments made to Federal grantees. Partnering with the National Science Foundation, the project is the first application of this technology to a payments process. In FY 2020, FIT and National Science Foundation will analyze the results of the proof of concept test to determine the extent to which the new technology improves payment integrity and accuracy, reduces reporting burden, and improves the payments to grantees.
- *Streamlining financial management guidance to Federal agencies:* In FY 2019, FIT launched multiple interlocking initiatives transforming how Fiscal Service provides guidance to the hundreds of Federal agencies that use the bureau’s financial management services. The purpose of this effort is to reduce unnecessary effort because of unclear guidance, promote standard practices and encourage the adoption of centrally provided services. The centerpiece of this effort is Financial Management Standards Committee (FMSC) of Deputy CFOs from the 24 CFO Act agencies. In FY 2019, the FMSC was instrumental in developing the standards for the G-Invoicing solution to reduce intragovernmental differences. In FY 2020, FIT will engage agencies in re-engineering guidance that the bureau provides agencies through the Treasury Financial Manual.

## **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 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 2019 Federal Employee Viewpoint Survey results improved (58 questions) or remained steady (10 questions) in 68 of the 71 core questions. Fiscal Service also saw progress over 2018 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 FY 2019, Fiscal Service implemented a new hiring process that integrates budget and human capital processes to identify and prioritize the most critical hiring needs within our funding levels and improved our understanding of workforce gaps and their related operational and strategic risks and impacts. In FY 2020, a bureau-wide Workforce plan will be finalized by the Chief Human Capital Officer, providing a roadmap for building a workforce to allow for mission accomplishment, achievement of the bureau's priorities and initiatives, and ensuring 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:**

- *Modernize IT Infrastructure and Technology Service Delivery:* Fiscal Service will continue its progress in modernizing the bureau's IT infrastructure and technology service delivery (to include cloud adoption). This will be accomplished by implementing enterprise-scale foundational technology services and enhancing IT portfolio management practices as well as cybersecurity posture across the enterprise.

FY 2020 objectives include establishing an IT Modernization Program Management Office, as well as implementing an enterprise hosting strategy. FY 2021 objectives include increasing the ability to accommodate changes in volume and demand, improving customer experience, adding new business capabilities, and promoting faster time to market for IT customers. These resource utilization strategies and implementation approaches were designed to achieve operational excellence, support the transformation of government-wide financial stewardship, accomplish PMA IT Modernization goals, and align with the vision set forth in the Future of Federal Financial Management.

- *Implement Enterprise-scale Foundational Technology Services:* Implementing enterprise-scale foundational technology services which incorporate incident response, logging/event aggregation, identity and access management, network access, and the public key infrastructure will secure environments across multiple hosting platforms. Fiscal Service plans to utilize services and capabilities that are standardized, portable, reusable, scalable, and resilient through the implementation of agile practices and the increase of automation, including the capability for automated deployment. Automated deployment is the capability of deploying applications, infrastructure changes, patches, and databases with tools and scripts, allowing simple, common tasks to be cloned and shared across multiple applications,

with little to no additional development or human interaction. This strategy includes use of the cloud and other secure hosted solutions.

- *Enhance the Bureau's Cybersecurity Posture:* Optimized cybersecurity operations with coordinated and embedded security across a distributed and shared infrastructure ensures the resiliency to identify, protect, detect, respond, and recover. This includes identifying our critical information and systems, identifying a reconstitution priority order of those systems, identifying an appropriate risk appetite, and establishing thorough business continuity and disaster recovery plans. If cyber-attacks materialize, our goal is to contain the incident while still accomplishing the organization's mission and protecting the data for which our organization has been entrusted.

**5.3 – Customer Value and Experience:** Enhance the experience of interacting with Treasury by providing high quality products and services and by delivering excellent customer service.

