

Fiscal Service

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2016	FY 2017	FY 2018	FY 2017 TO FY 2018	
	Enacted	Annualized CR	Request	\$ Change	% Change
Accounting and Reporting	\$125,752	\$124,352	\$109,379	(\$14,973)	-12.04%
Collections	\$38,798	\$38,598	\$33,951	(\$4,647)	-12.04%
Payments	\$118,454	\$117,362	\$108,517	(\$8,845)	-7.54%
Retail Securities Services	\$70,038	\$69,038	\$65,712	(\$3,326)	-4.82%
Wholesale Securities Services	\$10,808	\$13,808	\$13,278	(\$530)	-3.84%
Subtotal, Fiscal Service	\$363,850	\$363,158	\$330,837	(\$32,321)	-8.90%
Reimbursable	\$349,801	\$368,000	\$377,980	\$9,980	2.71%
Total Program Operating Level	\$349,801	\$368,000	\$377,980	\$9,980	2.71%
Direct FTE	1,626	1,693	1,680	(13)	-0.77%
Reimbursable FTE	417	427	427	0	0.00%
Total FTE	2,043	2,120	2,107	(13)	-0.61%

Summary

The Bureau of Fiscal Service's (Fiscal Service) multi-faceted mission supports the National Critical Financial Infrastructure of the Federal Government. Specifically, Fiscal Service provides central payment services to Federal Program Agencies (FPAs); operates the Federal Government's collections and deposit systems; provides government-wide accounting and reporting services; conducts all Treasury debt financing operations; issues, services, and accounts for all Treasury marketable securities and non-marketable securities, including U.S. savings bonds; delivers reimbursable support services to FPAs; and manages the collection of delinquent debt. The Fiscal Service is focused on maximizing efficiencies, transparency, and accountability with the goal of transforming government-wide financial management and the delivery of shared services.

Fiscal Service FY 2018 Budget Highlights

Dollars in Thousands

Fiscal Service	FTE	Amount
FY 2017 Annualized CR	1,723	\$363,158

Changes to Base:

Maintaining Current Levels (MCLs):	-	\$6,971
Pay-Raise	-	\$3,027
Pay Annualization	-	\$1,109
Non-Pay	-	\$2,835
Non-Recurring Costs	-	(\$14,890)
DATA Act	-	(\$10,780)
Rent Savings	-	(\$4,110)
Efficiency Savings	(30)	(\$1,935)
Program Efficiencies	(30)	(\$1,935)
Subtotal Changes to Base	(30)	(9,854)
Total FY 2018 Base	1,693	\$353,304

Program Changes:

Program Decreases	(13)	(\$22,467)
Accounting and Reporting	-	(\$3,066)
Collections	-	(\$2,788)
Payments	-	(\$2,603)
Retail Securities Services	-	(\$1,600)
Support Services	-	(\$8,323)
Streamlining Staff / Other Efficiencies	(13)	(\$4,087)
Subtotal Program Changes	(13)	(22,467)
Total FY 2018 Request	1,680	\$330,837

FY 2018 Budget Adjustments

Adjustments to Request Maintaining Current Level (MCLs)

Pay-Raise +\$3,027,000 / +0 FTE

Funds are requested for the proposed January 2018 pay-raise.

Pay Annualization +\$1,109,000 / +0 FTE

Funds are requested for annualization of the January 2017 pay-raise.

Non-Pay +\$2,835,000 / +0 FTE

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

Non-recurring Costs and Efficiency Savings

DATA Act -\$10,780,000 / +0 FTE

With the implementation of the DATA Act anticipated to be well underway, it is expected that Fiscal Service will be able to decrease the funding needed to complete the balance of the government-wide legislative requirements.

Rent Savings -\$4,110,000 / +0 FTE

With the final closeout of the Emeryville, California lease, Fiscal Service is realizing the last portion of the Payment Center Closure savings.

Program Efficiencies -\$1,935,000 / -30 FTE

Anticipated savings from programmatic and FTE requirements to align with operating levels.

Program Decreases

Accounting and Reporting -\$3,066,000 / +0 FTE

Delay the remediation of non-Department of Defense material weaknesses related to the Financial Report of the U.S. Government and the implementation of critical updates to systems.

Collections -\$2,788,000 / +0 FTE

Reductions to contractor support and security assessments associated with the expansion of electronic collections and settlement activities.

Payments -\$2,603,000 / +0 FTE

System modernization efforts related to improved customer agency support and the ability to decommission costly antiquated legacy systems will be delayed.

Retail Securities Services -\$1,600,000 / +0 FTE

Lower the service level to retail securities customers by increasing inquiry response time.