**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 new technologies such as RPA and intelligent character recognition. All lockboxes process paper payments (mailed in checks) on behalf of government agencies. The process is labor intensive in terms of sorting mail, opening mail, and keying in the data. We rely on high-speed machinery to assist with most of these tasks. The lockboxes employ thousands of temporary staff during peak seasons to assist with processing the mail. Currently, the Tax Lockboxes process paper tax payments and associated information on behalf of the Internal Revenue Service (IRS). The network is comprised of three financial agents, which process paper tax payments at five locations across the country. The FY 2019 volume for the Tax Lockbox totaled 49,672,962. The Passport Lockboxes processes paper Passport payments and associated information on behalf of the Department of State. The network is comprised of one financial agent which processes paper Passport applications and payments at three locations across the country. The FY 2019 volume for the Passport Lockbox totaled 16,435,607. In FY 2019, Fiscal Service completed the transition of General Lockbox Network (GLN) cash flows, consolidating the GLN from four sites to two, and from three Financial Agents (FAs) to one. The FY 2019 volume for GLN totaled 28,765,365. In FY 2020, Fiscal Service will pilot the U.S. Citizenship and Immigration Services document handling solution and expand RPA in the Passport Lockbox Network. At the same time, Fiscal Service will implement steps to transition Tax Lockbox Network cash flows from five sites to three, and from three FAs to two (for completion in FY 2021).
- *Centralize Federal Disbursing:* Through this initiative, Fiscal Service will further consolidate the disbursement of Federal payments. The Federal Government disburses over 1.4 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, which includes the Department of Defense as our largest non-disbursing Agency. Further consolidating disbursement at Fiscal Service will eliminate

redundancies, streamline end-to-end payment processing, and lower government-wide costs. Fiscal Service’s goal is for 95 percent of Federal payments to be Treasury-disbursed by the end of FY 2021.

## B – Budget and Performance by Budget Activity

### 2.1.1 – Accounting and Reporting Resources and Measures

Dollars in Thousands

Resource Level	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Appropriated Resources	\$104,600	\$113,413	\$108,312	\$95,822	\$95,175	\$98,937	\$102,877
Reimbursable Resources	\$10,256	\$24,155	\$23,800	\$18,923	\$20,114	\$21,214	\$21,547
<b>Budget Activity Total</b>	<b>\$114,856</b>	<b>\$137,568</b>	<b>\$132,112</b>	<b>\$114,745</b>	<b>\$115,289</b>	<b>\$120,151</b>	<b>\$124,424</b>
<b>Full-time Equivalents (FTE)</b>	<b>374</b>	<b>425</b>	<b>381</b>	<b>400</b>	<b>373</b>	<b>386</b>	<b>400</b>

Performance Measure	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2019 Target	FY 2020 Target	FY 2021 Target
Percentage of Government-wide Accounting Reports Issued Timely (%)	99.5	100.0	100.0	100.0	99.6	98.0	99.5	99.5

Note: The FY 2015 - FY 2019 appropriated resources represents the approved operating plan. The FY 2015 - FY 2019 columns represent realized resources for full-time equivalents and reimbursables.

### Accounting and Reporting Budget and Performance

*(\$102,877,000 from direct appropriations, \$21,547,000 from reimbursable sources):*

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.

For the FY 2018 Financial Report, Fiscal Service remediated two audit recommendations. As part of the Central Accounting program, Fiscal Service:

- Produced timely and accurate financial information by operating and overseeing the government’s Central Accounting Reporting System and managing \$127.4 billion in daily Federal cash flows
- Generated and disseminated timely (99.6 percent) reports and information required by law on the financial condition and budget results of the U.S. government, 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
- Issued 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 23 years

- Managed nearly \$53.81 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
- Issued, redeemed, and serviced Government Account Series (GAS) securities totaling nearly \$6.1 trillion that are held in more than 172 accounts that have specific statutory authority to invest in these special, non-marketable Treasury securities
- Administered over 10,500 loans totaling \$1.6 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. Government-wide financial data standards are integral to increasing the availability, accuracy, and usefulness of Federal spending information. Fiscal Service will continue to work with Federal agencies and external stakeholders to enhance the capabilities and user experience of USAspending.gov.

The President’s Management Agenda, Cross-Agency Priority (CAP) Goal 5, Sharing Quality Services, strives to achieve operational and performance cost savings across administrative services. In FY 2019, OMB pre-designated Treasury as the FM QSMO for core financial management. Fiscal Service is leveraging existing Treasury authorities and in-house expertise to create and implement a readiness assessment process for agencies and legacy financial management shared service providers. As guiding principles, Fiscal Service will operate with a focus on customer experience, promote the strategic value of data and deliver progress using agile processes. As part of the FY 2021 request, Fiscal Service is requesting an increase of \$5 million to support this program.

*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 2019, Fiscal Service timely issued government-wide accounting reports 99.6 percent of the time. Fiscal Service expects to meet its FY 2020 and FY 2021 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 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Appropriated Resources	\$34,982	\$37,394	\$36,197	\$38,704	\$42,166	\$37,948	\$41,077
Reimbursable Resources	\$3,898	\$8,265	\$7,028	\$8,042	\$7,804	\$8,129	\$8,248
<b>Budget Activity Total</b>	<b>\$38,880</b>	<b>\$45,659</b>	<b>\$43,225</b>	<b>\$46,746</b>	<b>\$49,970</b>	<b>\$46,077</b>	<b>\$49,325</b>
<b>Full-time Equivalents (FTE)</b>	<b>144</b>	<b>152</b>	<b>159</b>	<b>160</b>	<b>156</b>	<b>161</b>	<b>161</b>

Performance Measure	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2019 Target	FY 2020 Target	FY 2021 Target
Percentage of Total Federal Government Receipts Settled Electronically (%)	98.0	98.2	98.3	98.0	98.4	98.0	98.0	98.0

Note: The FY 2015 - FY 2019 appropriated resources represents the approved operating plan. The FY 2015 - FY 2019 columns represent realized resources for full-time equivalents and reimbursables.

### Collections Budget and Performance

*(\$41,077,000 from direct appropriations, \$8,248,000 from reimbursable sources):*

The Collections budget activity supports the NFCI and Treasury Strategic Goal 4 (Transform Government-wide Financial Stewardship) by administering the world's largest government funds collections system through a network of Fiscal and Financial Agents. Fiscal Service's collections network supports significant numbers of transactions and dollar collected, demonstrating the criticality of our program to the economy, the operations of government, and the daily lives of citizens and businesses. In FY 2019, the bureau collected over \$4.26 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 \$3.03 trillion in tax payments, over 188.3 million transactions, were processed through the Electronic Federal Tax Payment System (EFTPS) and approximately 218 million transactions worth \$206.2 billion were processed through Pay.gov.

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 variety of alternatives, specifically, online bill payment, digital wallets, and mobile applications, all of which offer convenience, simplicity, and an enhanced customer experience. In FY 2019, Online Bill Payment, digital wallet, and mobile app transaction activity increased by 43 percent, respectively, representing steady growth in eCommerce collections.

#### *Description of Performance:*

In FY 2019, Fiscal Service exceeded its target (98 percent) by electronically settling 98.4 percent of all Federal Government receipts on the strength of the current architecture, process flows, and settlement mechanisms. Fiscal Service expects to electronically settle 98 percent of revenue collected in FY 2020 by continuing to promote the use of electronic systems in the collections process and assisting agencies in converting collections from paper to electronic media with programs such as:

- Card Acquiring Service (CAS): CAS is a program that provides merchant services for credit card and debit card acceptance for Federal agencies. The CAS program accepts cards from all the major network brands for card transactions at agency point of sale locations or via the internet. It processes at approximately 10,000 locations over 19,200 point-of-sale endpoints. Agencies benefit through the use of CAS by: 1) Offering added convenience to its customers by accepting most cards, 2) Reducing cash and checks, and 3) Providing additional reporting and customer service support.
- 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 at the Point of Sale or as soon as practical upon receipt, to accelerate check clearance and settlement. 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, and transport them to a financial institution.
- eCommerce Collections: Through the bureau's mobile app products, Online Bill Payment, and digital wallet alternatives, steady increases in transaction volume and dollars collected are being realized and the customer experience enhanced as adoption increases across government. In FY 2020 and FY 2021, Fiscal Service plans to increase the adoption of eCommerce digital collection options across Federal agencies by 4 percent.