Support Services -\$8,323,000 / +0 FTE

Cancel plans to elevate the physical security threshold and plans to increase security measures in several facilities, resulting in the acceptance of a moderate level of risk while still maintaining compliance with current General Services Administration (GSA) and Department of Homeland Security (DHS) Federal Protective Service (FPS) requirements. Additionally, Fiscal Service will be unable to implement planned space efficiencies designed to maximize the bureau's use of space within its D.C. facility.

Streamlining Staff and Other Efficiencies - \$4,087,000 / -13 FTE

Anticipated savings as a result of streamlining staff and realizing any associated efficiencies.

Explanation of Budget Activities

Accounting and Reporting (\$109,379,000 from direct appropriations, \$27,399,000 from reimbursable resources)

The Accounting and Reporting activity consists of three programs: Government Agency Investment Services, Government-wide Accounting and Reporting, and Summary Debt Accounting.

The Government Agency Investment Services program issues, services, and redeems Government Account Series securities for federal agencies that have legislative authority to invest, administers State and Local Government Series securities and offers a flexible investment alternative for state and local governments to refinance their outstanding tax-exempt debt, and represents Treasury's role in the federal loan program.

The Government-wide Accounting (GWA) program produces timely and accurate financial information that contributes to the improved quality of financial decisions made by operating and overseeing the government's Central Accounting Reporting System and implementing the data transparency requirements included in the DATA Act. 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. GWA publications include the Daily Treasury Statement, the Monthly Treasury Statement, the Treasury Bulletin, the Combined Statement of the United States Government, and the Financial Report of the United States Government (FR).

The Summary Debt Accounting (SDA) program reports daily on the balances and composition of the public debt, publishes the Monthly Statement of the Public Debt, and issues the annual, audited Schedules of Federal Debt (Schedules). The Schedules report on the single largest liability in Treasury's Agency Financial Report and received an unmodified opinion for each of the past 19 years.

Collections (\$33,951,000 from direct appropriations, and \$10,033,000 from reimbursable resources)

The Collections program supports the objective to improve the disbursement and collection of federal funds and reduce improper payments made by the U.S.

Government. The Fiscal Service manages the collection of federal revenues such as individual and corporate income tax deposits, customs duties, loan repayments, fines, and proceeds from leases. In addition, the Fiscal Service establishes and implements collection policies, regulations, standards, and procedures for the Federal Government.

Payments (\$108,517,000 from direct appropriations, and \$119,408,000 from reimbursable resources)

The Payments activity issues and distributes payments, develops and implements federal payment policy and procedures, promotes the use of electronics in the payment process, and assists agencies in converting payments from paper checks to Electronic Funds Transfer (EFT). This activity also includes controlling and providing financial integrity to the payments process through reconciliation, accounting, and claims activities. In addition, Fiscal Service collects monies from those parties liable for fraudulent or otherwise improper negotiation of government checks.

The Do Not Pay Business Center (DNP) provides a single centralized point of entry to access timely, reliable, and actionable data and information that can help identify, prevent, detect, and recover improper payments throughout the payment life cycle while protecting individuals' privacy. DNP provides agencies insights and analytics based on reviews of multiple payment streams. Additionally, the DNP working system is integrated into the Treasury payment stream, enabling real-time at payment matching with selected data sources.

Retail Securities Services (\$65,712,000 from direct appropriations, and \$17,515,000 from reimbursable resources)

Retail Securities Services (RSS) program offers simple, safe, and affordable Treasury investment choices that enable Americans to invest and save for their future. The RSS

program continues to examine the saving and investing needs of customers by researching new Treasury retail securities and services that will promote savings and appeal to the American public.

Wholesale Securities Services (\$13,278,000 from direct appropriations, and \$3,404,000 from reimbursable resources)

The Wholesale Securities Services program is responsible for the announcement, auction,

issuance, and settlement of marketable Treasury bills, notes, bonds and Treasury Inflation-Protected Securities. It also oversees an infrastructure that provides for the transfer, custody, and redemption of all Treasury marketable securities that are purchased mostly by commercial market participants.

Legislative Proposals

Fiscal Service has no legislative proposals.