## 2.1.3 – Payments Resources and Measures

Dollars in Thousands

Resource Level	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Appropriated Resources	\$120,769	\$127,943	\$126,685	\$121,462	\$117,581	\$123,015	\$121,519
Reimbursable Resources	\$81,953	\$111,088	\$111,464	\$117,264	\$113,313	\$120,273	\$123,880
<b>Budget Activity Total</b>	<b>\$202,722</b>	<b>\$239,031</b>	<b>\$238,149</b>	<b>\$238,726</b>	<b>\$230,894</b>	<b>\$243,288</b>	<b>\$245,399</b>
<b>Full-time Equivalents (FTE)</b>	<b>521</b>	<b>562</b>	<b>597</b>	<b>508</b>	<b>477</b>	<b>493</b>	<b>497</b>

Performance Measure	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2019 Target	FY 2020 Target	FY 2021 Target
Percentage of Treasury Payments Made Electronically (%)	94.7	94.9	95.1	95.4	95.6	95.6	95.8	96.1
Count of Improper Payments Identified or Stopped (# in Thousands)	N/A	33.7	21.4	20.3	22.4	19.5	20.5	21.5
Dollar Amount of Improper Payments Identified or Stopped (\$ Millions)	N/A	59.0	36.6	35.5	41.1	33.6	35.3	37.0

Note: The FY 2015 - FY 2019 appropriated resources represents the approved operating plan. The FY 2015 - FY 2019 columns represent realized resources for full-time equivalents and reimbursables.

### Payments Budget and Performance

(\$121,519,000 from direct appropriations, \$123,880,000 from reimbursable sources):

The Payments budget activity supports the NFCI and Treasury Strategic Goal 4 (Transform Government-wide Financial Stewardship) by disbursing 87 percent of the Federal Government’s payments, equating to over 1.2 billion payments worth \$3.7 trillion in FY 2019. Fiscal Service is the primary disbursing agency for 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. Since 2012, Fiscal Service has increased the percentage of payments disbursed electronically from 88.0 percent to 95.6 percent, with the remainder disbursed by check. The check volume decreased from 129 million to 54 million, a difference of 75 million. Through our efforts, we estimate Federal cost avoidance of \$53 million.

In FY 2021, Fiscal Service will lead Treasury’s Agency Priority Goal (APG) to *Improve the Public’s Experience: Increasing Electronic Payments and Reducing Paper Checks*. The goal is to create a modern, seamless, and cost-effective Federal payment experience for the public by reducing the number of paper checks printed and increasing the electronic payment rate.

Fiscal Service disburses payments for programs such as Veterans’ Compensation and Pension, Social Security Benefits, Federal and Railroad Pensions, IRS tax refunds, and Supplemental Security Income (SSI). Fiscal Service 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. Fiscal Service continues to focus on promoting the use of electronics in the payment process and to assist agencies in

converting payments from per paper checks to electronic funds transfer (EFT) and strives towards all-electronic disbursements to streamline processes, reduce cost of operations, and deliver payments and related services expeditiously to the American public.

In FY 2019, Fiscal Service disbursed 98.5 percent of benefit payments electronically, supported by Direct Express®, a prepaid card program providing 5.7 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 2021, Fiscal Service will continue to invest in the Post Payment Services Investment, which through the Post Payment Modernization Initiative (PPMI) will consolidate several post payment systems into a single, centralized system that will unify disparate business processes and eliminate data redundancy across systems. PPMI will provide Federal program agencies 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. PICOE will continue its efforts to provide actionable business insights and solutions that transform how Federal agencies approach identifying, preventing, stopping, and recovering improper payments and related fraudulent activity. Since 2015, Fiscal Service provided support 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 306 arrests, 208 convictions, and \$66.6 million recovered through fines, restitution, and seizures.

In FY 2019, DNP provided analytic and business process solutions to strengthen internal controls and to identify and prevent improper payments at both the Federal agency and state level. As part of that effort, it assisted Federal agencies in identifying or stopping 22,415 payments valued at over \$41.1 million. 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 PICOE, DNP will continue to provide Federal agencies and states administering federally funded programs enhanced analytics expertise and services focused on payment integrity and fraud prevention. In partnership with the Federal agencies, a variety of data analyses and visualizations can be conducted to help combat improper payments.

In FY 2019, Federal agencies received and processed 524,904 vendor invoices valued at \$47 billion through Treasury's electronic invoicing solution, the Invoice Processing Platform (IPP).

At the end of FY 2019, organizations in 16 CFO Act Agencies were using the IPP with 98.4 percent of Department of Treasury invoices processed electronically.

Description of Performance:

Fiscal Service continues to increase the electronic payment rate each year. In FY 2019, the electronic payment rate rose to 95.6 percent, with the number of electronic payments increasing by 21 million, and paper check volume decreasing by 1.9 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 37,000 over the FY 2018 volume of 487,898.

For FY 2020 and FY 2021 and in support of the Agency Priority Goal, Fiscal Service established targets to increase the electronic payments percentage to 95.8 percent, and 96.1 percent respectively. To achieve our targets, Fiscal Service plans to promote and increase EFT payments with emphasis on tax refunds, vendor payments, and benefit payments; and exploring, developing, and deploying innovative, customer-driven electronic payment solutions.

**2.1.4 – Retail Securities Services Resources and Measures**

Dollars in Thousands

Resource Level	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Appropriated Resources	\$76,711	\$71,252	\$62,559	\$57,356	\$59,381	\$58,403	\$61,231
Reimbursable Resources	\$6,006	\$16,026	\$12,642	\$12,100	\$13,306	\$13,383	\$14,544
Matured Unredeemed Debt /1	0	0	0	0	0	\$25,000	\$10,000
<b>Budget Activity Total</b>	<b>\$82,717</b>	<b>\$87,278</b>	<b>\$75,201</b>	<b>\$69,456</b>	<b>\$72,687</b>	<b>\$96,786</b>	<b>\$85,775</b>
<b>Full-time Equivalents (FTE)</b>	<b>442</b>	<b>436</b>	<b>472</b>	<b>434</b>	<b>388</b>	<b>410</b>	<b>417</b>

Performance Measure	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2019 Target	FY 2020 Target	FY 2021 Target
Percentage of Retail Customer Service Transactions That Are Unassisted (%)	N/A	N/A	N/A	N/A	69	B	70	71

Key: B - Baseline

Note: /1 FY 2020 Enacted includes \$25 million, available until expended, appropriated by P.L. 116-93, Consolidated Appropriations Act, 2020.

The FY 2015 - FY 2019 appropriated resources represents the approved operating plan. The FY 2015 - FY 2019 columns represent realized resources for full-time equivalents and reimbursables.

**Retail Securities Services Budget and Performance**

*(\$61,231,000 from direct appropriations, excluding direct MUD appropriation, \$14,544,000 from reimbursable sources):*

Retail Securities Services (RSS) provides simple, safe, and affordable ways for investors 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 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 2019, Fiscal Service electronically issued \$104.7 billion in marketable securities (this includes sales and reinvestments) and \$392.5 million in savings bonds; redeemed 22 million paper savings bonds totaling \$10.3 billion and \$821 million in electronic savings

bonds; added 109,351 new accounts to TreasuryDirect; and made 3 million retail payments worth \$34.3 billion.

RSS continues to modernize systems to allow individual investors to purchase, reinvest, and manage their investments. Over the next few years, RSS will continue to improve the customer experience by increasing customer self-sufficiency and encouraging more investors to save for their future while achieving our financing mission cost effectively.

*Description of Performance:*

To measure our success with improving customer self-sufficiency, in FY 2019 RSS began monitoring *Percentage of Retail Securities Transactions that are Unassisted*. For FY 2020 and FY 2021, Fiscal Service established targets of 70 percent and 71 percent respectively. This performance measure aligns with Fiscal Service goals and objectives to improve customer value by increasing the quality and self-sufficiency. Fiscal Service will meet the FY 2020 and FY 2021 targets through its modernization efforts.