Fiscal Service Performance Highlights

Budget Activity	Performance Measures	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2014 – FY 2016
		Actual	Actual	Actual	Target	Target	Trend
Government-wide Accounting and Reporting	Percentage of Government-Wide Accounting Reports Issued Timely	100.0	99.5	100.0	100.0	100.0	
Collections	Percentage of Total Federal Government Receipts Settled Electronically (in dollars)	98.0	98.0	98.2	98.0	98.0	
Payments	Percentage of Treasury Payments and Associated Information Made Electronically	94.4	94.68	94.9	94.9	95.2	
Retail Securities Services	Cost Per Customer Assisted Transaction (\$)	N/A	N/A	N/A	N/A	B	N/A
Retail Securities Services	Cost Per Electronic Transaction (\$)	N/A	N/A	N/A	N/A	B	N/A
Wholesale Securities Services	Percent of Auction Results Released Accurately	99.3	97.0	100.0	100.0	100.0	
Debt Collection	Amount of Delinquent Debt Collected Through All Available Tools (\$ billions)	6.91	7.28	N/A	7.32	7.54	

Key: DISC - Discontinued, B - Baseline

Description of Performance

Accounting and Reporting: The Government Agency Investment Services (GAIS) program strives to provide high-quality customer service, reliable transaction processing, and accurate and timely payment distribution. To aid in measuring performance, the organization conducted an annual customer survey with the intent to increase the percentage of customers rating GAIS as "Excellent." Fiscal Service streamlined the

customer service surveys by integrating all individual surveys into a single annual survey. A new efficiency measure to ensure timely and accurate reporting of investment and borrowing activity is now used to measure the success of the GAIS program. The FY 2017 and FY 2018 reporting targets for the new measure are 98 percent. In FY 2016, Fiscal Service established and met a target of 100 percent for the Percentage of Government-wide Accounting Reports, which include the

Daily Treasury Statement (DTS), Monthly Treasury Statement (MTS), and consolidated Financial Report, issued on time measure for FY 2016. Fiscal Service continues to achieve its targets by maintaining the established process of validating and reconciling data with reporting sources such as FPAs and various electronic deposit and payment applications. The bureau will continue modernization efforts to ensure the timeliness of these reports and anticipates it will continue to achieve the 100 percent target for FY 2017 and FY 2018. In FY 2017, SDA eliminated unnecessary and/or duplicative business processes and replaced them with a new measure, *Percentage of Summary Debt Accounting reports submitted timely*, with a target of 100 percent.

Collections: The measure, *Percentage of Total Federal Government Receipts Settled Electronically*, reflects the dollar value of collections received (settled) electronically. In FY 2016, Fiscal Service's commitment to agency outreach efforts resulted in 98.2 percent of all Federal Government receipts settled electronically, exceeding the 98 percent target. Fiscal Service will continue agency outreach and offer new products, such as mobile applications, online bill presentment, and expand the use of digital wallets to further demonstrate the cost efficiency realized through the use of electronic transactions. Fiscal Service expects to maintain an annual electronic collections rate of at least 98 percent through FY 2018.

Payments: The measure, *Percentage of Treasury Payments and Associated Information Made Electronically*, supports efforts to reform and modernize the federal financial management systems. Due to the continued success of the Go Direct® and Direct Express® programs and implementation of the All Electronic Treasury priority, Fiscal Service issued 98.1 percent of its benefits payments and 94.9 percent of its

total payments via EFT in FY 2016. Fiscal Service expects to achieve its targets in

FY 2017 and FY 2018, by continuing to expand electronic conversion efforts to additional benefits agencies and payment types such as vendor miscellaneous payments and federal tax refunds.

Retail Securities Services: Fiscal Service created new baseline performance measures in FY 2017 to support the bureau's goal to serve as a catalyst for effective government through initiative and innovation. The Cost per Electronic Transaction demonstrates the efficiency of investor self-service for all retail securities currently offered. Customers are able to conduct several transactions independently of customer service representatives, including creating online accounts to purchase and hold securities, updating account information, purchasing and redeeming securities, etc.

Wholesale Securities Services: The accurate release of auction results is critical to the success of the Wholesale Securities Services Program. An emphasis on accuracy ensures preservation of public confidence in Treasury securities and stability of the financial market. Therefore, in FY 2016, Fiscal Service released 100 percent of auction results accurately. Fiscal Service anticipates meeting its future year targets of 100 percent through ongoing business process reviews and regularly scheduled contingency planning and mock auction exercises.

Debt Collection: In FY 2016, the Fiscal Service collected \$7.41 billion in delinquent debt. The goal for FY 2017 and FY 2018 is to collect \$7.54 billion and \$7.57 billion, respectively, in delinquent debt by expanding the use of the administrative wage garnishment collection tool, enhancing the use of analytics. In FY 2019, Fiscal Service will propose legislative changes such as authorizing

Treasury to offset federal income tax refunds
to collect delinquent state tax obligations
regardless of where the debtor resides.