**Matured Unredeemed Debt (MUD)**

*(\$10,000,000 from direct appropriations):*

In FY 2020, Fiscal Service is committed to a plan to encourage American citizens to redeem matured savings bonds, which as of FY 2019, reached a balance of \$25.7 billion. Treasury encourages owners of MUD to redeem their securities. In the first quarter of FY 2020, Fiscal Service launched a Hunt Matured Savings Bond Search Tool, TreasuryHunt.gov, to help bond holders more easily search for information about the status of savings bonds that have matured. The MUD balance will continue to evolve as securities mature. In the mid-1980s, the dollar value of savings bonds issued started to rise significantly. The maturing of these securities 30 years later is influencing the increase in the MUD balance today. The greater aggregate value of securities reaching maturity will continue for several years due to historical issuance trends. Having a suitable solution capable of digitizing and indexing savings bonds that have matured can streamline the redemption process.

Fiscal Service has also already begun work to better understand the viability of current technology solutions that might address these challenges through discussions with dozens of private industry organizations in the first quarter of FY 2020. In FY 2021, Fiscal Service plans to continue to advance the redemption of MUD and is requesting an increase of \$10 million to support this program. Digitization of records and taking the necessary steps to collect and disseminate data will be a multi-year effort. The Retail Securities Services program is focused on improving the condition and availability of savings bond records and will measure success through making 85 percent of the MUD records accessible. The ability to improve savings bond records over time will enable collaboration with stakeholders in locating MUD bondholders.

## 2.1.5 – Wholesale Securities Services Resources and Measures

Dollars in Thousands

Resource Level	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Appropriated Resources	\$10,676	\$13,848	\$19,304	\$24,936	\$23,977	\$21,977	\$23,496
Reimbursable Resources	\$927	\$3,115	\$4,214	\$4,613	\$4,599	\$4,681	\$4,797
<b>Budget Activity Total</b>	<b>\$11,603</b>	<b>\$16,963</b>	<b>\$23,518</b>	<b>\$29,549</b>	<b>\$28,576</b>	<b>\$26,658</b>	<b>\$28,293</b>
<b>Full-time Equivalents (FTE)</b>	<b>109</b>	<b>78</b>	<b>117</b>	<b>116</b>	<b>112</b>	<b>116</b>	<b>116</b>

Performance Measure	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2019 Target	FY 2020 Target	FY 2021 Target
Percentage of Auction Results Released Accurately (%)	99.6	100	98.9	98.9	98.8	100	100	100
Percent of Auctions Successfully Completed by the Scheduled Close Date (%)	N/A	N/A	N/A	N/A	100	B	100	100

Key: B - Baseline

Note: The FY 2015 - FY 2019 appropriated resources represents the approved operating plan. The FY 2015 - FY 2019 columns represent realized resources for full-time equivalents and reimbursables.

### Wholesale Securities Services Budget and Performance

*(\$23,496,000 from direct appropriations, \$4,797,000 from reimbursable sources):*

The Wholesale Securities Services (WSS) budget activity supports the NFCI by managing a critical Treasury HVA that finances daily government operations by offering Treasury securities through reliable, accurate, and secure electronic systems. Fiscal Service oversees the announcement, auction, and issuance of marketable Treasury bills, notes, bonds, floating rate notes, and inflation-protected securities.

The WSS activity supports Treasury's Strategic Goal 4 - Transform Government-wide Financial Stewardship, specifically Strategic Objective 4.2 to fund the Federal Government at the least cost over time. It supports Fiscal Service's Strategic Goal 1 - Operational Excellence, specifically Strategic Objectives 1.1 to advance system and service resilience and 1.3 to design and implement modern, lean, and efficient enterprise, business, and technology architectures.

#### Description of Performance:

Fiscal Service conducted 325 auctions and awarded \$11.7 trillion in Treasury marketable securities to institutions and individual investors in FY 2019. This was an increase of 55 auctions over FY 2018, due mainly to the issuance of the new 8-week bill.

In FY 2019, Fiscal Service held 100 percent of auctions by the scheduled close date. In addition, auction results were released accurately 98.8 percent of the time, which was slightly below the target of 100 percent due to technical issues that have been resolved. The target will be 100 percent in FY 2020 and FY 2021.

## 2.1.6 – Debt Collection Resources and Measures

Dollars in Thousands

Resource Level	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	Actual	Actual	Actual	Actual	Actual	Enacted	Request
Reimbursable Resources	\$174,634	\$187,152	\$176,928	\$192,819	\$225,635	\$232,320	\$228,984
<b>Budget Activity Total</b>	<b>\$174,634</b>	<b>\$187,152</b>	<b>\$176,928</b>	<b>\$192,819</b>	<b>\$225,635</b>	<b>\$232,320</b>	<b>\$228,984</b>
<b>Full-time Equivalents (FTE)</b>	<b>406</b>	<b>390</b>	<b>417</b>	<b>389</b>	<b>366</b>	<b>403</b>	<b>403</b>

Performance Measure	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019	FY 2020	FY 2021
	Actual	Actual	Actual	Actual	Actual	Target	Target	Target
Amount of Delinquent Debt Collected Through All Available Tools (\$ Billions)	7.28	7.41	7.61	7.44	9.65	7.67	8.88	8.81
All Delinquent Debt Collected as a Percentage of All Delinquent Debt Referred (%)	N/A	N/A	N/A	N/A	14.3	B	14.9	14.9
Percentage of the Active Delinquent Debt Portfolio Collected (%)	N/A	N/A	N/A	N/A	6.8	B	7.0	7.0

Key: B - Baseline

Note: The FY 2015 - FY 2019 appropriated resources represents the approved operating plan. The FY 2015 - FY 2019 columns represent realized resources for full-time equivalents and reimbursables.

### Debt Collection Budget and Performance

(\$228,984,000 from reimbursable sources):

The Debt Collection activity supports Treasury's Strategic Goal 4 (Transform Government-wide Financial Stewardship) and Fiscal Service Strategic Goal 1 (Operational Excellence). 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 2019, Fiscal Service collected \$9.65 billion in delinquent debt through its two debt collection programs: TOP and Cross-Servicing. In FY 2019, The Centralized Receivables Service (CRS) saw another record year in growth of receivables processed and collections. In FY 2019, agency customers created over 750,000 cases and collected approximately \$57 million. This represents a 303 percent and 30 percent growth from previous year, respectively. There are 76 participating agency programs onboard with four more programs scheduled for implementation in the first part of FY 2020. CRS is on track to meet the Future of Financial Management Vision goal of 80 participating agency programs with one million annual receivables processed by FY 2021.

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.

For FY 2021, Fiscal Service requests several legislative changes that will continue to advance debt collection effectiveness.

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 2019 marked the highest delinquent debt collections ever for Fiscal Service. This was due to a change in the referral process for the Department of Education, including a large backlog and new, more regular, referrals. While Fiscal Service anticipates collections will remain high, diminishing total collections for the next several years is expected as the Department of Education backlog of debt is collected.

Although reduced from FY 2019, FY 2020 and FY 2021 projections of \$8.88 billion, and \$8.81 billion respectively, remain higher than prior year actuals. Collection targets will be achieved through initiatives to optimize collections, including lowering our cost-to-collect, engage the debtor experience through self-service and online debt management, segment debt portfolio, and growth of the offset program with new agencies, payments, and technologies.

**C – Changes in Performance Measures**

Fiscal Service has no proposed changes to its performance measures.

**D– Evidence-Building Activity**

In FY 2019, Fiscal Service completed a number of evidence building activities, including portfolio reviews for programs across the enterprise. Key FY 2019 achievements in evidence building activities with meaningful government-wide impact include:

(1) DNP provided analytic and business process solutions to strengthen internal controls and to identify and prevent improper payments at both the Federal and state level agencies. As part of that effort, it assisted Federal agencies in identifying or stopping 22,415 payments valued at over \$41.1 million. 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; ongoing DNP and PICOE efforts to reduce fraud, waste, and abuse will continue in FY 2020.

(2) FIT championed RPA technology as an effective technology for improving the efficiency of financial operations, encouraging several agencies to launch RPA efforts. FIT created an innovation program that launched RPA pilot tests at the National Science Foundation and the Department of the Interior. Internally, FIT assisted Fiscal Service in establishing an RPA center

of excellence that has deployed over 30 ‘bots’ into production and assists bureau offices in developing ‘bots’ to improve internal efficiency. In 2020, Fiscal Service is building on its robotics work to include the application of artificial intelligence and the development of ‘chat bots’ that automate the customer-facing interactions performed at the bureau’s many call centers.

(3) Fiscal Service worked with the CFO Council to develop the Program Integrity: The Antifraud Playbook for use by the entire financial management community, including Federal, state, and local agencies. The playbook provides practical guidance, leading practices, and helpful resources for agencies to apply more advanced data analytic techniques to reduce the amount of money lost through improper payment. In 2020, to promote inter-agency sharing of best practices, Fiscal Service will complete an inventory of fraud analytics techniques used by Federal agencies.

(4) Fiscal Service launched a proof of concept test of Distributed Ledger Technology to improve the controls and reporting of letter of credit payments made to Federal grantees. Partnering with the National Science Foundation, the project is the first application of this technology to be used in a payments process. In 2020, Fiscal Service and National Science Foundation will analyze the results of the proof of concept test to determine the benefits and costs of the new technology as it is applied more broadly among payments to grantees.

## **Section III – Additional Information**

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

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

### **Effective Investment Governance**

Fiscal Service Governance focuses on overall progress in achieving the outcomes described in the bureau's Strategic Plan and the Future of Federal Financial Management vision. The governance and portfolio management functions ensure that the IT Portfolio maintains cost effectiveness and continuously delivers intended results throughout the lifecycle of investments. 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. Financial data transparency and benchmarking capabilities are being matured through the implementation of the Technology Business Management (TBM) framework. The health and performance data generated, and insights being gained inform governance decisions around investment planning, selection, resourcing, and prioritization to best support the mission and long-term plans for Fiscal Service and Treasury, optimize value, and accelerate transformation.

### **Effective Project Execution**

Fiscal Service has a disciplined and consistent approach to project management (PM) rooted in industry standard best practices and supported through a bureau-wide project management center of excellence. The Project Management Competency Center provides input and guidance on PM standards, procedures, and training as well as actionable insights and recommendations based on the latest trends in project management. In addition, a fully supported project management community of practice is in place providing practitioners with special programming, surveys, and communication focused on collaboration, unique learning opportunities, creative problem-solving, and leadership led discussions on 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 provided by the bureau's EA services is demonstrated through the documentation of Fiscal Service's current state, which is leveraged in strategic planning and in determining the necessary initiatives and transition activities to align with the future state technology roadmap. 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 Office of Enterprise Risk Management (OERM) to promote a common understanding and approach to risk management and strengthen organizational capabilities to recognize, assess, and address risks that could disrupt the successful achievement of strategic goals and objectives. In collaboration with the Executive Board/Risk Committee, OERM has developed the Fiscal Service Risk Appetite Statement to guide bureau's strategic direction. Moreover, through the development and issuance of an ERM framework, policies, guidance, and tools, the bureau incorporates risk management practices in decision-making processes such as strategic and tactical planning, workforce planning, capital investment planning, objective prioritization, and budget formulation. Fiscal Service continues to communicate the importance of effective risk management to all employees.

### **Cybersecurity**

Fiscal Service has a multi-faceted mission that promotes financial integrity and operational efficiency across the Federal Government. As such, protecting the information and technology resources that support the bureau's mission with more modern solutions that will support security, resiliency, and agility are critically important. Fiscal Service manages 60 FISMA systems with billions of PII records, including multiple High Value Assets (HVAs) that support the Financial Services Sector of the Critical Infrastructure (CI) of the Federal Government. Fiscal Service invests in strengthening the cyber defenses of HVAs against the increasing volume, sophistication, frequency, impact and brazenness of global cybersecurity threats. These investments are critical in order to maintain confidence in the financial ecosystem of the United States and avoid immeasurable reputational damage Treasury would suffer in the event of a significant data breach or cybersecurity incident. 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 compliant with the National Institute of Standards and Technology security standards and satisfies annual security audit requirements. To support these efforts in FY 2021, enhanced data encryption, and other remediation efforts identified through the bureau's on-going Cyber Clean initiative, Fiscal Service is requesting an additional \$3.2 million.

A summary of capital investments, including major information technology and non-technology investments, can be accessed at:

<https://home.treasury.gov/about/budget-financial-reporting-planning-and-performance/budget-requestannual-performance-plan-and-reports/summary-of-capital-investments>.